



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

44th PARLIAMENT, 1st SESSION

Standing Committee on Finance

EVIDENCE

NUMBER 015

Monday, January 31, 2022

Chair: Mr. Peter Fonseca



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• (1105)

[English]

The Chair (Mr. Peter Fonseca (Mississauga East—Cooksville, Lib.)): Welcome, everybody. I call this meeting to order.

Welcome to meeting number 15 of the House of Commons Standing Committee on Finance. Pursuant to the motion adopted in committee on December 16, the committee is meeting for its pre-budget consultations in advance of the 2022 budget.

Today's meeting is taking place in a hybrid format pursuant to the House order of November 25. 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. Just so that you are aware, the webcast will always show the person speaking rather than the entirety of the committee.

Today's meeting is also taking place in the webinar format. Webinars are for public committee meetings and are available only to members, their staff and witnesses. Members enter immediately as active participants. All functionalities for active participants remain the same. Staff will be non-active participants and can therefore view the meeting only in gallery view. I would like to take this opportunity to remind all participants in this meeting that screenshots or taking photos of your screen is not permitted.

Given the ongoing pandemic situation and in light of the recommendations from the health authorities, as well as the directive of the Board of Internal Economy on October 19, to remain healthy and safe all those attending the meeting in person are to maintain two-metre physical distancing, must wear a non-medical mask when circulating in the room—and it's highly recommended that the mask be worn at all times, including when seated—and must maintain proper hand hygiene by using the provided hand sanitizer at the room entrance. As the chair, I will be enforcing these measures for the duration of the meeting, and I thank members in advance for their co-operation.

To ensure an orderly meeting, I'd like to outline a few rules to follow.

Members and witnesses may speak in the official language of their choice. Interpretation services are available for this meeting. You have the choice at the bottom of your screen of either the floor, English or French. If interpretation is lost, please inform me immediately and I will ensure interpretation is properly restored before resuming the proceedings. The “raise hand” feature at the bottom of

the screen can be used at any time if you wish to speak or to alert the chair.

For members participating in person, proceed as you usually would when the whole committee is meeting in person in a committee room. Keep in mind the Board of Internal Economy's guidelines for mask use and health protocols.

Before speaking, please wait until I recognize you by name. If you are on the video conference, please click on the microphone icon to unmute yourself. For those in the room, your microphone will be controlled as normal by the proceedings and verification officer. When speaking, please speak slowly and clearly. When you're not speaking, your mike should be on mute. I will remind you that all comments by members and witnesses should be addressed through the chair. With regard to a speaking list, the committee clerk and I will do the very best we can to maintain a consolidated order of speaking for all members, whether they're participating virtually or in person.

The committee agreed that during these hearings the chair would enforce the rule that the response by a witness to a question take no longer than the time taken to ask the question. That being said, I request that members and witnesses treat each other with respect and decorum. If you think the witness has gone beyond the time, it is the member's prerogative to interrupt or to ask the next question. To be mindful of other members' time allocations during the meeting, I also request that members not go much over their allotted question time. Though we will not interrupt during a member's allotted time, I'd like to keep you informed that our clerk has two clocks to time our members and witnesses.

I'd like now to welcome our witnesses.

From the Canadian Mental Health Association, we have Margaret Eaton, national chief executive officer; from the Fédération des chambres de commerce du Québec, Charles Milliard, president and chief executive officer, and Mathieu Lavigne, director of public and economic affairs; and from the Green Budget Coalition, Andrew Van Iterson, who is the manager there. We also have with us the director of conservation for the Canadian Wildlife Federation, David Browne; Doug Chiasson, senior specialist, marine ecosystems and government engagement, World Wildlife Fund-Canada; and Vanessa Corkal, policy adviser for the International Institute for Sustainable Development.

Welcome.

We also have with us, from the Office of the Parliamentary Budget Officer, Yves Giroux, Parliamentary Budget Officer; and, from Tahinis Restaurants, Aly Hamam, co-founder.

Members, if you were with us earlier, you may have heard from the clerk that, unfortunately, due to an emergency, Mariam Abou-Dib, director of government affairs for Teamsters Canada, is unable to join us today.

We're now going to hear opening statements from witnesses. Each of the witnesses—one per group—will have up to five minutes to make their opening remarks before we move to members' questions.

We'll start with the Canadian Mental Health Association.

Ms. Margaret Eaton (National Chief Executive Officer, Canadian Mental Health Association): Thank you so much, Mr. Chair.

Hello. My name is Margaret Eaton. I'm the national CEO of the Canadian Mental Health Association, or CMHA.

CMHA is the most established and most extensive community mental health organization in Canada. We were founded back in 1918 during the Spanish flu pandemic, and we have 330 community locations, across every province and the Yukon. We reach over 1.3 million people each year and employ more than 7,000 Canadians.

CMHAs are independently governed charities that deliver mental health supports free of cost to anyone who needs them, from counselling and psychotherapy, substance use treatment and youth programs to housing and employment services. CMHAs keep people out of hospitals by promoting mental health and help to prevent mental illness.

As we know, our country is suffering from epidemic levels of poor mental health and mental illness. Each week 500,000 people miss work due to a mental health problem. Today in Canada, 11 people will die by suicide. By age 40, one in two Canadians will have or have had a mental illness—that's half the people in this committee room—yet only one out of every 15 health care dollars goes to mental health. For those who can afford it, this forces people in Canada to spend more than \$1 billion per year on counselling and other mental health services, and it costs our economy tens of billions of dollars per year in lost productivity.

We all know that the pandemic has had a devastating impact on the mental health of Canadians, with 41% reporting a decline in mental health since the pandemic began. It has also hit the community mental health sector hard. The phones have been ringing off the hook for the last two years with more Canadians needing our help. Our branches rapidly overhauled how they deliver their services to keep vital programs alive and accessible, providing cell phones and laptops to clients to ensure they could maintain their connection.

When people with severe mental illnesses lost their housing, CMHA branches provided emergency shelter, some even purchasing tents when there were no other options. We're so proud that we were able to continue delivering. For example, across our 29

branches in Ontario, CMHA maintained 96% of its service delivery throughout the pandemic.

Our branches have strained to meet the rising demand for mental health supports, but the needs continue to rise. While significant investments have been made in community mental health since the pandemic began, they are not nearly enough. Our country has chosen band-aid solutions to what is fundamentally a broken, woefully underfunded mental health system.

Now, let me tell you about the possible. Making meaningful progress in mental health requires federal leadership. We believe Canada needs a pandemic recovery plan that invests directly in community mental health, not only to treat Canadians with mental illnesses where they live but also to prevent mental health crises in the first place.

In addition to this recovery plan, at CMHA we believe budget 2022 must address three critical areas. The first is urgent investment in community mental health. We're calling for a direct investment of \$57 million for core CMHA programs and services. This would, for example, allow us to reach 10,000 more frontline workers at risk of anxiety, depression and suicide, and support the mental health of an additional 10,000 people through our well-being learning centres.

The second is the housing crisis, which disproportionately affects people with mental illness. We're calling for a direct investment in 50,000 supportive housing units and 300,000 deeply affordable non-market, co-op and non-profit housing to make sure people with mental illness and substance use problems have safe places to live as they recover.

Third, we recommend a substantial increase in funding for indigenous-led mental health initiatives, including doubling the budget of the aboriginal health human resources initiative. Resources and decision-making must be in the hands of indigenous-led mental health organizations, and we stand ready to support their leadership.

From a budget perspective, these recommendations make good financial sense. Mental health supports that keep people connected to their communities save taxpayer dollars and reduce the burden on the already heavily strained health care system.

• (1110)

We have a critical window of opportunity to fix Canada's mental health system. Let's not miss it.

Thank you very much.

The Chair: Thank you, Ms. Eaton.

Now we're going to hear from the Fédération des chambres de commerce du Québec for five minutes.

[*Translation*]

Mr. Charles Milliard (President and Chief Executive Officer, Fédération des chambres de commerce du Québec): Good morning, everyone.

My name is Charles Milliard, and I am the president and chief executive officer of the Fédération des chambres de commerce du Québec, or FCCQ. I am joined by my colleague Mathieu Lavigne, director of public and economic affairs.

The federation—which I believe you are familiar with—represents nearly 130 chambers of commerce across Quebec and also has 1,300 member companies. So we represent almost 50,000 businesses across Quebec.

Thank you for the opportunity this morning to share our expectations and recommendations as part of the federal government's 2022-23 budget preparation.

In addition to the tax measures that fall under the Department of Finance, our recommendations also concern a great many areas and portfolios related to prosperous, green and inclusive economic development, which is our priority at the federation.

Given the limited amount of time we have this morning, I will talk about three main issues—out of the measures put forward—we are focusing on: the labour shortage challenge, public finances and, of course, regional and life sciences development.

As you know, the labour shortage is the biggest challenge Quebec and Canadian businesses are facing right now. It is manifesting across all businesses and sectors, and it is continuing to worsen and to impede our collective growth. The federation feels that the 2022-23 budget is a golden opportunity for the Government of Canada to focus on that priority, and we refer to it in several respects in our brief. I have a few worthwhile recommendations for you.

First, we are advocating to modernize the employment insurance program to refocus it on its primary mission, to be insurance providing income support that encourages claimants to seek new employment and thereby enhance their skills.

Second is the adoption of measures, including tax measures, that would foster the retention of experienced workers who want to remain employed. I remind you that those incentives, as minor as they may be, may lead to people wanting to remain in the workforce for one, two or three additional days a week. That would ultimately be instrumental for many Quebec and Canadian business owners.

Third is the sustainability of the agreement between Ottawa and Quebec on the relief measures for the temporary foreign worker

program, or TFWP, which was just announced and which we feel should remain in place for a long time.

Our second priority is the matter of public finances. We have said this already, but I am taking the time to reiterate it this morning: the FCCQ has approved the current government's public financial management decisions during the pandemic, especially its willingness to create programs to support the Quebec economy. Those programs have been expensive, yes, but they have also helped preserve our entrepreneurial fabric and our collective social fabric across the country.

In the current context, the federation feels that the government's priority is to implement the conditions needed for a robust economic recovery of businesses by avoiding any tax increases in the coming years and by continuing to financially support businesses in sectors that are still struggling to recover. Among others, I am thinking of the events sector and the international tourism sector.

We clearly wish to see the government continue its healthy obsession, so to speak, with the gross debt-to-GDP ratio to ensure the long-term sustainability of public finances and of the Canadian business environment.

Our third, but not least, priority is regional development. For the federation, the economic recovery that is beginning must be inclusive, but it must also benefit all of our Quebec and Canadian regions. To that end, the FCCQ would like to see the government help regional businesses move forward on issues of particular interest to them. Here are a few examples: needs in sustainable mobility, public transit and transportation electrification; the implementation, sooner rather than later, of extremely growth-generating programs such as Via Rail's high-frequency train, or HFT; and the very pressing need for investments in a number of regional airports in Canada. We absolutely need to have regional airports that are operational and that have a stable and sustainable service offer.

In closing, I would be remiss if I did not mention the importance of also maintaining a strong and dynamic Canadian pharmaceutical industry, and I believe the committee has a role to play in that respect. The events of these past two years have shown the importance for a country like Canada to be able to count on a solid and innovative pharmaceutical sector that also has the support of our public institutions.

Although the changes proposed to the Patented Medicine Prices Review Board have once again been postponed—this time until July 2022—we reiterate that this reform is problematic for Quebecers' and Canadians' access to new medications.

• (1115)

That reform project must absolutely be reviewed with industry partners to reflect this new reality and this importance of having some pharmaceutical sovereignty in Canada, among other things.

We will be pleased to participate in the discussions and we thank you for inviting us to appear before the committee.

The Chair: Thank you, Mr. Milliard.

[English]

We will now move to the Green Budget Coalition for five minutes, please.

Mr. Andrew Van Iterson (Manager, Green Budget Coalition): Mr. Chairman and honourable committee members, thank you for inviting the Green Budget Coalition to speak to you today.

The Green Budget Coalition, active since 1999, is unique in bringing together the expertise of 23 of Canada's leading environmental organizations collectively with over one million Canadians as members, supporters and volunteers. Our mission is to present an analysis of the most pressing issues regarding environmental sustainability in Canada and to make a consolidated annual set of recommendations to the federal government regarding strategic fiscal and budgetary opportunities.

As the chair mentioned, I am pleased to be joined today by three of my expert colleagues to help answer your questions. They are the coalition's two co-chairs—David Browne with the Canadian Wildlife Federation and Doug Chiasson with WWF-Canada in Halifax—and Vanessa Corkal with the International Institute for Sustainable Development in Saskatoon.

In November we emailed each of you copies of this document, the Green Budget Coalition's detailed "Recommendations for Budget 2022". It provides more detail, refinements and additions to the recommendations we submitted to the committee in August.

As hopeful signs appear that Canada is slowly emerging from a painful two years beset by the COVID-19 pandemic, it is now critical to focus more attention on addressing the related climate and biodiversity crises and shaping a world that is equitable, carbon-neutral and nature-positive for current and future generations of Canadians and people worldwide.

The Green Budget Coalition much appreciated the major federal funding announcements advancing climate and nature progress over the past 16 months, and urges the government to continue to act to seize this opportunity to transform society to address the twin climate and biodiversity crises, to create sustainable jobs, and to ensure enduring prosperity and well-being for all.

Canadians want ambitious action on environmental priorities. The government has repeatedly committed to make progress on climate change, nature conservation and equity—at COP26 in Glasgow, in the throne speech and in the mandate letters most recently. These commitments need to be implemented with funding in budget 2022.

In this context, the Green Budget Coalition has five feature recommendations for budget 2022 that address the three feature objectives of net-zero emissions by 2050, full nature recovery by 2050, and environmental justice.

For climate change, the Green Budget Coalition is featuring two recommendations. The first is for an energy-efficient renovation wave, in partnership with the provinces, with annual investments of \$10 billion to \$15 billion per year for 10 years. The second is prompt action to phase out fossil fuel subsidies, with a robust definition, and to reorient public finance in line with Canada's climate change commitments.

For a full nature recovery, the coalition is particularly recommending a \$1.3-billion investment in a pan-Canadian approach to fresh water, and permanent funding for protected areas starting at \$1.4 billion in annual A-base funding, and rising.

For environmental justice, we recommend establishing a new high-level office of environmental justice, learning from a model already in place in the United States since the early 1990s.

Finally, in our document we outline a number of complementary recommendations regarding transportation, renewable energy, nature restoration, fisheries management, action on toxics, sustainable agriculture, and environmental data and science.

Implementing these recommendations together would lead to dramatic progress in advancing a healthier future for Canadians from coast to coast to coast.

To conclude, I would like to thank you again for inviting the Green Budget Coalition to appear today. We are also looking forward to meeting with the Deputy Prime Minister later this week to discuss our recommendations.

We look forward to your questions. Thank you.

• (1120)

The Chair: Thank you, Mr. Van Iterson.

We will now move to the Parliamentary Budget Officer, Yves Giroux, for five minutes.

Mr. Yves Giroux (Parliamentary Budget Officer, Office of the Parliamentary Budget Officer): Thank you.

[Translation]

Good morning, Mr. Chair, vice-chairs and members of the committee. Thank you for inviting me to appear today. This is the first time since the start of the 44th Parliament that our office is appearing before this committee, and I am pleased to be here ahead of the pre-budget consultations for the 2022 budget.

Under the Parliament of Canada Act, I am mandated to support Parliament by providing analysis of macro-economic and fiscal policy to raise the quality of Parliamentary debate and promote greater budget transparency and accountability.

Some of you may know that the act also provides that I may conduct research into and analysis of matters relating to the nation's finances or economy at the committee's request. Under this provision of the act, the committee adopted a motion in the 42nd Parliament asking my office to produce a regular economic and fiscal outlook.

[*English*]

On January 19, we published our report, “Economic and Fiscal Update 2021: Issues for Parliamentarians”. Our report identifies several key issues to assist parliamentarians in their budget deliberations. One recommendation is to amend the legislation to change the release date of the public accounts. The report also indicates that since the start of the pandemic, the government has spent or is planning to spend almost \$542 billion on new measures. Almost one-third of this was not included in Canada's response to COVID-19.

In addition to this report, my office has recently released other publications, including independent cost estimates for cleaning up Canada's orphaned oil and gas wells, a fiscal analysis on the proposed premium reduction for mortgage insurance and a report that assesses the insurance properties of the fiscal stabilization program.

It would be my pleasure to answer any questions you may have about the PBO's work as a whole. My office and I look forward to reviewing your suggestions on how we can best serve the committee and help you in your work during the pre-budget consultations for the 2022 budget and throughout the 44th Parliament.

• (1125)

[*Translation*]

The Chair: Thank you, Mr. Giroux.

[*English*]

Now we are moving to Tahinis Restaurants with Aly Hamam for five minutes.

Mr. Hamam.

Mr. Aly Hamam (Co-Founder, Tahinis Restaurants): Ladies and gentlemen of the finance committee, thank you for having me.

My name is Aly Hamam. I am the co-founder of Tahinis Restaurants, a chain with nine restaurants in Ontario and growing. My family and I grew up in Egypt and decided to move to Canada after the Arab Spring of 2011. My father was a hard-working math teacher and had worked his entire life, only to watch the money he had in the Egyptian banks get devalued by 65% against the U.S. dollar over the course of a few years. Inflation is a problem that's affecting all Canadians right now—businesses and families alike. Even though we won't see the debasement against the U.S. dollar, which is also debasing at a fast rate, we can see the value of our money going down against the costs of housing, education for our kids, education for our families, a good steak, our grocery bills and our retirement.

I'm here to propose to the committee the idea of embracing the new technology of money called Bitcoin. It's fixed in supply, which gives it integrity. It's digital in nature, which makes it native to our modern digital economy. It's secured by energy and the largest computer network in history, which makes it safe and reliable. It's

decentralized and not controlled by any one person, company or country, which makes it apolitical. We're in a tough yet critical time in Canada, but I'm here to be constructive, not pessimistic. I'm here to offer to the committee ideas and positive changes that we can make to grow our country's productivity.

Our leading industries in Canada are energy and finance. Both can be integrated with Bitcoin. Let's not focus all of our energy on trying to fix an old system. Instead, let's build and integrate with a new parallel system as well. With Bitcoin, we can do that. In the energy sector, we can sell the excess energy to the Bitcoin network for 30 to 40 cents per kilowatt hour. That's a lot better than letting it go to waste or selling it to the U.S. for three cents per kilowatt hour. Let's offer financial incentives to energy producers to mine Bitcoin with this excess energy. With our finance industry, we can integrate all of our banks, fintech companies, insurance companies and tech companies into this leading-edge technology of modern finance. This will not hinder or hurt the old way we do finance. This is a parallel system that could be built on top of the old one to improve it. We could do this by providing clear regulations to the Bitcoin industry and better accounting rules that would help nourish innovation, not stifle it. We could do this while still protecting Canadian citizens against scams and Ponzi schemes in the wider crypto industry.

The Bitcoin network is being worked on by the brightest engineers all over the world, from Canada, the U.S., Europe and Australia. This is mainly western technology, and we should all be proud of that. Every software engineer and Bitcoin company is working on making the network harder, stronger and faster, and when they succeed, it benefits everyone on the network. Let's work on becoming the country that benefits from this global co-operation.

A good example of a country that's doing this right now is El Salvador. They recently did everything that I'm suggesting today at this committee. They are mining Bitcoin with renewable geothermal energy; they have made Bitcoin legal tender and embraced the technology to help bank all of their citizens. Today, more Salvadorans have Bitcoin wallets than have bank accounts. More money is flowing into the hands of local citizens than to intermediaries like Western Union and Visa, which used to suck the country and its citizens dry. North of \$400 million per year is going to the Salvadorans.

This past week, an Arizona state senator proposed a bill that would make Bitcoin legal tender in the state. Florida, Texas, Wyoming and New York are passing legislation that is friendly and inviting to Bitcoin companies. Miami is even buying Bitcoin on the city's balance sheet.

The world is moving fast, and we should move with it. The countries that move first will reap the biggest rewards. Let's beat them to it and make Bitcoin legal tender here in Canada alongside our proud Canadian dollar.

My last proposition to the committee is that we borrow \$10 billion from the Bank of Canada and buy Bitcoin with it. Our country's balance sheet is in shambles, and we need to strengthen it now more than ever. Let's be honest—what's another \$10 billion after the years of 2020 and 2021?

• (1130)

Thank you very much.

The Chair: Thank you, Mr. Hamam.

Thank you to all our witnesses for your opening statements.

We are now moving to questions from members.

We're starting with our first round. It will be a six-minute round. That means that every party will have six minutes to ask questions of the witnesses.

We're starting with the Conservatives.

Mr. Poilievre, you have the floor for six minutes.

I can't hear you, Mr. Poilievre. I'm not sure if your mike is on.

Mr. Terry Beech (Burnaby North—Seymour, Lib.): I don't think he's here, Mr. Chair.

The Chair: Mr. Poilievre, I can't hear you. I can see you, but I can't hear you.

Mr. Terry Beech: You can see him?

The Chair: Yes, I can see him.

Clerk, can you see Mr. Poilievre?

Mr. Terry Beech: I can see him. Yes, he's here.

The Chair: We cannot hear you.

Hon. Pierre Poilievre (Carleton, CPC): Can you hear me now?

The Chair: We can hear you now. Yes, there you go.

Hon. Pierre Poilievre: Okay. I have a problem with my microphone. I apologize for that.

Mr. Hamam, thank you very much for being here. I'm very interested in your story.

First of all, I would like you to explain how it is that you were able to anticipate inflation in Canada when all the so-called experts, including our finance minister, said that we would have deflation. Why is it that you, as a small businessman and an immigrant from a country that had abused its own money, were so much more prescient in foretelling the future than were the people who make all the big bucks to predict these things?

Mr. Aly Hamam: Well, we were on the ground when the pandemic started, Pierre. The thing that we saw right when the pandemic started was that there was more money going around than before the pandemic started. We quickly realized that this was something that was going to lead to inflation, because if you just think about it from first principles, if you have more money chasing the same amount of goods, it's going to lead to higher prices.

We decided that we had to act and we had to move to protect our own money from getting debased. That's when we started researching and digging around. We found a solution of a better technology for money called "Bitcoin" and we were able to act on it. The result, a year and a half later, is that it did protect our wealth and it grew our purchasing power.

Hon. Pierre Poilievre: Just to be clear, what you did is that you used the liquid part of your balance sheet to hold Bitcoin instead of holding Canadian dollars. Is that the sum total of it?

Mr. Aly Hamam: Yes, agreed.

Like I said, we saw what was coming. We knew that there was going to be an inflationary environment moving forward, so we took our balance sheet as a company and we bought Bitcoin with it. Our reasoning was that because there was more money flowing around us, as simple as that—

Hon. Pierre Poilievre: Right.

Mr. Aly Hamam: —and, yes, here we are, two years later.

Hon. Pierre Poilievre: What was the price you paid? What did you pay in price for the Bitcoin?

Mr. Aly Hamam: Around then, it was around \$10,000 to \$12,000.

Hon. Pierre Poilievre: Okay. What is the price today?

Mr. Aly Hamam: Today, it's at \$37,000 U.S.

Hon. Pierre Poilievre: So in your case, because of the timing of when you bought it, you have had about 60% deflation in the purchasing power of the cash or money that you held on your liquid balance sheet. In other words, the price of goods in Bitcoin went down by about 66% from the time you bought it until the present. Is that an accurate statement?

• (1135)

Mr. Aly Hamam: Correct, and that goes back to the opening statement that I made. It's a fixed money supply. It's not controlled by anyone. You go in knowing the rules, and the rules don't change on you and the money supply doesn't change on you.

Hon. Pierre Poilievre: How much time do I have, Chairman?

The Chair: You have about two minutes.

Hon. Pierre Poilievre: Okay.

Are you taking Bitcoin as a source of payments from your customers? When they come in and buy a shawarma or a falafel, can they do it in Bitcoin?

Mr. Aly Hamam: Well, I would love to do that, but the tax law on Bitcoin is such that this is treated as a capital gains tax event if I sell it, receive it or use it to pay my vendors. That's why I think it would help nourish innovation if we made Bitcoin legal tender here in Canada.

Hon. Pierre Poilievre: All right.

You're still proposing that your customers should have to pay HST and that you would pay business tax on the Bitcoin you receive; you're just suggesting that there should not be capital gains tax on amounts used to make individual retail purchases. Have I captured your view correctly?

Mr. Aly Hamam: That's 100% correct. The way Bitcoin is treated right now is if I sent you a thousand dollars in Bitcoin, that would be a taxable event for me. I'd have to pay capital gains tax on that thousand dollars that I sent to you. If you want to use it practically in commerce like that, it wouldn't make any sense.

What we did was buy it with our profits. We operate 100% in Canadian dollars. Whatever is left over is what we use to sweep over into Bitcoin.

Hon. Pierre Poilievre: Would you say that your family's history of witnessing a government ruin its money gave you an advantage, because you were able to say, "Well, I've seen this story before," when the central bank started turning on its money printer?

Mr. Aly Hamam: Exactly.

If you apply the same money policies, we're not immune to an inflationary environment. We're just like any country that faces inflation right now, whether it's Egypt, Lebanon or Turkey. If we do the same things, we're going to end up with the same results. There's no reason that we, as a country, are going to be immune to this inflation.

The Chair: Thank you.

That's your time, Mr. Poilievre.

Hon. Pierre Poilievre: Thank you, and congratulations on outsmarting all the so-called experts.

The Chair: We're moving to the Liberals and Ms. Dzerowicz for six minutes.

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

I want to thank all of the witnesses for coming before us today. You are our first group in our pre-budget consultations, so I want to thank you for your presentations. Unfortunately, I won't be able to get to all of you, because there are so many questions and so little time.

I will start with the Canadian Mental Health Association and you, Ms. Eaton. I'm going to continue the conversation that you and I had the last time you were before our committee, when I was asking you about how we can best continue to support mental health moving forward.

If you read Minister Carolyn Bennett's mandate letter, she is mandated to establish a permanent, ongoing Canada mental health transfer to do what you've asked for, which is to create a national plan to support mental health across the country.

How do we do this? How do we do it in such a way to ensure that community mental health supports go exactly where they need to? I previously gave you the example that we had given an additional \$2 billion to Ontario, but I'm not quite sure whether it got to the community supports it needed to.

What advice do you have for us and for the minister in establishing this Canadian mental health transfer? How do we do it in such a way that it goes where it needs to at the community level?

Ms. Margaret Eaton: Thank you so much for that question.

As you know, the federal government is the largest funder of health care, and that funding flows through the Canada Health Act to the provinces. We were delighted to see the creation of a transfer that would actually put a ring fence around that funding, because we know that when funding goes directly to the provinces, it's very tough to allocate those funds, particularly for mental health, and to know how that money is being spent.

The opportunity with the health transfer is to define how that money flows in such a way that it can go to organizations that can support people directly on the ground. Most of the funding that comes through the Canada Health Act is targeted to hospitals, psychiatrists, crisis care and support. However, we believe that the mental health transfer could be defined in such a way that it would equalize support across the country, help support new standards in mental health care to ensure that everybody gets care that is similar across the country and directs funds particularly to community mental health, where we know it can have a cost-effective and highly impactful effect on Canadians.

● (1140)

Ms. Julie Dzerowicz: One of your recommendations was about supportive housing. We've heard loud and clear that it's needed. At least, I've heard that within the Davenport community.

As you know, our federal government has really embarked on putting a substantial amount of money in rapid housing. You may also know that the provinces pay for the supportive element of that.

Is your recommendation to say that as we move forward to implement rapid housing, we should ensure that the provinces step up to meet it and ensure that it also includes supportive housing?

Ms. Margaret Eaton: We definitely understand that it has to be in partnership with the provinces if this is going to happen. We would like to see the funding itself expanded to ensure that the funding is going toward the people of highest need.

We're a bit concerned that some of the plans for expanding housing at this point are more directed toward the middle class, so we want to make sure that those who are in dire need of support, people with mental illness, people with disabilities, immigrants and newcomers, have access to high-quality, supportive and affordable housing. This means massively expanding the amount of housing that exists out there, and certainly, that could be done with the provinces.

Ms. Julie Dzerowicz: I would say to you that the rapid housing initiative really does tend to be more for the most vulnerable and homeless in our society, and less for the middle class. I want to make sure that we're clear on that. It is important to make sure we have supportive elements to match-up with our rapid housing.

My last question is around the preventative dimension. Anxiety is at the base of many of the issues that people evolve into, either later mental health issues or even drug use. From a preventative perspective, what is your key recommendation?

Ms. Margaret Eaton: We believe the most tested and studied approach as a solution for anxiety is cognitive behavioural therapy. Our local branches offer CBT training. We also have a national program called BounceBack, which is a virtual program that offers cognitive behavioural therapy.

We would love to see a very basic, simple and economical approach. BounceBack costs about \$800 per person to deliver, which is very cost-effective. About 85% of the participants experience relief of their negative symptoms. We'd love to see that expanded through further investment in community mental health.

Ms. Julie Dzerowicz: Thank you so much.

The Chair: We are now moving to the Bloc.

[*Translation*]

Mr. Ste-Marie, you have the floor for six minutes.

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

First, I would like to raise a point of order.

In previous Parliaments, the committee was in the habit of inviting the Parliamentary Budget Officer, not with other witnesses who had come to present their budget requests, but in a separate block in which all members of the committee could focus on the nature of his analyses together. I believe that is a better formula than the present one and I would very much appreciate you considering my suggestion.

My regards to all the witnesses and my thanks for their presentations.

My questions are for the representatives of the Fédération des chambres de commerce du Québec.

Good afternoon, Mr. Milliard and Mr. Lavigne. Thank you for joining us today.

Mr. Milliard, you gave us a good summary. The document that contains your requests, however, is more detailed and casts a wider net. I am going to try to obtain more details about your requests; perhaps I could ask you to illustrate them with examples.

As you said, the greatest problem for companies is the labour shortage. You proposed some solutions, involving seniors, early retirees, immigrants and temporary foreign workers.

Can you give us more details about those possible solutions?

● (1145)

Mr. Charles Milliard: Thank you for the question, Mr. Ste-Marie.

I will start and I will let my colleague complete my answer.

In terms of the labour shortage, it's important to understand that a number of levers must be moved at the same time. Often, it can be more helpful to refer to just one lever when speaking to the public. But it would be a mistake not to use all the levers at our disposal.

One of those levers, of course, is immigration. We are of the same mind as the federal government on the issue, but a little less so with the Quebec government. Actually, we feel that immigration thresholds are artificially low in Quebec.

Another issue is retraining the workforce. Some people want to go from one industry to another in order to help with certain areas of activity. We have to find a quick way to provide the training.

We also need to keep experienced workers in the workforce. People often say to me that they want to retire and do not necessarily want to work five days a week. My answer is that, if decent tax measures were in place, a 66 year-old could decide to keep working in a business for one day a week, per example. That day is the one that the business owner needs to rest, to take care of his family and to maintain a level of mental health.

The issue of innovation also needs to be addressed. How can we create conditions in Canada to encourage investment in innovation? Clearly, not every business is going to buy new machinery tomorrow morning in order to increase its productivity. However, if proper measures were in place, businesses could have access to outside markets if they wanted and acquire tools that would increase their productivity.

If we work on all those issues at the same time either at provincial, federal or even municipal level, we can change things. I hear a lot of people saying that the labour shortage problem will last from 10 to 12 years. I really want to tell them that we have to stop talking and do something about it, so that it only lasts seven or eight years instead of ten.

Mr. Gabriel Ste-Marie: Mr. Lavigne, would you like to add any comments?

Mr. Mathieu Lavigne (Director, Public and Economic Affairs, Fédération des chambres de commerce du Québec): Yes, I would like to add one point about immigration. The threshold is one issue, but there is also something for which the federal government is directly responsible. This is the delay in processing; it is much too long for people who want to settle in Quebec.

The problems stem from the way files are handled or from the lack of human resources. Timely processing must be a priority for the federal government in the next budget. People have already been selected and, given the current labour shortage, they will have no difficulty finding jobs. So the problem of processing delays has to be fixed quickly.

One of our proposals is to establish a voluntary savings plan for continuing education. At the moment, tax credits are provided for that, but we know that, for various reasons, that system is so-so in effectiveness and in use.

So we are proposing a voluntary contribution scheme. It would encourage workers in whatever field to take training all through their careers. As a result, they could keep their skills updated and acquire new ones. Sooner or later, they would be able to move to new positions more easily.

Mr. Gabriel Ste-Marie: Mr. Milliard, would you like to add anything?

Mr. Charles Milliard: The retraining issue leads me to the reform of the employment insurance program. This is not a criticism, but I feel that the employment insurance account, as a concept, has been used very broadly during the pandemic. However, right from when we start to reform the system, we have to decide the extent to which we are using it as a tool for social redistribution. We also have to ask ourselves who is going to pay for it.

Employers' premiums are currently frozen for this year and next. It is reasonable for us to ask questions about funding employment insurance and making it less political. In our opinion, the less political the account, the better. So we have made some suggestions with a view to improving the governance of the account and ensuring that it properly fulfills its role. The employment insurance account provides temporary help so that people can become requalified and return to the workforce quickly.

• (1150)

Mr. Gabriel Ste-Marie: Thank you.

Mr. Milliard, you alluded to early retirees, and I would like more details about that.

Do I have any time left, Mr. Chair?

[English]

The Chair: That is six minutes, Monsieur Ste-Marie.

[Translation]

Mr. Gabriel Ste-Marie: In that case, I will come back to the subject in the next round of questions.

Thank you.

[English]

The Chair: Thank you.

Monsieur Ste-Marie, I did want to address your point of order. We do have an unusual timeline. As you know, it's pretty curtailed. We have a short runway. That is the reason we're trying to get in as many witnesses as possible through these meetings for our pre-budget consultation. I'll even apologize to Monsieur Giroux and the PBO, but that is the reason that we've done it this way.

Now we'll move to the NDP and Mr. Blaikie for six minutes.

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

Well, hopefully next season an unnecessary election won't interrupt the pre-budget period and we can revert to our normal practice of having the Parliamentary Budget Officer here for a meeting, so that members of the committee can spend more time asking him questions about his analysis.

To the Green Budget Coalition, my impression from your opening statement is that one of the really important priorities is to establish a program that can get retrofits of our buildings going in order to lower our emissions. We know that buildings are a significant source of our current greenhouse gas emissions.

I'd raised this in the House in or around December. I think it was in the debate on the fall economic statement. I was told by the member for Winnipeg North, who's a parliamentary secretary in the government, that they were already doing a bunch of retrofits, that my exhortation to do more, and to do more quickly, was simply unreasonable and that the government had already checked that off their list by having a program to do retrofits.

Are you satisfied with the current government's program for retrofits? Do you think it's ambitious enough? If not, what more needs to be done? How do you see that being done in order to achieve the success that we have to as a country to fight the climate crisis?

Mr. Andrew Van Iterson: Mr. Blaikie, I appreciate the question and your concern about retrofits and climate change.

I'm going to turn to Vanessa Corkal, our expert on climate change, to respond to that.

Ms. Vanessa Corkal (Policy Advisor, International Institute for Sustainable Development, Green Budget Coalition): Hi, everyone.

First off, I do want to acknowledge that there has been a lot of progress on this file and that we welcomed the investment last year, both on the greener homes grant and on investments through the Canada Infrastructure Bank. They are unprecedented investments, but the reality is that the scale of the climate crisis demands a much higher rate of action.

To give you some numbers, our retrofit industry in Canada needs to be able to decarbonize 600,000 homes each year to 2040, in addition to 30 million square metres of commercial space per year to 2040. This is an incredibly high number, but it's achievable; however, it is not achievable with the current programming, despite the positive aspects of that programming. Homeowners and business owners are going to have to invest \$20 billion a year on top of their normal maintenance costs in order to achieve these goals.

The good news is that if we do this, it's also going to generate an additional \$48 billion in GDP per year, create 200,000 long-lasting, well-paid jobs in Canada and significantly reduce our scope 1 and scope 2 emissions from buildings by 90% to 2050. This is a win-win file if we invest the right money into buildings. We've proposed investing \$10 billion to \$15 billion per year for 10 years. It sounds like a lot, but as I mentioned, when you're looking at the high pay-back in terms of both jobs and GDP, this investment is more than worth it.

In particular, what we're looking at right now is that often homeowners are able to apply to these types of programs only if they already have a relatively high income. Often, the program does not necessarily allow a home dweller—just because of how much is available and how much individual homeowners can put in—to deep-retrofit their home. In order to meet our 2050 targets, we need to reach deep retrofits of all homes and buildings, not incremental retrofits. More funding will also help to make sure that this is accessible for low-income and racialized communities.

I'll leave it there in case the member has any questions.

• (1155)

Mr. Daniel Blaikie: Thank you very much.

Yes, I would like to follow up on the question of fossil fuel subsidies. We hear sometimes from those who oppose ending the fossil fuel subsidies altogether. They'll zero in on certain kinds of payments that the federal government makes to indigenous communities, for instance, who are in a position at the moment where they can only provide electricity to their community through diesel, either as a reason not to end fossil fuel subsidies at all—and they lump a lot of other stuff in with that—or, in the case of the current government, those same subsidies, I would say, are used as an excuse for delay on ending a number of other ones.

I wonder if you could highlight for the committee what the Green Budget Coalition takes to be the most pernicious of those fossil fuel subsidies and what you think a strategy could look like to be able to ultimately end all fossil fuel industry subsidies.

Ms. Vanessa Corkal: Thank you.

First, I would identify that we have made two recommendations regarding subsidies.

The first is about subsidies as we've committed to under the G20. We made a commitment in 2009 to reduce and phase out inefficient fossil fuel subsidies. We also have a recommendation about public finance that's provided for fossil fuels. Currently, Export Development Canada provides about \$13 billion a year in public finance for fossil fuels. The report put out last year by the International Energy Agency stresses that if we're going to meet the 1.5°C target and

reach our 2050 targets, we cannot provide public finance to fossil fuels any longer past this year. A key objective is that the government build on its commitments that it made in Glasgow at the United Nations climate change conference this year in terms of phasing out international public finance, but that we also phase out domestic public finance.

On the subsidy front, the term “inefficient fossil fuel subsidy” is something that crops up a lot. The reality is that this commitment was made in 2009, and the evidence in terms of how quickly we're hurtling towards a climate cliff is even clearer today. Subsidies have become mainstream. When we talk about subsidies, we can debate about the word “inefficiency”, but the reality is that even subsidies for affordable energy distort the market against clean energy.

Our recommendation essentially asks government to look at every single situation where there's forgone revenue or money being spent on fossil fuels, no matter the situation, to identify if that's actually the best use of public money.

I'll leave it there.

Thanks.

The Chair: Thank you.

Thank you, Mr. Blaikie.

We are moving into the second round, members. We're starting with the Conservatives. I believe we have Mr. Stewart up for five minutes.

Mr. Jake Stewart (Miramichi—Grand Lake, CPC): Thank you, Mr. Chair.

Thank you for being here today.

Mr. Giroux, can you explain to the committee what risks there are for the Canadian people from delaying the audits of our financial statements?

Mr. Yves Giroux: The delay you're referring to is probably related to the tabling of the public accounts. The risk from that is that while parliamentarians such as you were being asked to approve government spending for the current fiscal year, the government had not yet indicated to Canadians and to parliamentarians what the total expenditures and revenues were and, therefore, the deficit for the year that ended in March 2021. That caused you to be forced, or to be asked, rather, to approve spending while still not having a clear idea of the picture of public finances for the year that ended in March 2021. You were in the unusual circumstance of scrutinizing proposed spending while not having a clear picture of what happened in what was an extraordinary year for many reasons, including on the public finance front.

Mr. Jake Stewart: Thank you.

I recall a statement you made about the delay in the government's release of audited financial statements, which basically indicated that it undermined parliamentarians' ability to meaningfully scrutinize proposed government spending. I think it's important for the committee to really take stock of what we just heard from Mr. Giroux. This is why, when spending bills are being pushed through the House, we as a committee need to go through everything as much as we can.

How much new spending, Mr. Giroux, has this government taken on since the beginning of the pandemic?

Mr. Yves Giroux: Based on our own estimate, from looking at budgetary documents and spending bills that were made before the House and the Senate, we estimate that the government, since the start of the pandemic, has either spent or is planning to spend \$541.9 billion, about one-third of which is not directly related to COVID-19. That's what we estimate as the amount of spending undertaken or to be undertaken by the government since the start of the pandemic, so close to \$542 billion.

• (1200)

Mr. Jake Stewart: Mr. Giroux, I appreciate that statement.

This government has essentially spent over half a trillion dollars in new spending. That's like cutting every Canadian a cheque for \$14,000 or sending our grandchildren a bill for \$30,000, when we factor in compound interest and "Justinflation".

Can you tell us why we have fiscal safeguards?

Mr. Yves Giroux: Fiscal safeguards are a generally accepted best practice, and these are in place to ensure that a government, any government, does not embark on a path that would lead its finances to be unsustainable over the long term. That's also why we regularly release a fiscal sustainability report that looks at the long-term sustainability of provincial and federal governments across the country, looking at the impact of current fiscal policies if they were to be maintained over the next 75 years. That's to ensure that the debt level, as it is, and current policies do not make the federal finances and provincial finances unsustainable over the long term, meaning a debt level that becomes significantly higher than it is now.

Mr. Jake Stewart: Thank you, Mr. Giroux.

Can you tell me what happens when these safeguards are ignored?

Mr. Yves Giroux: When the safeguards are ignored.... For example, when any government embarks on spending or taxation patterns—and they can be both—that lead it to register significant deficits year in and year out, leading to an ever-increasing debt-to-GDP level, that makes it such that at one point it becomes much more difficult for the government to finance itself at reasonable rates. Eventually, if that continues, it makes it very difficult for such a government to finance itself, period. That can lead, ultimately, to a debt crisis, which is clearly not the case in Canada but which has been the case in some countries in recent history. For example, in Greece there were severe and very profound fiscal issues. That is one example of something that can happen if there is an uncontrolled debt-to-GDP ratio that's ever-increasing.

The Chair: Thank you.

Mr. Stewart, that's your time. We are moving to the Liberals now.

Mr. MacDonald, you have five minutes.

Mr. Heath MacDonald (Malpeque, Lib.): Thank you, Chair; and thank you to all the guests here today.

I want to go the Green Budget Coalition.

Something we often hear, relevant to different levels of society and how they can be successful in addressing climate change, is "environmental justice". You talked a bit about it.

Can you provide what you would like to see by way of environmental justice? Would it be an effect of different geographical areas across the country, based on society's levels of income, and so on?

Mr. Andrew Van Iterson: Thank you, Mr. MacDonald. I appreciate the question. I'm going to turn back to Vanessa Corkal on that one.

Ms. Vanessa Corkal: We think it's great that there's interest in this issue.

Our recommendation stems mostly around establishing an office of environmental justice and equity. This stems from our research internationally, particularly in the United States, where they have a number of whole-of-government approaches to really make sure this is mainstreamed across government. That's also happening in their legislation. They've had an office of environmental justice since the 1990s; and in the early 1990s, through an executive order, they established an inter-agency working group on this issue.

We're asking for \$25 million over two years in start-up funds for a similar sort of office that would develop a national strategy on the issue and additional funding to keep that office operating, as well as \$7 million per year for funding to expand our data collection on the Canadian environmental sustainability indicators to better figure out which kind of communities need assistance.

There are also great linkages between environmental justice and just transition.

If you have other questions, I'm happy to answer them.

• (1205)

Mr. Heath MacDonald: Thank you.

You also talk a bit about Health Canada policy in relation to developing further programs.

How do we see Health Canada being involved in the programs that you intend to develop or existing programs that maybe don't have Health Canada's input at the present time?

Ms. Vanessa Corkal: There are two answers to that question. First, in our document, we have included a recommendation for the HealthADAPT program. There are very clear linkages between climate change and health impacts, and they are expected to rise, so we're asking for funding to expand Health Canada's current HealthADAPT program, which helps communities adapt to climate change and address some of those health impacts.

Of course, there are also linkages to environmental justice. There are some clear opportunities where Health Canada, through collaboration with the proposed office, could support ongoing assessment of some of these environmental health hazards affecting, in particular, racialized and disadvantaged communities. There are some great opportunities there.

Mr. Heath MacDonald: Thank you.

Mr. Chair, how much time do I have?

The Chair: You have two minutes.

Mr. Heath MacDonald: Thank you.

I want to touch on something that I didn't see anywhere, or I don't believe I did, in your report. It's about green bonds.

We all know that climate change is going to take more of an effort than just that of any federal, provincial or municipal government. It's going to be outside in the private sector. I know we have seen a major increase. They're talking about \$500 billion in 2021 investments in green bonds. It has exploded over the past two or three years.

What are your thoughts on green bonds, and how can we incorporate them in some of the projects that you've outlined, if it's possible?

Ms. Vanessa Corkal: Andrew, you can return to that, if you'd like.

Mr. Andrew Van Iterson: I'll turn back to Vanessa.

Ms. Vanessa Corkal: Okay. Thanks. I didn't want to speak over you.

The first thing to note is that our document is certainly not comprehensive in terms of all the possible things we need to be doing, in particular with our financial system, regarding greening the financial system. You're right; we don't have a direct recommendation on green bonds. I would say that our members are largely supportive and we've seen a lot of success in other countries.

My institute has done a bit of research on that as an aspect of sustainable finance. Last year, we published our Green Strings report on how to align budget actions with climate conditions, and they're mentioned in that report too.

We're broadly supportive, but at the same time, I don't want to go into too much detail on behalf of the coalition, because we don't have a specific recommendation on them.

Mr. Heath MacDonald: Thank you.

The Chair: Thank you, Mr. MacDonald.

We are moving now to the Bloc and Monsieur Ste-Marie for two minutes.

[Translation]

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

My question is for Mr. Giroux.

Mr. Giroux, according to your report, the additional expenditures that were initially allocated for the economic recovery are no longer necessary. You said so in your presentation.

Could you give us some more details about that?

Mr. Yves Giroux: Of course.

As I mentioned in my report a few days ago, the government committed to reduce expenditures for the economic recovery as soon as some labour market metrics return to their pre-pandemic levels. These include the number of hours worked, the unemployment rate, the participation rate, and the number of jobs. As we saw in December's economic update, the government stated that the number of jobs had even surpassed its pre-pandemic level.

However, contrary to the government's suggestion in the fall 2020 update and in Budget 2021, when it stated that it would be reducing the measures for economic recovery, that reduction was no longer mentioned in the economic update in December 2021.

If the government has changed its rationale for those expenditures, it is perfectly legitimate. However, in my recent comments, I emphasized that the initial rationale that the government itself presented, by which the economic recovery was linked to labour market indicators, no longer seems to be the case. I also meant that, if the government sees a need to continue those expenditures for other reasons, that is completely within its prerogative. However, it should clearly spell out its rationale, because, if we use the government's indicators, it seems no longer necessary to spend as much on the economic recovery.

• (1210)

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

Mr. Chair, do I have time for another question?

[English]

The Chair: You have 10 seconds. You can make a little statement if you'd like.

[Translation]

Mr. Gabriel Ste-Marie: Okay, thank you.

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

[English]

Now we're moving to the NDP and Mr. Blaikie for two and a half minutes.

Mr. Daniel Blaikie: Thank you very much.

Going back to the Green Budget Coalition, when you talked about an office of environmental justice and equity, I think Ms. Corkal was about to offer some thoughts about how such an office could help.

Obviously, climate change is bringing economic disruption. It's happening already and it's going to increase in the years to come. We can either wait and let it happen or we can plan for it and try to mitigate the worst of those outcomes, not just for the planet, but also for Canadians who are going to want to have employment and work.

I wonder if you could speak to how the establishment of an office of environmental justice and equity could help with that planning, to ensure that Canadians are ready to do the work that's available as the economy changes in the face of the climate challenge.

Ms. Vanessa Corkal: Before I answer, I want to give a shout-out to my colleague, Lisa Gue at the David Suzuki Foundation, who really is spearheading much of this work. She's not here today, but if anyone has additional questions, I'd be happy to connect you with her later.

Essentially, what this office is intended to do is allow Canada to develop, at the federal level, coordinated capacity to do some advanced thinking on this. It's safe to say we're already behind, since we have these racial inequities when it comes to environmental justice, but we know that those are going to worsen as the climate changes and as low-income and racialized communities experience the brunt of climate impacts. They don't have as much capacity to be able to adapt and have those resources.

Obviously, a lot of planning will happen under the national adaptation strategy, but a dedicated office for environmental justice will also contribute to some of those objectives, because it will help us understand some of those preventable environmental health hazards faced by these communities and assess the types of interventions that are needed to protect them.

Mr. Daniel Blaikie: Thank you very much.

I think that's probably just about my time, Mr. Chair.

The Chair: You have about 20 seconds, Mr. Blaikie. Do you want to cede that time?

Mr. Daniel Blaikie: That's fine, then. It's hard to do a lot in 20 seconds, so I'll let that time go.

The Chair: You are quite right.

We're moving to the Conservatives and Mr. Chambers for five minutes.

Mr. Greg McLean (Calgary Centre, CPC): I see Mr. Chambers is temporarily out of the room. If we could trade spots, I think that's the best way forward.

The Chair: Mr. McLean, go ahead.

Mr. Greg McLean: Thank you.

Thank you for the comments today.

I echo my colleague, Mr. Ste-Marie's, concerns that we're only having the Parliamentary Budget Officer here as part of a mix of witnesses when we should have him here for one full meeting. Per-

haps we'll have a motion on that to make sure we get to ask him some thorough questions.

I'm going to ask the people on the Green Budget Coalition about their comments on things like "inefficient fossil fuel subsidies". I would like to know an example from them of an inefficient fossil fuel subsidy in place right now and that we should address, please.

Ms. Vanessa Corkal: I'll go ahead.

Our institute regularly compiles inventories of fossil fuel subsidies. Those are available on our website. We did one for 2018-19. We also did one after COVID.

We identify a number of measures in those documents. Some of them are direct spending programs and many of them are tax measures. I'll focus on the tax measures because we don't have a lot of information for those, and a report from the PBO earlier this year estimated that several billions of dollars are potentially being forgone by government per year.

These are types of subsidies that we would classify as inefficient. We argue that they're a poor use of public money primarily because they enable increased production of fossil fuels. We know we need to be reducing the production of fossil fuels if we're going to meet our 1.5°C target. That's what the evidence from the IPCC and the IEA reports shows us.

• (1215)

Mr. Greg McLean: Sorry, I didn't hear a direct response from you about an actual program where we're funding fossil fuel subsidies. Can you give me one in 15 seconds or less, please?

Ms. Vanessa Corkal: Sure. A good example would be some of the tax measures that we see from the federal government. The Canadian development expenses would be one example. There's also—

Mr. Greg McLean: Thank you.

Canadian development expenses don't exist in the Canadian fossil fuels industry. They haven't for quite some time. As a matter of fact, Catherine McKenna stated very clearly that fossil fuel subsidies do not exist at the federal level in Canada any more. I think you need to update your facts on that.

We are looking for where we can actually do this. I will point out that fossil fuel production does not lead to actual greenhouse gas increases. Consumption is the actual problem. The more we penalize Canadian producers, the more we're getting an offshoring of jobs and pollution.

We're trying to lead to an industry here in Canada. Can you tell me how you think we're going to do that if we continue to throw money at subsidizing foreign producers of oil and gas?

Ms. Vanessa Corkal: For the first part of the question, we're also advocating for reduced subsidies for foreign producers by asking the federal government to eliminate international public finance for fossil fuels.

The second thing is that regardless of the term “subsidy”, the reality is that the market is moving towards a clean energy industry here and internationally. In order to best support Canadian workers and businesses, we should be investing in industries that help support our net-zero goal and that also allow us to develop and compete internationally. There's a large risk of stranded assets if we continue to provide support for fossil fuel production. I'm happy to go into more detail—

Mr. Greg McLean: Thank you.

Yes, I'd love some detail because stranded assets are a manufactured narrative. We're actually not stranding any assets. We're actually penalizing our assets here in Canada for the sake of foreign producers, because we don't see the reductions happening anywhere else around the world.

I'll remind you that greenhouse gas emissions are a worldwide problem. There are 280-plus plants being built to burn coal in Asia because we have penalized our natural gas producers by not allowing them to get LNG offshore to abate the consumption of coal. These are not subsidies. These are efforts that we need to be making to abate carbon production around the world, yet we seem to be standing in the way with all kinds of narratives around how we're subsidizing an industry that we're actually moving forward.

I'll point out that Canadian oil sands producers have reduced their carbon footprint by over 36% in the last 20 years. This is significant on a worldwide scale. If the rest of the world moved in this direction, we'd be much further ahead.

Let's talk about COP26, if we can, and the commitments we made there.

The Chair: Thank you, Mr. McLean. That's your time.

Mr. Greg McLean: Thank you.

The Chair: We'll move to the Liberals and Mr. Baker for five minutes.

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

[*Translation*]

My thanks to all the witnesses for joining us today. I would first like to speak with Mr. Milliard.

Mr. Milliard, recently, you wrote this about the transformation in the labour market: “It is also estimated that we do not know about 85% of the jobs that will exist in 2030.”

Can you tell us how the government can ensure that Canadians and the country's employers will be ready for that transformation?

Mr. Mathieu Lavigne: Good afternoon, Mr. Baker.

Mr. Milliard had to step away for a few minutes. So I will take over and answer that very good question. It brings us back to something we discussed previously: continuing education. The real problem, as you say, and as has already been mentioned, is that we do

not know about the jobs of tomorrow. If we did know about them, we would be preparing for them already. The challenge for workers is to hone their skills and their tools all through their careers so they can become comfortable with new technologies and new techniques. In that way, when new jobs appear in emerging sectors of their industry, they have the flexibility they need to adapt to them. That is why we are proposing a voluntary savings scheme for continuing education. In French, the acronym is RVEFC.

At the moment, as you know, there is a tax credit for continuing education. Of course, tax credits are better than nothing. However, we prefer a program that is a little more structured to send a powerful message. Employers and employees could make voluntary contributions, which would give them access to funds for continuing education all through their careers.

Mandatory or voluntary programs already exist for all kinds of things, like retirement or studies. In the same way, we could set up a more structured system for continuing education. The federal government would then be sending a strong message to employers and employees, that continuing education is the key to the jobs of the future.

I do not want to get into the technical details of the program we are proposing, because we discuss them in our brief. But that is basically the vision that we would like to see us all embrace.

• (1220)

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

I will read what you wrote so that I understand the details better. But, beyond what you have just said, do we need to do something else, rather than continuing education only? There is also training at the start of a career, when people are still very young and still studying. It would better prepare them for the changes in the economy, as you were saying, and for the new requirements that workers will have to deal with in the coming years, requirements that we still do not know about.

Mr. Mathieu Lavigne: Yes, indeed. We at the FCCQ are working with the Department of Education in Quebec, so that the school curriculum aligns as much as possible with the skills that workers will need in the future.

As for the federal government's role in that, there are jurisdictional challenges in Canada. The government's role could be more financial, but it could also take more concrete measures, as it did when it established the Student Work Placement Program. The program is currently being made more flexible, but that will end on March 31 this year. We are therefore proposing that the flexibility be extended for two years.

As you say, apart from continuing education, we need to act right from the time that the students are given placements. This is because we are heading more and more towards training in the form of placements, that is, with actual work. That has two advantages. The first is for students, who gain specific skills in the workforce, but the second is for employers. Given the labour shortage, they can bring interns into their businesses right away. They often offer those students jobs shortly after their placement, because they already know that they have the skills and the motivation. So it is a win-win situation, for employers and for workers.

Mr. Yvan Baker: Thank you very much, Mr. Lavigne.

[English]

Thank you, Chair.

The Chair: Thank you, Mr. Baker. That is your time.

We are moving into our third round of questions. I have the Conservatives up first.

Will it be Mr. Chambers or Mr. McLean?

Mr. Adam Chambers (Simcoe North, CPC): I'm back in the room, Mr. Chair. Thank you very much for your indulgence earlier.

The Chair: Welcome back, Mr. Chambers. You have five minutes.

Mr. Adam Chambers: Thank you.

Mr. Giroux, thank you for being here. I would love to see you come back for an extended period.

I want to spend a couple of minutes talking about fiscal responsibility and perhaps the benchmarks we look at. In 2015 we were told by the government that the budget would be balanced in four years. Then we were told that we should be looking at a declining debt-to-GDP ratio. Then it was suggested by the government that we should really be concerned about debt service costs. Now it's unclear, I think, to the market what measures this government is using to determine when it would remove its foot from the gas pedal or from increasing stimulus spending.

With the labour market where it is currently, this government claims that we've recovered most of the jobs from the pandemic. The government also likes to point to strong growth in the last half of this year and a strong growth outlook for next year. We heard testimony from other economists at this committee just last week warning against increasing stimulus spending from here forward. Would you agree that there are risks of continuing to spend?

• (1225)

Mr. Yves Giroux: There are indeed risks from continuing to spend at an elevated level. There are two risks. One is that it risks creating a higher debt-to-GDP ratio. It makes it much more difficult to return to a declining debt-to-GDP ratio. But that also depends on the state of the economy. If the economy grows even faster, the debt-to-GDP ratio can continue to decline, even with what would normally be higher levels of deficit. The other risk is that when demand is strong and labour markets are already working at full capacity, when we have full employment, as a few of the other witnesses, notably Monsieur Milliard, talked about, then there's labour

scarcity. That can lead to inflationary pressures, notably on wages and salaries. That can be transferred into prices in general.

These are the main two risks. I don't want to spend too much time responding to that, but inflation and the risk of slower debt-to-GDP ratio declines are the two main risks.

Mr. Adam Chambers: Thank you very much.

So just to confirm, on a simple basis, on a go-forward basis, additional government spending would have inflationary pressures on the economy at large—potentially.

Mr. Yves Giroux: There are indeed risks. It depends on the type of spending. If it's spending that does not create additional productive capacity and it stimulates demand, it can lead to inflationary pressures, yes.

Mr. Adam Chambers: Thank you.

Have you or your office done any analysis on when the federal government would balance the budget, holding all things equal?

Mr. Yves Giroux: No, we have not done that. We have forecasts that go out five years. Over that horizon, we don't anticipate that there will be a return to balanced budgets. That was before taking into account the government's electoral platform promises, which included, as we all know, significant spending measures as well as some tax measures. So the short answer is no.

Mr. Adam Chambers: If not, and you don't see a return to balance over the five years, do you think we're at risk of creating what experts would call perpetual or structural deficits at the federal level?

Mr. Yves Giroux: It's likely that we will have deficits for the foreseeable future—that is, beyond a five-year horizon—but that depends on many things, notably the rhythm and pace at which the government will implement its Speech from the Throne and platform commitments, and whether or not this will be accompanied at the same time by strong or not so strong economic growth. We could be in a period of extended deficits, but that is not necessarily a fatal flaw. If the deficits are relatively small, they can still be sustainable if the economy keeps growing.

Mr. Adam Chambers: Thank you very much.

We hear a lot about—

The Chair: You have 15 seconds, Mr. Chambers.

Mr. Adam Chambers: Thank you.

In your fiscal update you did mention with regard to the public pension plan that subnational governments and the federal government sector as a whole do not have a sustainable fiscal plan over the long term.

The Chair: Could you give us a very short answer, please?

Mr. Yves Giroux: In fact, public sector pension plans like QPP and CPP are sustainable over the long term. They're very under cost, so they are sustainable for the time being. Small changes in assumptions could make them switch from being sustainable to unsustainable, but that's not the concern we have right now.

The Chair: Thank you.

Thank you, Mr. Chambers.

We are moving to the Liberals and Madame Chatel for five minutes.

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

[*Translation*]

Mr. Giroux, when you evaluated the election platforms, did one party promise to return to a balanced budget in the next five years?

Mr. Yves Giroux: Actually, I did not evaluate the election platforms. It is important to point out that, during an election campaign, my office estimates the costs for individual measures, and only at a party's request. We do not consider election platforms generally.

To answer your question, I am going by memory and I may be mistaken. But I would say that no party promised to return to a balanced budget in the next five years.

• (1230)

Mrs. Sophie Chatel: That is also my understanding of the platforms.

Thank you very much.

[*English*]

I have a question for the Green Budget Coalition. I'm part of an initiative in my riding through which we, together with farmers for example, try to evaluate what prosperous agriculture would look like in 2040 in the green transition.

I want to know what exactly are your proposals for folks in rural areas. What are the biggest challenges? We've heard a lot about their concern with the impact of carbon pricing, but there's also a lot of innovation with regard to nature-based solutions, diversification, and changing the level of crops and variations. There are a lot of innovative approaches proposed by rural economies, and I wonder what the angle of the Green Budget Coalition is and how much of a rural consideration you have in your approach.

Mr. Andrew Van Iterson: Thank you, Ms. Chatel. I'd like to turn to David Browne to respond to that.

Mr. David Browne (Director of Conservation, Canadian Wildlife Federation, Green Budget Coalition): There's a lot that could be said on that, so just to be to be very brief, I would first point to page 92 of our full recommendations document, which is available online, in which our points are made. I would say our focus right now is on what's called the "next policy framework", which is essentially the framework that allows transfers to the provinces and creates the spending from Agriculture and Agri-Food Canada for enhancing our agriculture industry. That's where we would like to see these climate considerations and biodiversity considerations tied in.

To your point, there are actually a lot of good win-win situations with agriculture and both of the points you brought up—nature-based solutions and this transition to a low-carbon economy. There are known cost savings that could be achieved, known payments to farmers that result in benefits to the country, recognizing their stewardship to the land financially in order to basically incent certain activities on private farm lands.

If you look into our document, to which I would point you, there are a number of very specific recommendations around regenerative agriculture, supporting the industry in transitioning to a more sustainable framework.

We have good conversations with the industry itself, which wants to be able to access global markets that are asking questions about Canada's agriculture and how it meets certain sustainability and climate criteria. We think the Canadian farm industry can do that, and the federal government has a role to help it do that.

Thanks.

Mrs. Sophie Chatel: If I may ask a follow-up question, there's a lot of concern about, as I said, carbon pricing.

In your proposal, Mr. Browne, is there any suggestion as to how this will impact concretely the agriculture sector and any proposal for how to alleviate some of the concerns farmers have?

Mr. David Browne: Vanessa, you are probably in a better position to comment on the economics of carbon pricing.

Ms. Vanessa Corkal: Yes. We understand this has been a concern for some time and it's not likely to go away any time soon. Our recommendations—like the recommendations of organizations we've collaborated with, such as Farmers for Climate Solutions—generally support carbon pricing in order to send a strong signal that we are moving away from these fuels. Those need to be complemented by adequate incentives to support rural producers so they can support their livelihoods and afford technologies that allow them to move away from fossil fuels—things like supporting electrifying grain dryers, for example, or incentives to support the electrification of on-farm equipment.

Our document doesn't have specific details about that, but Farmers for Climate Solutions does. It has made specific recommendations on that. Generally, its message is similar to what we would say as well.

• (1235)

The Chair: Thank you.

Thank you, Madame Chatel. That is your time.

We are moving to the Bloc and Monsieur Ste-Marie for two and a half minutes.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you.

Mr. Lavigne, in two and a half minutes, could you tell us about your requests in the area of regional development?

Mr. Mathieu Lavigne: Thank you for the question, Mr. Ste-Marie.

Regional development is indeed one of our priorities and we have focused on the challenges in infrastructure. Actually, we believe that it is where the federal government has a greater role.

The federal government is directly responsible for VIA Rail's high frequency rail project, which is of prime importance. For us, it is critical. In terms of green economic development, it is a wonderful project. Businesspeople in Quebec City, Trois-Rivières, Montreal, and all the communities along the route are asking for it.

We are very pleased that announcements about the project were made in the last budget. However, we know full well that those announcements cover only a part of the project, basically the studies. Accepting that we are only involved in prebudget consultations, we would like the entire project to be in the budget. If it were, as soon as VIA Rail is ready to start work on the project, having funds available will not be a problem.

We know that the project will require major investment. At the moment, we are involved in a process that is strictly about federal budgets. So it is really important to make it clear that money will not be a problem, that it is being set aside now, and that the project will be proceeding along the best possible route. We have to avoid having to go to battle once more in a few years, in order to have funds set aside in the budget. The project is really important for Quebec's economy.

We also addressed the issue of regional airports. As we know, there is less demand in regional airports. Public health measures mean fewer trips. That makes this exactly the right time to invest, to modernize and to innovate, so that we are ready to respond when the economy has fully recovered. In terms of passenger traffic, we are thinking specifically about workers and businesspeople in the regions who have to travel to Quebec City, to Montreal, or to other places in North America. The infrastructure they need has to be in place.

In addition, there are a good number of requests in terms of the model for air transportation. Support for airports is an item in the federal budget and one that really needs a push. Finally, of course, there is funding for public transit projects. It is important to keep that funding in place and to provide as much of it as possible, so that cities and communities that want to undertake projects have access to the funding.

Mr. Gabriel Ste-Marie: Thank you.

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

[English]

We are moving to the NDP and Mr. Blaikie for two and a half minutes.

Mr. Daniel Blaikie: Thank you very much.

I have a question for Monsieur Giroux. In his report on the fall economic statement, he talked about the importance of government reporting on its public accounts reliably and on time, and he sug-

gested Parliament might consider some changes to legislation to ensure that government does that.

It made me think about some of the larger reforms that were talked about in the 42nd Parliament regarding the parliamentary process for approving government funds. Of course, there were some changes made to the estimates process at that time. I think some of what was done was certainly worth pursuing. There were other elements of that reform that were problematic. All of this went away in the subsequent Parliament, the last one. There hasn't been any real follow-up.

When you were talking about a better date for the public accounts, it made me think that perhaps we should be looking at the entire system, including when the budget lands and the question of a fixed budget date, as well as when the public accounts ought to be tabled and changes around the timing of the estimates that were considered a couple of Parliaments ago.

I'm just wondering if that's something you might be willing to share some thoughts on today, and if it's something you might be willing to report more at length on to the committee in the months ahead.

Mr. Yves Giroux: It certainly is something I'd be happy to report on if the committee wishes my office and I to pursue more work on it.

That being said, I can offer a few comments. I don't—

Mr. Daniel Blaikie: Before you offer those comments, I am curious to know from the chair how we would consider whether my request here is sufficient, or if we need something from the committee.

If there are no objections, I would certainly be happy to consider the committee asking for that feedback from the Parliamentary Budget Officer. If there are objections, then I'd be prepared to move the appropriate motion.

• (1240)

The Chair: I'm just looking at members. I am seeing everybody in agreement. Is that correct?

It looks like everybody is in agreement, Mr. Blaikie.

Mr. Daniel Blaikie: Thank you.

Mr. Giroux, for whatever time I have remaining, please continue.

Mr. Yves Giroux: I don't envy you, as parliamentarians, having to approve spending when we have main estimates tabled before the budget, and then the budget comes after the mains. It is very difficult for you, as parliamentarians and decision-makers, to figure out where the budgetary appropriations are and why is it that the mains don't include items that the government will be introducing a couple of weeks later. These are often found in supplementary estimates (A), (B), or sometimes (C). It's very complex to figure out where the government is seeking funding for budgetary items.

It's very complex, and it's due in part because of the fact that [*Technical difficulty—Editor*] Before the mains, there is not enough time for officials to include budgetary spending in the mains, so it's very complex to follow the money as you are asked to approve it. There is room for significant improvement.

[*Translation*]

The Chair: My thanks to Mr. Giroux and Mr. Blaikie.

[*English*]

We are moving to the Conservatives.

Mr. Poilievre, you have the floor, for five minutes.

Hon. Pierre Poilievre: Mr. Giroux, thank you for coming.

You've recently published a report in which you chronicled \$542 billion in government spending measures, almost a third of which is not part of the COVID-19 response plan.

How much in new or additional measures has the government enacted in the last two years, or since the COVID crisis began, that is unrelated to COVID-19?

Mr. Yves Giroux: My estimate is that about \$176 billion, give or take a billion or two, is not directly related to COVID-19.

Hon. Pierre Poilievre: Since which start date?

Mr. Yves Giroux: That is since the start of the pandemic.

Hon. Pierre Poilievre: Since the start of the pandemic, the government has enacted \$176 billion in new spending measures that have nothing to do with COVID.

You have said that the government's own guardrails, which it has set in place, have now been reached and that there is no longer justification for a new \$100 billion of additional spending. The chief economist for Scotiabank came to our committee last week and said that all things being equal, additional deficit spending would contribute to inflation.

Do you agree with him on that?

Mr. Yves Giroux: I agree with him that if the additional spending is not to increase the productive capacity of the Canadian economy, but purely to stimulate demand, it would indeed create inflationary pressures.

Hon. Pierre Poilievre: So deficits can contribute to inflation.

Mr. Yves Giroux: Yes, they can.

Hon. Pierre Poilievre: Could \$100 billion in additional deficit spending measures potentially contribute to inflation?

Mr. Yves Giroux: Again, if they're not destined to increase the productive capacity of the economy, they can create inflationary pressures.

Hon. Pierre Poilievre: That's because they create, in that case, more demand without meeting it with new supply.

Mr. Yves Giroux: Exactly. They create more demand in an economy that is already running close to or at full capacity.

Hon. Pierre Poilievre: Right. Obviously that capacity is quite weak, but the fact that we have such a weak economy and we're considering it to be at full capacity is really quite a depressing story. More dollars chasing fewer goods always leads to higher prices.

Some are even calling that "Justinflation". I won't ask you to comment on that, because I know that's not necessarily in your report.

However, do you believe we can continue to go on adding new debt at this rate, or do you think it is advisable for us to get on a prudent path to reducing the debt-to-GDP ratio?

• (1245)

Mr. Yves Giroux: I've said a couple of times that we could afford a deficit that was as high as the one in the last fiscal year, but we cannot afford that many years in a row. As deficits decline, that suggests that the fiscal situation will return to more sustainable levels of deficit, but it's clear that we cannot afford the same level of deficit that we saw in 2020-21 for many years in a row.

Hon. Pierre Poilievre: Mr. Chairman, how much time do I have left?

The Chair: You have 45 seconds.

Hon. Pierre Poilievre: All right.

Mr. Parliamentary Budget Officer, we have had 85% housing inflation since the Prime Minister took office. When he came into office, the typical house went for \$436,000. That typical price has risen to \$811,000. Last year, we had all-time record housing inflation of 26%.

Do you believe the negative real interest rates on variable rate mortgages might be contributing to the demand that is ballooning these house prices?

The Chair: Make it just a brief answer.

Mr. Yves Giroux: It is very clear that very low interest rates are fuelling demand, because most people don't buy a house paying in cash. They look at the monthly payment and they decide, based on that, what type of house they can afford. Lower interest rates, other things being equal, mean lower monthly payments, and lower rates mean that people can afford to spend more on a house. Therefore, yes, it is creating upward pressures on prices for housing.

Hon. Pierre Poilievre: Thank you.

[*Translation*]

The Chair: Thank you, Mr. Poilievre.

[*English*]

We are moving now to the Liberals and Ms. Dzerowicz for five minutes.

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

As we are engaged in pre-budget consultations, I'm still going to spend the majority of my time on this, because we have such limited time and I want to make sure that we get the best recommendations on the table.

I know that a number of my colleagues on the opposite bench have suggested that perhaps we want to have our Parliamentary Budget Officer back before us for full sessions. I personally support that very much. As soon as these pre-budget consultations are done, it's very important that we have Mr. Giroux back to answer more fully many of the things he has highlighted in his report that has come out today.

There are a couple of things, though, that I do think are important to mention, because there's a bit of a focus on the change around the fiscal guardrails and whether we continue to need stimulus spending.

It's important to note that, as of last summer, we as a federal government have started to drastically reduce and pull back a lot of our supports and emergency supports. It's also important to note that even after we announced the additional targeted stimulus funding in the fall, international credit agencies still confirmed our AAA credit rating.

It's further important to note that Bill C-2 showed that we continued to have targeted, specific support—and as we could see through this recent lockdown across our country, we have needed it.

The last thing is that there's a very fine line between when to pull back drastically on the stimulus and the supports and when to continue to help ease the Canadian economy as we're still trying to get through this COVID pandemic. Much of the money currently being spent is for the child care commitments, it's for the aggressive climate change actions, it's for reconciliation and it's for continuing to support our businesses and economic growth moving forward.

On that, I'm going to turn my attention to the Green Budget Coalition and ask anybody who is willing to respond to this question.

There was a really wonderful report that came out about sustainable finance from our current Governor of the Bank of Canada, and before that, he had worked on a big sustainable finance report. He has made a number of recommendations about the importance of how to bring in private investment to help ensure that Canada achieves its aggressive climate action targets.

From your perspective, what is the role of private investment in our transition to net zero, and how can we as a federal government better support private investment as we're trying to aggressively move on achieving net zero by 2050 and our 2030 targets?

• (1250)

Mr. Andrew Van Iterson: I appreciate the question. I'm going to turn to Vanessa Corkal again.

Ms. Vanessa Corkal: Thanks, Andrew.

As I mentioned in one of my previous answers, you will have noted that we don't have extensive recommendations on sustainable finance on this. This file is under development and we have colleagues in other organizations, in particular Environmental Defence

and Shift Action for Pension Wealth and Planet Health, who are working actively on this file.

Therefore, I'm going to give some high-level recommendations.

First, we really support implementing the recommendations of the Task Force on Climate-Related Financial Disclosure. A huge way to support the private sector is to ensure that companies are able and are supported to provide climate risk disclosures on their investments. That will help them identify the right ways to go.

Another tool that we have outlined in our document is under a section called "Green Strings", about how the government can use its money to support the private sector as well. We support encouraging companies to develop net-zero plans in line with Canada's recommendations in order for them to be eligible for certain types of federal funding. That will also help give an extra boost to the private sector to figure out and plan its investments.

Those are two examples I would like to focus on.

Ms. Julie Dzerowicz: I appreciate that very much, Ms. Corkal. That's very important.

My last question in my remaining time is this. In my riding of Davenport, one of the many recommendations that we're working to address climate change is our goal of conserving 25% of our lands and waters by 2025 and 30% by 2030. We're very serious about that recommendation.

What would be your recommendation about our next steps to aggressively push on achieving this objective?

The Chair: Give a short answer, please.

Ms. Vanessa Corkal: I'm going to pass it to my colleague, Doug.

Mr. Doug Chiasson (Senior Specialist, Marine Ecosystems and Government Engagement, World Wildlife Fund-Canada, Green Budget Coalition): One of our priority recommendations in this year's document is to provide ongoing management funding to protected areas. The next target and the next protected area are always very important, but we also need to properly provision the government departments and agencies that are in charge of managing and stewarding our existing protected areas.

Instead of making these departments and agencies reliant on three-year or five-year blocks of funding, we recommend building in permanent funding for ECCC, DFO and the Parks Canada Agency to manage and steward our protected areas.

The Chair: Thank you, Ms. Dzerowicz.

Members, looking at the time we have left, I'm going to divide up the time, as we usually do, among the four parties. It will be for two, two, one and one minutes.

We'll start with the Conservatives and Mr. Stewart for two minutes.

Mr. Jake Stewart: Thank you for that, Mr. Chair.

Back to my earlier questions to Mr. Giroux, I'm guessing that if we ignore the safeguards we spoke of earlier, the credit rating will be at risk of being downgraded in Canada.

Can you tell me why there is no more further need for stimulus spending past 2021-22?

Mr. Yves Giroux: The economy is running at a healthy pace and recovering at a relatively fast pace after the severe downturn induced by COVID-19. The labour markets have recovered. While this is not the case everywhere and in every single sector, but if we look at the labour market in aggregate, the number of jobs is higher now than at the start of or just before the pandemic. The participation rate is very close, if not at, its pre-pandemic level, and the same goes for the number of hours worked. If it's not at its level or slightly above, it soon will be.

That's why the need for economic stimulus, with the purpose of returning economic activity back to its pre-pandemic level, is probably no longer necessary or will no longer be necessary. However, as I've said before, it's the prerogative of the government to spend if it has other policy objectives in mind. That's not what I'm commenting on; I was commenting on the need for economic stimulus to stimulate demand and return to pre-pandemic levels of employment.

• (1255)

The Chair: You have 20 seconds left.

Mr. Jake Stewart: When government prints this much money, it will always contribute to higher inflation in Canada. That's "Justinflation".

The Chair: Thank you, Mr Stewart.

We're now moving to the Liberals and Mr. MacDonald for two minutes.

Mr. Heath MacDonald: Thank you.

I have a quick question for Mr. Giroux.

Has your office done any analysis or forecasts of the \$10-a-day child care that are relevant to the economy or labour force by any chance?

Mr. Yves Giroux: We are in the process of doing that. It's not completed yet, but we are looking at that issue and are hoping to be in a position to release a report before the end of the fiscal year, so before the end of March.

Mr. Heath MacDonald: Thank you very much.

I want to move on to the Canadian Mental Health Association again.

I want to go back to Ms. Dzerowicz's initial questions. Sometimes I feel that the local associations do get frustrated when they

hear of the mental health transfers to the province, but don't always necessarily see where it's coming from or how it's built into their core budgets. How important is direct mental health funding and what impediments can we overcome as a government to ensure that these local associations have direct access to this funding?

Ms. Margaret Eaton: Thank you so much.

It's a growing imperative. We know that the provincial governments in some provinces have taken some of that federal money and it has trickled down to some of our community organizations, but the need is great. Even some of our largest CMHAs—like Waterloo Wellington in Ontario, for example—talk about the fact that even with their budgets they cannot meet the need, particularly for issues like eating disorders and substance use, which have grown extraordinarily through the pandemic.

If we want to get our country moving again, we have to make sure that people's mental health is addressed, not just in the short term but for the longer term as well. We're quite concerned that the impact on mental health that we see is going to grow over time, even as the country starts to open up as the pandemic comes to a slow close.

Mr. Heath MacDonald: Thank you.

The Chair: Thank you.

Thank you, Mr. MacDonald.

We're moving to the Bloc and Monsieur Ste-Marie for a minute-ish.

[*Translation*]

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

Mr. Lavigne, in one minute, could you explain to us your requests for infrastructure and the pharmaceutical industry?

Mr. Mathieu Lavigne: In a word, the pandemic has shown that we need an adequate supply in Quebec and in Canada. In our case, we are talking more about Quebec.

Our main request is to have pharmaceutical production capability at home. The reform of the Patented Medicine Prices Review Board, which has been under way for some years, was conceived prior to the pandemic and is no longer appropriate for today's reality. We know that the federal government has already postponed the changes that the board proposed until July 2022 and we are grateful to it for that. However, we feel that the objective is not to postpone the reform but to look at it again.

We are aware that the system still needs to be modernized. But the basis of that reform must reflect our recognition of the need to have medications produced at home. Importing medications in crisis situations poses supply problems. We would therefore like the reform to be focused on reestablishing the pharmaceutical industry at home, in Quebec. We used to have many companies in the sector and there are still a lot, but real advantages can be gained by re-examining that reform.

Mr. Gabriel Ste-Marie: Thank you.

The Chair: Thank you.

[English]

Now we'll go to the NDP.

Mr. Blaikie, you'll have our last question in this session.

Mr. Daniel Blaikie: Thank you very much.

Ms. Eaton, we hear a lot from the government about the national housing strategy, but we know that over six years they haven't really made a dent in what we need to accomplish. We also know that despite their talk about "affordable" housing, the way that's defined means that many people who are in dire housing need cannot access what's being built under the program.

I'm wondering if in 30 seconds you can give us the broad strokes of what really needs to change in the national housing strategy in order to serve the folks you're here to advocate for today.

Ms. Margaret Eaton: Thank you for that.

Housing is a dire issue. As you know, there's tremendous stigma against people with mental illness, which means that many of them are on disability and struggling to make ends meet, so the housing that we provide through CMHAs locally has been incredibly important to maintain their dignity and support their recovery.

The national housing strategy, we're all delighted to see, but we know that there needs to be greater action and more speed, especially now. What we would like to see is clearer implementation plans and more direct allocation of that funding so that we can actually see, perhaps not even investment, necessarily, in whole new

buildings being built, but creative strategies to find infill housing and the purchase of particular units or condos for these purposes, and different ways of getting at this problem, rather than just putting up brand new buildings, which we know can be so difficult and expensive. We want to see a creative implementation strategy.

• (1300)

The Chair: Thank you Ms. Eaton and Mr. Blaikie.

Thank you to the witnesses. On behalf of the members of the committee, the clerk, the analysts, the interpreters and the staff, we thank you for your submissions and opening remarks and for all the answers you provided today.

Members, just before we adjourn, I do need your attention. You should have received two budgets for our committee that we need approval of today. They're for the inflation study and the pre-budget consultation study.

I'm looking to all members to see if we have approval of those two budgets.

I see everybody nodding their heads in the right direction.

Clerk, we do have approval of those budgets.

On that, I'll ask for adjournment, and I'll again look to the members.

Great. We'll adjourn.

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