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Chair: Mr. Peter Fonseca



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• (1540)

[English]

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

Welcome to meeting number 18 of the House of Commons Standing Committee on Finance. Pursuant to the motion adopted in committee on December 16, 2021, the committee is meeting to continue our 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, 2021. Members are attending in person in the room and remotely using the Zoom application. The proceedings will be made available via the House of Commons website. The webcast 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 only view the meeting in gallery view.

I'd like to take this opportunity to remind all participants at 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, 2021, to remain healthy and safe, all those attending the meeting in person are to maintain a two-metre physical distancing; must wear a non-medical mask when circulating in the room, and it is 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. 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 we will ensure that 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 alert the chair.

For members participating in person, proceed as you usually would when the whole committee is meeting in person in a com-

mittee 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're on the video conference, please click on the microphone icon to unmute yourself. For those in the room, your microphone will be controlled as it normally is 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 best we can to maintain a consolidated order of speaking for all members, whether they are 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 mutual respect and decorum. If you think the witness has gone beyond the time, it is the member's prerogative to interrupt or ask the next question and 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.

Members, we all just voted on legislation that will now come before our committee. Out of respect for the witnesses today, I'll take 10 minutes at the end of our meeting to discuss it.

I would like now to welcome our witnesses.

From Canadians for Tax Fairness, we have D.T. Cochrane, policy researcher; from Electric Mobility Canada, Daniel Breton, president and chief executive officer; from the First Nations Tax Commission, Clarence T. Jules, chief commissioner; from the Great Lakes Fishery Commission, Robert Lambe, executive secretary, and Gregory McClinchey, legislative liaison; from the Macdonald-Laurier Institute, Melissa Mbarki, policy analyst and outreach coordinator, indigenous policy program; and from the Tourism Industry Association of Canada, Beth Potter, president and chief executive officer, and Blake Rogers, executive director of the Tourism Industry Association of Yukon.

We will now hear opening statements from our 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.

• (1545)

We will start from the top, with Canadians for Tax Fairness and D.T. Cochrane, policy researcher, for up to five minutes.

Dr. D.T. Cochrane (Policy Researcher, Canadians for Tax Fairness): Thank you very much. It's a pleasure to speak with you today.

As Canadians for Tax Fairness, we are concerned about two long-term trends in our tax system that stymie our ability to achieve a sustainable, equitable and prosperous future. First, four decades of changes to our tax laws have drastically reduced public revenues. Second, most of that lost revenue is due to tax breaks that largely benefit the wealthiest individuals and corporations. A recent review of out of the London School of Economics showed that such tax changes had little economic benefit while exacerbating wealth and income inequality.

During the 2021 election, every party made promises to ensure the wealthiest pay their fair share. We appreciate your commitment to addressing the issue and expect the all-party consensus on more CRA funding will result in prompt implementation. However, fairness will not be achieved with a few incremental measures. We need new tools such as a wealth tax and the digital services tax. Both tools are well studied and there is no reason not to move forward. However, we also need to substantially overhaul our tax system in three key ways: raise the corporate tax rate; eliminate loopholes; and increase transparency.

We've heard a lot about the skyrocketing wealth of billionaires, but I want to focus on the rising wealth and power of corporations, aided and abetted by Canadian governments.

Here's a key number: \$1.1 trillion. This is how much tax revenue Canadian governments have lost from ill-advised corporate tax cuts and ever-worsening tax avoidance since 2000. This deprived governments of revenue that could have expanded and maintained vital public services. Did corporations invest this money in R and D or greater productive capacity, which many claimed would happen? No. Instead, inequality rose, along with higher executive salaries, as well as more corporate concentration and influence.

The current government has said it will address these problems, and taken some steps, promising more. We support limiting stock option deductions and interest deductions. However, this incremental approach is out of step with our desperate need for substantial and sustained government action on numerous issues: affordable housing, a more robust health care system, and climate-resilient infrastructure to name just three.

Further, contrast the incremental measures with the extreme rate cuts made by Liberal and Conservative governments in the 2000s and early 2010s. Those cuts saw the federal corporate tax rate almost halved to just 15%. Reversing the cuts is long overdue. We commend the Liberal government for promising to raise the tax rate on the country's largest financial institutions. However, a general increase, as proposed by the NDP, is preferable. We recommend an

increase to 20%, which the PBO says would raise revenue by almost \$8 billion.

In addition to raising the corporate tax rate, we need to close loopholes that overwhelmingly benefit the largest corporations and the wealthiest individuals. Let me name three.

First, move to full inclusion of capital gains. This is a \$22-billion, and growing, annual handout to the rich and powerful.

Second, get rid of the dividend tax credit, which costs the government \$5 billion a year. Over 90% of that goes to the richest 10%.

Third, eliminate the preferential tax treatment for REITs, real estate investment trusts. One of the main drivers of runaway house prices is assetization, treating houses as assets first and homes second. This needs to be discouraged, and eliminating the preferential tax treatment for REITs would be an important step.

Finally, the government must continue to improve corporate transparency. Last budget's funding toward a public beneficial ownership registry is an important step. The next step is to publicly disclose country-by-country financial reporting for the largest transnational corporations. There is too much we do not know about some of the most powerful companies in Canada.

The pandemic and climate change have created much suffering and uncertainty, but they've opened many people's eyes to the essential nature of properly funded public institutions.

• (1550)

Let's overhaul our unjust tax system and enhance our public capacity.

Thank you for your time and attention.

The Chair: Thank you, Mr. Cochrane.

We are now moving to Electric Mobility Canada and Daniel Breton for up to five minutes.

[Translation]

Mr. Daniel Breton (President and Chief Executive Officer, Electric Mobility Canada): Good afternoon.

I would like to thank the members of the Standing Committee on Finance for considering our recommendations on the electrification of the transportation sector in advance of the 2022 budget.

My name is Daniel Breton, and I am the president and CEO of Electric Mobility Canada.

Founded in 2006, Electric Mobility Canada is one of the world's first organizations dedicated to advancing transportation electrification. Our members range from light-duty, mid-size, heavy-duty and off-road vehicle manufacturers, electric utilities, charging infrastructure suppliers, mining companies and information technology firms to research centres, cities, universities, fleet managers, unions and environmental non-governmental organizations.

Electric Mobility Canada is the national voice for the electrification of the transportation sector.

[English]

There are three fundamental reasons Canada should support the development of the transportation electrification industry—air pollution and health, climate change, and the economy.

For example, according to the 2021 report on the impact of air pollution, Health Canada estimates that 15,300 deaths per year can be attributed to air pollution in Canada. That's eight times the death toll from motor vehicle accidents. The total annual economic cost of air pollution is estimated at \$120 billion a year, most of it coming from transportation and oil and gas.

Investing in electric mobility can therefore help save thousands of Canadian lives and billions of dollars.

On August 6, 2021, we sent a series of 26 pre-budget recommendations for 2022, with budget proposals that can be found on the finance committee website. Some of these recommendations have been updated in our fall document, known as the “2030 EV Action Plan for Canada”. These recommendations fall under the following six pillars.

Pillar one, on light-duty EV consumer adoption, we propose policy solutions that overcome barriers to consumer EV adoption, with a focus on affordability, value, education and awareness, as well as new polluter-pay funding mechanisms to support their implementation.

Pillar two, on medium, heavy-duty, and off-road fleet electrification, we present ideas and solutions to overcome and address the barriers in the fleet and non-passenger segment, including for affordability, the transition of electric public transit and school bus fleets, and actions that government can take at federally regulated facilities. Medium, Heavy-duty and off-road companies such as Nova Bus, New Flyer, Lion Electric, Girardin, Taïga, Dana and BYD are now making electric buses, school buses, trucks or snowmobiles in Canada, and there is great potential for job creation.

Pillar three, on the national EV Infrastructure deployment plan, transitioning to electric mobility requires a new way of thinking about the fuelling infrastructure of the future. We propose solutions to overcome the challenges of charging in multi-unit buildings, remote areas, highway-side, and on public land.

Pillar four, on electric vehicle strategy and EV regulation, achieving results will require coordination and strategy, including a focus on overcoming challenges of vehicle availability and supply. We also need to ensure that no Canadians are left behind, whether they live in rural or indigenous communities.

[Translation]

Pillar five focuses on domestic EV jobs and manufacturing capacity. A development and investment attraction strategy, focused R and D efforts, and action to protect Canadian industry and workers from foreign buy-domestic rules will help ensure a prosperous transition to an electric mobility economy in Canada.

Finally, pillar six revolves around federal leadership. The government can and should lead by example and make use of its own facilities, financial capacity and internal process to help accelerate the transition to electric mobility.

The future of mobility is electric, whether light-duty, mid-size, heavy-duty or off-road vehicles. The Government of Canada knows it, the industry knows it and scientists know it. That is why Canada and all the members that make up its industrial cluster need to work together on a visionary plan to ensure a clean and prosperous future.

[English]

Thank you.

[Translation]

The Chair: Thank you, Mr. Breton.

[English]

Now we are moving to the First Nations Tax Commission and Chief Commissioner Clarence T. Jules for up to five minutes.

• (1555)

Mr. Clarence T. (Manny) Jules (Chief Commissioner, First Nations Tax Commission): Good afternoon.

I am Manny Jules, the chief commissioner of the First Nations Tax Commission.

Thank you for this opportunity to appear before this committee.

This is the 22nd submission I've made. I have personally made 15 pre-budget submissions to this committee.

In December 2020 I appeared before this committee to make seven recommendations for budget 2021. One of the recommendations was to expand our fiscal powers to include fuel, alcohol, cannabis and tobacco sales tax. We call this the “FACT” tax. In February 2021 this committee included that recommendation in its report to the House of Commons, and in April 2021 the federal government included the FACT tax in budget 2021.

The support of this committee is appreciated. Because of your support, the Department of Finance has invited us to discuss how we can help them implement the FACT tax. Because of your support, the First Nations Fiscal Management Act has become the most successful indigenous-led legislative initiative in Canadian history. There are now over 320 first nations in the FMA.

Your support of the FMA has led to billions in new revenues, infrastructure and investment in our communities. This has meant thousands of new jobs. It has meant that thousands of new first nation laws have been implemented by hundreds of university-accredited and professionally certified administrators. The FMA stands as an international example of how to respect indigenous rights and achieve economic reconciliation by implementing indigenous jurisdiction.

This year the commission is seeking your support for an important improvement to the FMA. We want to add the first nations infrastructure institute so that first nations can build more sustainable infrastructure and do it sooner. The infrastructure institute will allow participating first nations to reduce their asset-related insurance premiums. It will allow us to close the \$30-billion infrastructure deficit on reserves much sooner by monetizing transfers. We are also seeking to renew the mandates of our FMA institutions so that we can support more first nation fiscal powers, improve financial and statistical management frameworks, and support more first nations. We are asking this committee to support other amendments that will increase our access to capital, improve our implementation of first nation jurisdictions and expand our capacity and resources to implement innovations.

In the past 154 years, the Parliament of Canada has passed, repealed and amended many thousands of laws. This has been done to adapt to changes in economic opportunities, technologies, societal priorities, environmental challenges, pandemics, demographics and fiscal challenges. This has supported the evolution of Canada.

Now consider our plight. The Indian Act and its oversight bureaucracy have not changed much over the last 150 years. In fact, for its first 50 years, all amendments to the Indian Act increased the restrictions placed on us. This legislation was amended in 1920 to make it easier to take away our children. As you know, 215 unmarked graves were discovered in my community in May 2021. The Indian Act was amended again in 1927, so we couldn't even tax ourselves. We call this *taksis*. We used it to pursue our title claims, improve our community infrastructure and look after our own children. This was taken away.

My community understands the relationship between our loss of *taksis* and title, and what the government did to our children. In October 2021, 13 families from my community personally petitioned the Prime Minister to renew our fiscal power. I was happy to see the Prime Minister's commitment to indigenous tax jurisdiction re-

flected in the Minister of Finance's mandate letter. Supporting these FMA amendments will allow this committee to meet this commitment.

These amendments will also allow first nations to better adapt to change, when change happens, and right at the community level. It will give us the jurisdictional and institutional space we need to innovate and adapt to change.

We are only asking for what you take for granted: the ability for government and citizens to innovate, learn, adapt and succeed.

• (1600)

Reconciliation will never be brought about by rhetoric or a government program. Reconciliation can only be achieved by creating a Canada that includes us, and that means hard work and putting decision-making power into our own hands.

As my ancestors said in 1910, let us work together so that we can make each other great and good.

Thank you.

The Chair: Thank you, Chief Commissioner Jules.

Now we are moving to the Great Lakes Fishery Commission for up to five minutes.

Mr. Gregory McClinchey (Legislative Liaison, Great Lakes Fishery Commission): Thank you, Mr. Chair. We're pleased to be here today on behalf of the Great Lakes Fishery Commission.

Part of the commission's treaty mandate is to make recommendations to government and, surely, there's no more important starting point for us than participating here today. Previous committees have supported our work in their pre-budget consultations, and we ask this committee to recognize the Great Lakes as the economic engines that they are.

My name is Greg McClinchey and before joining the commission I spent 25 years on Parliament Hill. I'm thrilled to again be on this side of the virtual table offering comments on the next budget.

With me is Robert Lambe, the commission's former chair and current executive secretary. Prior to joining the commission, Bob had a 35-year career in the public service where he held several executive positions, including six years as DFO's central and Arctic RDG. Together, we offer the commission's budget and ask for your support.

The Great Lakes hold 21% of the world's fresh water. The basin supports 3,500 species of plants and animals and more than 40 million people. The Great Lakes move \$19.8 billion in goods each year and support 238,000 jobs and \$45 billion in economic activity. Put another way, as we consider a post-COVID economic recovery plan, the Great Lakes seem a good place to start.

Despite this, Canada and the U.S. have a spotty history of cross-border co-operation and, unfortunately, Canada has not always been the leader we could be. Historically, several treaties collapsed as Canada and the U.S. disagreed on Great Lakes policy. Despite this, in 1954, the Great Lakes were in real crisis and desperate governments ratified the Convention on Great Lakes Fisheries. This created the commission and assigned us three main duties: to help governments work together as fractured regulations had caused a race to the bottom with respect to fish quotas; to formulate and drive a science program upon which to base fishery management decisions; and to formulate and deliver a control program for sea lamprey, a destructive and non-native predator.

The Great Lakes of the early 1900s were unlike what we see today. Jurisdictional conflicts, overfishing and sea lamprey incursions had rendered cottages unusable as beaches were littered with rotting fish carcasses. The freshwater fleets faced empty nets, and the local economies in places like Midland and Port Credit wobbled.

The commission built scientific understanding and new partnerships, and reduced sea lamprey populations by 90%, allowing the \$8 billion fishery to rebound. However, this would have been impossible without binational co-operation; you see, fish don't carry passports and lamprey thrive in jurisdictional squabbles.

Partnership is why our treaty has succeeded and it is why there is an agreed upon funding formula whereby for sea lamprey control, the U.S. should pay 69% and Canada 31%. For sea lamprey and cross-border coordination, the split is 50/50. The U.S. has respected this, while Canada has not. Canada contributes \$10.6 million annually, which falls \$8.84 million short of the required \$19.44 million. This means that Canada is not contributing to the commission's science and cross-border mandates, and Canada is underfunding sea lamprey control at home.

While this imperils our work, the greatest damage comes as a credibility gap that can only be fixed if Canada fulfills its promise.

In the next budget, we ask Canada to contribute \$19.44 million to the commission. This would fulfill a binational promise and help improve the fishery. As indicated in our brief, an annual Canadian allocation of \$19.44 million would mean \$14.71 million for sea lamprey control, \$3.57 million for science and research, and \$1.16 million for fishery management and coordination. This would allow the commission to resolve a long-standing Canadian government interface issue and allow the U.S. to stop paying Canada's bill.

Members of Congress would welcome this as they've been lobbying successive Canadian governments to resolve the matter. The U.S. would again see Canada as a Great Lakes partner, and the commission could return its focus to its treaty mandate of keeping the Great Lakes healthy.

Mr. Chair, let me conclude by saying that the Great Lakes are well worth this investment. Our two nations have a proven and

long-standing mechanism in place to manage this \$8 billion binational resource. We ask for the committee's support of the commission's recommendation, and we thank all members for your time.

• (1605)

The Chair: Thank you, Mr. McClinchey.

We will now move to the Macdonald-Laurier Institute.

Please go ahead, Ms. Mbarki.

Ms. Melissa Mbarki (Policy Analyst and Outreach Coordinator, Indigenous Policy Program, Macdonald-Laurier Institute): Thank you for inviting me to this committee today to speak on behalf of not only indigenous prosperity but also indigenous rights. I am here today to let this committee know that indigenous voices have been excluded in really important discussions on climate change as well as the natural resource sector.

In the west, this sector has employed a large number of indigenous people. It has also helped entrepreneurs develop businesses and become self-sufficient. The regulations, bills and acts that have been implemented to hinder or even stop resource development have negatively impacted indigenous communities.

This industry has taken me out of poverty. It has allowed me to have a career since the age of 20. This industry is also in remote communities and rural communities. It has brought jobs, skills and training to people who wouldn't have access to this otherwise. I think we need to be included in climate initiatives—not trying to hinder resource development, but actually coming up with solutions to the resource development. We've been involved in conversations around carbon capture that would benefit large-scale operations like the oil sands. It would also work in other industries like agriculture. Anything with a smokestack could implement the use of carbon capture if this technology is developed.

We're also looking at liquefied natural gas. This would reduce coal usage. If we're going to get to net zero, we have to start working with industry to get to net zero. There isn't one answer that will solve this. I think indigenous people bringing in their traditional knowledge, as well as industry knowledge, can get Canada to net zero. But voices like mine aren't heard. They're often shut out because we are pro-development. I think this idea needs to change. I think we have to bring more experts into these discussions, whether on the policy end, operations end, or even on the financial end of things, because this would benefit not only our communities; it would also benefit Canada as a whole.

Another issue in indigenous communities that I want to bring up is poverty. Poverty is the number one issue of our social issues. My community has a poverty rate of 80%. This is something that's not going to be easily solved with skills or jobs training. We have to figure out how this money is being used. We have to figure out where it's going, if it's going to indigenous people, and we have to look at the outcome. How many jobs did this bring communities? We have to look at what the result is. This is absolutely not happening in communities.

I left my community 20 years ago. When I go back home to visit, it's exactly the same. The people who had jobs at the gas station still have jobs at the gas station. We need to invest in these communities the way they see fit. Some communities are close to urban areas, so it's a lot easier for them to have economic development. But communities like mine, that are rural and that really don't have a lot, we have to come up with solutions. This is where indigenous engagement is important.

I'm here to speak on behalf of indigenous people who aren't normally part of these conversations. I think going forward, part of reconciliation is including indigenous people. If you don't have them at your committee, on your boards, you're not going to get the full picture of what's happening on the grassroots level. I hope this changes and that together we can build an even greater Canada. I believe with our participation, we can definitely achieve our goals on climate change and employment. We can change the numbers all around.

I thank you once again for inviting me.

• (1610)

The Chair: Thank you, Ms. Mbarki.

We will now move to the Tourism Industry Association of Canada with either Beth Potter or Blake Rogers.

Go ahead, Ms. Potter.

[*Translation*]

Ms. Beth Potter (President and Chief Executive Officer, Tourism Industry Association of Canada): Thank you.

Mr. Chair and members of the committee, thank you for inviting me today.

[*English*]

We appreciate the opportunity to share our industry's key priorities with you once again.

You've heard me say this before: The tourism industry was the first hit, the hardest hit, and will be the last to recover from the pandemic. Just before the holidays you kindly invited me to appear before you in the context of your study of Bill C-2, so I won't reiterate the key data showing how devastated the travel economy has been by the pandemic.

The tourism industry has set a goal to rebuild back to the \$105-billion economic powerhouse we were before COVID, and to do so by 2025. To do so, we have identified a number of priorities re-grouped under three main themes, the first being financial supports.

We are immensely grateful for the tourism and hospitality recovery program, but there are several issues we wish to bring to your attention.

Decreasing the subsidy rates by half this March was likely based on a belief that growth in tourism would increase enough by then to compensate for the decrease. However, the emergence of omicron and attempts to curtail its spread has resulted in the recovery of tourism now being delayed by at least three months. Failing to account for this, it is very likely that the loss of employment, business closures and additional contraction of the industry will ensue. As a result, we are asking the government to maintain the program's rates at their current levels and extend the program until September 2022.

The 40% current-month revenue loss requirement to access the THRP is also an issue for many tourism operators who are still struggling to meet payroll and pay fixed operating costs. To help ensure these companies can survive to when, hopefully, tourism levels begin to increase again in the spring, we ask that the government decrease the THRP's current-month revenue loss requirement from 40% to 25%. We also highlight that, because of its design, many seasonable businesses are excluded from this program, thus the program needs to be modified to allow access for these businesses.

The tourism relief fund, the Canada emergency business account, the regional relief and recovery fund and the highly affected sectors credit availability program were all put in place as temporary programs to help support businesses that are facing critical financial challenges. There are many modifications we would propose, including debt relief, and I am happy to share those during questions.

The labour shortage has long been identified as a substantial barrier to tourism industry growth. The relationship between our recovery and the availability of workers is symbiotic. Our recovery very largely hinges on our ability to attract and maintain an adequate supply of workers across the skills spectrum. Industry leaders have begun laying the groundwork for developing a comprehensive tourism labour strategy and we have already begun exploring immigration-related issues as a starting point. Given the priority the tourism industry ascribes to this issue and its critical importance to helping rebuild the travel economy, we ask that the federal budget allocate financial resources to help the industry carry out its tourism labour strategy.

Recovery of the travel economy also rests on addressing a number of issues impacting travellers' perception. These include updating the current narrative used by government around travel, eliminating barriers to travel, and correcting the current perception consumers now have about travelling to and from Canada. We ask for a clear timeline for removing travel restrictions, including removing all testing and isolation requirements and blanket travel advisories.

Specifically in Yukon, it is critical to ensure the CBSA has enough resources to effectively accommodate the COVID requirements of travellers crossing the Alaska-Yukon border. We also need to make sure travellers have access to the Internet in remote locations so that the required ArriveCAN app can be accessed. The Skagway-Fraser border is an especially important example in this regard. A significant portion of tourism revenue for Yukon is derived from Skagway cruise ship passengers who travel to the Yukon on land tours.

- (1615)

To rebuild consumer confidence and brand Canada as a premiere travel destination, we are asking the government to ramp up our efforts to market and promote Canada's exceptional offerings for both business and leisure travellers to the world. In connection with this point, investment to create new initiatives that support the building of destination infrastructure and the development of new products should be planned for.

Thank you very much for your time and attention today.

The Chair: Thank you, Ms. Potter.

Thank you to all the witnesses for your opening remarks.

We will now move to questions from members. In our first round, each party will have up to six minutes for their questions.

We'll start off with the Conservatives.

Mr. McLean, you have up to six minutes.

Mr. Greg McLean (Calgary Centre, CPC): Thank you, Mr. Chair.

Allow me to thank all of the witnesses today for the very compelling information that's been provided to us. We really appreciate your taking the time to give us your input on these budget consultations. Thanks, everybody, for appearing.

I have a lot of questions on everything I've heard here today, but I'm going to start with Mr. Breton. He and I have discussed these

matters before, but I'll remind him, because last time it was at the natural resources committee that we were at together.

Mr. Breton, there are, simply put, really three uses of energy in Canada—internal combustion engines; electricity; and industrial use, which is principally natural gas. When you want to remove the internal combustion engines, you are effectively going to have to double the electricity supply available to Canadians.

Now, I've checked this since the last time we spoke, and I hope you have too. The Canadian Electricity Association has indicated that they can't get to net zero, as defined by the government, by 2035. It's going to be a great challenge. It used to be 2050. But now they say that's with their current supply of electricity, current demand and current supply. There are no new sources coming online here that are of any impact for long-term supply.

Can you tell us where you think all the new supply for electricity will come from to meet the demand required to replace Canada's motive fleet?

Mr. Daniel Breton: Actually, we have been working with CanREA, the Canadian Renewable Energy Association, and the answer is clear: Right now Canada has one of the cleanest grids in the world, with 82% non-emitting production of electricity and 67% renewable electricity. So it is possible to produce more clean electricity for us to have an all-electric grid that will be clean and sufficient to produce enough electricity for the whole fleet of vehicles in Canada.

Mr. Greg McLean: Where will that come from, Mr. Breton?

Mr. Daniel Breton: It will come from different sources. It can come from thermal sources, wind power, solar power and hydroelectricity. That is something that CanREA has already worked on, and—

Mr. Greg McLean: I appreciate that. Thank you. We are looking for where those sources are in order to meet the demands of Canadians who are going to be energy-starved here as we move down this path.

As we see in Europe and are seeing in California, wind power and solar will not meet the demand required to replace the motive fleet in Canada. Where are the hydroelectric dams? Where are the nuclear fission facilities that are going to be required, planned and will obviously take 10 years or more in order to get the supply to meet demand?

Mr. Daniel Breton: I'm sorry, Mr. Chair. There's some kind of bizarre feedback in the sound.

The Chair: Clerk, I did hear the feedback myself.

Mr. Daniel Breton: What I'm saying is that we are in 2022, and the achieving carbon neutrality will take 28 years until 2050. We have 28 years to make sure that we have enough supply of clean energy. We won't be energy-starved. It has not been an issue. It won't be an issue. We talked to the Canadian Electricity Association, CanREA, and it very simply shows—

Mr. Greg McLean: Well, Mr. Breton, we haven't seen any of that. We've asked for it several times.

Let me move on to the next question—

Mr. Daniel Breton: You know what? I will do something specifically for you. I will send you some data as soon as the committee meeting is over so that we can work on that.

Mr. Greg McLean: Thank you, Mr. Breton. I appreciate that. We'll follow up on that.

Mr. Daniel Breton: It's my pleasure.

Mr. Greg McLean: I'll move on to my next question. You talked about 560,000 jobs in the clean energy sector by 2030. Right now \$600 million has been announced to replace auto manufacturing facilities in Ontario with zero-emission vehicle manufacturing facilities. That's for 3,000 jobs, so that's \$200,000 of taxpayer money per job. Those jobs might last five or six years before they re-vamp the whole facility. That's \$200,000 per job we are subsidizing just to get the jobs here. We also subsidize those vehicles by \$5,000 to \$12,000 per vehicle at the consumer level, and you're suggesting we subsidize them more.

At what point in time will this industry actually become a tax-paying industry in clean energy? There is only so much to go around here, and right now \$25 billion a year comes from the petroleum and natural gas industry into government coffers.

• (1620)

That \$25 billion is being redistributed to programs like these, yet where's the outcome once we get to your endgame? It seems like we're going to subsidize these jobs forever.

Mr. Daniel Breton: If you look at the International Monetary Fund, they came out with a study last year that said that we subsidized fossil fuel at a level of \$5,900 billion in 2020. Across the world, we've been subsidizing fossil fuel for decades. Back in 2012, President Obama said that they had been subsidizing oil and gas in the U.S. for more than 100 years.

If we are to be subsidizing cleaner vehicles and energy because we're making an energy and technology shift, I agree with you that we should not be subsidizing that for decades like we have been.

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

We are moving to the Liberals for six minutes, and I have Mr. MacDonald.

Mr. Heath MacDonald (Malpeque, Lib.): Thank you very much, Chair.

Thank you to the guests today.

I come from Prince Edward Island. Tourism is an extremely important industry on P.E.I. It's about 6.5%, almost 7%, of our GDP. It was hit extremely hard. It's mainly a seasonal economy on Prince

Edward Island, and I sympathize with many owners and operators of small and medium size, which most of them are in this industry.

I hear you about relevance to changing the percentages and adding three months on, and I hear that from owners. To me, those are short-term and need to be dealt with. I understand that, but I want to ask you a question about the long term and getting the tourism industry back to where it was prior to COVID-19.

It's imperative to have multi-level coordination between all levels of government. I want to ask you what governments can do beyond the next three months to expedite some of the issues relevant to tourism that it has faced over the past two years.

Ms. Beth Potter: Thank you very much for the question, I really do appreciate it.

I will tell you that one of the first things that has to happen is we need to reopen our borders and make it easier for people to travel to and from Canada. Right now, that is the biggest stumbling block. That is what consumers are basing their decisions on when deciding whether they are going to book right now, which is the booking window for March break and for the summer season.

International visitors are not booking travel to Canada. There's a lot of interest in Canada, but they're not booking Canada because of the testing requirements predeparture and on arrival. We have examples right now of families arriving in Calgary for a 10-day ski trip and spending five days in a hotel in isolation while they wait for their on-arrival test. That doesn't bode well for our brand reputation on the global stage.

Something that governments can do right now is get together and get the testing issues resolved. We're seeing it in other jurisdictions around the world, and we are the only G7 country left that requires these tests.

The Chair: Ms. Potter, please move your boom up on your mike. We're getting a bit of a popping sound.

That may be better. Can you speak a bit to see if that's okay?

• (1625)

Ms. Beth Potter: I hope that works better for everyone.

The Chair: That's great. Thank you.

Mr. Heath MacDonald: Thank you for that.

It's interesting. The Smart Traveller Survey, which you're likely familiar with, shows that 70% of U.S. travellers—who make up about 15 million of our visitors to Canada per year—believe that vaccine passports should be required. I'm assuming that's starting to change....

I'll move on to another question. I hear a lot that a lot workers in the tourism industry over the past two years have left and gone on to other jobs. We always hear that folks who leave the tourism sector cite lack of job security, low wages, lack of benefits, etc. How can governments at every level help to address some of these issues?

Ms. Beth Potter: That's a great question.

We, as an industry, are working right now, as an example, with the Ontario government on their mobile benefit program. It's a pilot program and it looks like it could be a really good way of maintaining and keeping staff.

Right now, that's not the issue. Right now, the issue is that because travel and tourism has been made out to be the bad guy and the one place you don't want to go, the thing that everybody has been denied during this pandemic....

So many people have been laid off that they have picked up their skills and taken them off to other industries. We're actually in a deficit position. In January, we had the worst month of employment loss than even through the early days of the pandemic. The accommodation and food services sector was down over 113,000 people. That's an 11% loss. That is massive.

When you have other sectors and industries talking about being back at capacity, we're nowhere near it. There's a lot of work to do and it's a mixed message. Industry is very much aware that they have work to do on it. We are stepping up and doing that work, and we would love to have government at the table as our partner.

Mr. Heath MacDonald: Chair, how much time do I have?

The Chair: You have about 40 seconds.

Mr. Heath MacDonald: Just quickly, on climate action and tourism, we know many travellers will be looking for this when things hopefully get back to normal. I just want to know how the tourism industry is going to address this to ensure they're doing everything possible relevant to reducing carbon emissions and climate change and marketing themselves as such.

Ms. Beth Potter: I'm going to let Blake take this one.

The Chair: Please provide just a short answer.

Mr. Blake Rogers (Executive Director of Tourism Industry Association of the Yukon, Tourism Industry Association of Canada): Thank you for the question. I'll do the best I can in a few seconds here.

I think it's just looking at R and D, working with airlines to encourage more innovation in that way, and really promoting sustainable travel in any way we can. I could go on for a while with this one, but that would be my short answer.

The Chair: Thank you. That was well done.

Thank you, Mr. MacDonald.

We're moving to the Bloc and Monsieur Garon for up to six minutes.

[*Translation*]

Mr. Jean-Denis Garon (Mirabel, BQ): Thank you, Mr. Chair.

I want to start by thanking all the witnesses. In particular, I want to let Ms. Potter know just how aware we are of the challenges that our tourism industry workers face and continue to face. I certainly appreciate everything she talked about in her presentation. Thank you very much.

My first question is for you, Mr. Breton. This isn't the first time I've heard you speak, and I'm always fascinated by what you have to say.

When people are considering purchasing an electric vehicle, certain factors can be barriers, whether it be vehicle autonomy, the environmental impact of the battery or the quality of the charging infrastructure.

Are those factors truly barriers for the EV industry? If so, how do we get rid of them?

Also, tell us more about what role the government can play in changing people's perceptions.

Mr. Daniel Breton: Thank you for your question.

First, the government has a very important role to play. We are talking about a technological change that will lead to economic disruption. Earlier, a Conservative member asked me why the government should subsidize electric mobility, whether it be at the manufacturing or purchasing end. It's not complicated: if the Canadian government does not provide support, financial or otherwise, for the transition to electric mobility, Canada's auto, truck and bus industries will likely vanish, and those jobs will leave the country. What will end up happening is that we'll be buying vehicles made elsewhere.

There's no denying that the Canadian government has a role to play here. The pace of technological change is extremely fast. China, the U.S. and Europe are currently overhauling their strategies. They are looking to fight climate change and air pollution at the same time.

As for the barriers you mentioned, the main one revolves around education. A lot of people think they can't travel very far in an electric vehicle. Last week, I had a meeting in Toronto. I live in the country, in Quebec. My family and I hopped in the car and drove the 630 kilometres to Toronto with no issue. It was -20°C when we left that morning, four grown-ups, children, the dog and all of our bags in tow. It is possible to travel long distances in an electric vehicle in Canada and in Quebec, even when it's cold out.

In fact, Norway is currently the mecca of electric mobility, and it is by no means a tropical country.

It takes infrastructure, and that infrastructure is being installed. The government has a crucial role to play in accelerating the transition.

• (1630)

Mr. Jean-Denis Garon: I may be wrong, but I would like to think that Canada could show industrial leadership. This is a sector with jobs and development. Lion Electric comes to mind. It's a fantastic Quebec company, in the Lower Laurentians region.

Is Canada lagging behind? Where does it stand in relation to its competitors?

What steps should Canada take to develop this technology here, to create this domestic wealth and even to export some of these technologies, including patents and the expertise acquired throughout the process?

Mr. Daniel Breton: To be perfectly honest, I have to tell you that Canada is lagging behind, but that is also true of the entire western world.

Take battery manufacturing, for instance. In 2021, China, South Korea and Japan accounted for 85% of battery production.

European countries realized they were lagging behind and, in 2017, established an organization with the goal of building an EV battery manufacturing ecosystem.

Last year, Electric Mobility Canada helped create Accelerate, an alliance working to build a Canadian electric mobility supply chain, bringing together mining, mobility, battery and powertrain stakeholders.

Yes, Canada is lagging behind, but it isn't alone. The Americans have suddenly woken up. Canada needs to make up for lost time, and it's not too late. That said, this is a sector where things advance at a breakneck pace, so now is the time to take action.

Twelve years ago, during the last financial crisis, President Obama introduced a plan to accelerate R and D in the electric mobility sector. That has given the U.S. a bit of a lead. Canada didn't step up. Now, we have a second chance, but it will probably be our last because everyone is coming to the same realization.

Mr. Jean-Denis Garon: Basically, you're saying that if we turn our backs on the industry and swim against the current, it's like living in the past. To a certain extent, we would be forgoing an industrial revolution.

Mr. Daniel Breton: That's right.

I would add that we don't want to repeat the mistakes of the past, when we shipped Canada's and Quebec's natural resources out of the country for processing. Softwood lumber, oil and ore come to mind.

In February 2021, Canada and the U.S. signed an agreement to deploy a critical minerals strategy, as well as an EV battery strategy. Canada should work with the U.S. as much as it can.

Canada mustn't send its raw minerals overseas for processing only to have those value-added products resold to us afterwards. Otherwise, we can kiss thousands of quality jobs goodbye.

Mr. Jean-Denis Garon: Thank you.

I want to use the last little bit of my time to tell you that, further to last year's pre-budget process, the committee made recommenda-

tions on how the government could support the development of charging station networks.

Where are we, in Canada? How are we doing on charging stations? Why should the government invest in that?

The Chair: Sorry, Mr. Garon.

[*English*]

That is the time. We've gone over it, but I'm sure there will be more opportunities.

We are moving to the NDP and Mr. Blaikie, for six minutes.

Mr. Daniel Blaikie (Elmwood—Transcona, NDP): I just want to start by thanking all of our witnesses for joining us here today.

I'm going to direct most of my questions to Mr. Cochrane from Canadians for Tax Fairness.

Mr. Cochrane, I think you alluded to this in your opening statement, but I wanted to circle back. One of the justifications that we hear for the large cut in the corporate tax rate over the last 20 years is that it would incent investment in productivity.

What are some of the metrics that one would look to in order to be able to evaluate that, and how has Canada performed according to those metrics?

• (1635)

Dr. D.T. Cochrane: There are a lot of different ways to measure this.

We put out a report recently looking at corporate taxes as a share of revenue. In that report, we make the point that the cuts haven't led to investment. We looked at the machinery, equipment and intellectual property assets as a share of total assets of non-financial corporations. At the same time as taxes were being cut and profit margins were rising, those shares were falling. Corporations are putting that money to all other sorts of uses, most of which don't produce the growth and jobs that they're supposed to.

Mr. Daniel Blaikie: When those larger corporations aren't reinvesting the revenue that they get through corporate tax breaks, who picks up the tab for that, then? Who's left holding the bag?

Dr. D.T. Cochrane: A lot of the productivity gains that we probably could achieve if we were investing in innovation just simply aren't happening. A lot of the economic activity that could be there, isn't. We could have government funding the types of jobs we actually want. We've been told for so long that we need to just leave this to the market and to the private sector. That's gotten us where we currently are. We know massive changes need to happen, but we aren't taking the steps needed to do that—which is proper public investment in the type of economy we actually want.

Mr. Daniel Blaikie: You talked also about the housing market, which is a preoccupation of the committee right now, and rightly so. You talked about special tax treatment for REITs and about the low inclusion rate for the capital gains tax.

I'm wondering if you could speak a little bit to how that's contributed to the financialization in the housing market and why Canadians should be concerned about that effect.

Dr. D.T. Cochrane: Any time you give any kind of preferential tax treatment to some segment of the corporations, capital will move into that segment. That provides funds to the REITs to start buying up the housing stock.

With ultra-low interest rates, the total cost of purchasing a home hasn't gone up that much. What has become the huge barrier is the massive down payment that a lot of people just can't afford. But for these corporations, getting over that hurdle is really no problem. They have just a much easier time gobbling up and privatizing our housing stock and a lot of our other forms of real estate, which they can then use to further leverage to get more loans to further expand the assets. They think of these houses as assets when what we want them to be is homes.

Mr. Daniel Blaikie: How long have these special tax measures been in place for real estate investment trusts?

Dr. D.T. Cochrane: I don't know the beginning date. My knowledge is mostly at a time when the entire government recognized, oh, this special trust treatment is a huge problem and we need to eliminate it. It was eliminated everywhere except for real estate, for some unknown reason. It's not talked about enough, the way the failure to eliminate that special treatment has affected our housing market, even though everyone is concerned about our housing market.

Mr. Daniel Blaikie: Not that long ago, the Parliamentary Budget Officer released a report indicating that Canada is now in a position where 1% of the population owns and controls 25% of the entire wealth created in Canada. It's been a long time since we've been in that position, where so few people have owned so much of the wealth. I believe you mentioned a wealth tax in your opening statement. Of course, the NDP has proposed such a tax. Other jurisdictions are seriously looking at implementing a wealth tax and have advocates in those jurisdictions.

I wonder if you could speak a little bit to what a wealth tax is and why it's important to tax wealth as opposed to income when we talk about Canada's wealthiest people.

• (1640)

Dr. D.T. Cochrane: An income tax is a tax on a flow. That's the money that's moving into people's accounts. A wealth tax is a tax on a stock. The wealth tax that has been proposed would really affect the 1% of the 1% but generate tens of billions of dollars in revenue. That in and of itself wouldn't reduce inequality that much, but where you could start reducing inequality with those funds would be by providing greater supports at the bottom of the hierarchy.

A wealth tax is a way to get wealth that has become locked into the accounts of the ultra-wealthy moving through the economy again. Our financial assets are supposed to do good for us by mov-

ing through the economy. Instead, they get stuck, and that contributes to the excessive power of the ultra-wealthy.

The Chair: Thank you, Mr. Blaikie. That is the time.

Mr. Daniel Blaikie: Thank you.

The Chair: We are moving into our second round, members, starting with the Conservatives.

Mr. Stewart, you're up for five minutes.

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

My questions are for Manny Jules and the First Nations Tax Commission.

Manny, you always gave me solid advice when I was Minister of Aboriginal Affairs in New Brunswick. I always looked forward to our conversations. Today I have a few questions for you.

I'm very happy to hear how successful the First Nations Fiscal Management Act has been for the many first nations across Canada who are scheduled in that act. I know that my party has been a strong supporter of the FMA and the work of the FMA institutions from day one.

What specific recommendations does the First Nations Tax Commission have for this committee to make in its report?

Mr. Clarence T. (Manny) Jules: Thank you for that, Jake.

I have six recommendations. The first is that the government amend the First Nations Fiscal Management Act to create a first nations infrastructure institute.

Recommendation two is that the government amend the First Nations Fiscal Management Act to enhance the mandates of the FMA institutions created by that act, support the publication of more FMA statistical information and provide statutory funding for these institutions.

Recommendation three is that the government support the inclusion of the sales tax on fuel, alcohol, cannabis and tobacco—the FACT tax announced in the budget—as a new fiscal power under the FMA.

Recommendation four is that the government utilize and enhance the FMA framework with the inclusion of the first nations infrastructure institute to support the monetization of major capital transfers and an improved risk management framework to lower insurance premiums for interested indigenous nations.

Recommendation five is that the government continue to support the evolution of a revenue-based federal-provincial fiscal relationship by expanding the first nations fiscal powers within the FMA for first nations goods and services sales tax; and other cannabis, tobacco, fuel and alcohol taxes. As the young lady mentioned, I think we need a first nations resource charge to help further develop this country.

Finally, we recommend that the government support the development of an indigenous land title and registry system framework for additions to reserve, as advanced by the First Nations Land Management Resource Centre.

Mr. Jake Stewart: Thank you, Manny.

You are proposing to expand the successful FMA legislation that provides an effective jurisdictional option for interested first nations, away from the Indian Act, supported by indigenous institutions.

This framework has generated more economic growth, more first nations public revenues, passed more first nations laws, certified more first nations financial frameworks and it has also generated more access to capital than any other first nation legislation in the history of this country. That is a very impressive record and résumé.

The First Nations Fiscal Management Act was supported unanimously in 2005, I believe, as well.

When do you think these legislative proposals will be brought forward?

Mr. Clarence T. (Manny) Jules: We're working with government right now on these proposed amendments. I urge this committee to include my recommendations to support these amendments in your report this year, and perhaps we could get it into the budget implementation act. We need to implement these changes now.

As you see how impatient Canadians are after two years of COVID restrictions, we've had 150 years of this, so please don't delay on our options. You're in a position to help first nations right across this country.

• (1645)

Mr. Jake Stewart: Thank you, Manny.

I have one final question, and I appreciate your answers, as always.

You spoke of the large and growing infrastructure gap, and you touched on it briefly in your presentation. How will the proposed first nation infrastructure institute help close this gap, and how can government or the committee help?

Mr. Clarence T. (Manny) Jules: There is at least \$30 billion in an infrastructure gap. This won't be closed with a program. It must be closed with sufficient fiscal powers to maintain the infrastructure. It must be closed by providing the necessary capacity support to raise infrastructure standards. It must be closed by better financing, construction, operations and maintenance.

To close these gaps, we propose amendments, especially by setting up the first nations infrastructure institute, with better access to capital and lower insurance premiums for interested first nations.

The Chair: Thank you.

Thank you, Mr. Stewart. That is your time.

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

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

I want to thank all the witnesses for their excellent presentations today.

If we don't get around to asking some of you or one of you questions, know that your presentations and your recommendations have been recorded.

My first couple of questions are going to the Great Lakes Fishery Commission.

Sometimes we forget just how important the Great Lakes are, so it's really great that you are here today. This is an exceptionally important body of water for us to be very concerned about, with 20% of the world's fresh water, with its important aquatic ecosystem and wildlife, and the jobs, industry and tourism it supports.

Can you just be very clear with this committee? What is your ask of budget 2022?

Mr. Robert Lambe (Executive Secretary, Great Lakes Fishery Commission): Thank you for your question.

Our ask is actually for \$19.44 million. That would close the gap between what we need to deliver the programs that were designed to fulfill the mandate as outlined within the convention or the treaty under which we were formed. The \$19.44 million would close the gap of \$8.84 million that currently exists. That's the ask.

I should point out that these programs are developed from the ground up. We develop the programs with the mandate in mind and we cost the programs, and then the programs are apportioned to each country in concert with the treaty agreement as to how each country would contribute.

The U.S. has met its obligation in fulfilling those programs as they have been costed, but there is a gap in Canada, and the U.S. for quite some time now has been subsidizing that gap. After years of that subsidy, however, we now see that subsidy going away for various reasons in the United States.

This is why we're sort of at a critical point right now. There is no surplus in our budget, so as that subsidy goes away, that gap is really critically important, or else the programs have to be curtailed, which would be devastating to us.

Bear in mind that these—

Ms. Julie Dzerowicz: Can I just ask my second question? I think you're getting ahead of me a little bit, Mr. Lambe.

I think you're starting to get on to this. What happens if Canada does not provide these funds and continues to underfund the commitment we currently have to the Great Lakes Fishery Commission? What would be the impact on the Great Lakes?

Mr. Robert Lambe: The impact is that the programs would have to be curtailed. I'll give a couple of examples of the devastation that would create.

We would have to really cut back on the delivery of sea lamprey control in Canada. The other biggest impact is that the research that really drives fishery management decision-making would have to be significantly curtailed as well, simply because we wouldn't have funding for that any more.

To address this gap, we're looking to be able to, for the most part, continue the programming we have right now, to be able deliver the objectives and the results that are required based on the mandate.

The point I was going to make about lamprey is that they rebound very quickly. They're like a coiled spring. You take your hand off the spring and they recoil and rebound very quickly, as we've seen twice during the last 30 years or so. If we were to curtail the programs, then we would see a quick rebounding of the lamprey population, and each lamprey kills 18 kilograms of fish during its 18-month to two-year cycle in its parasitic phase.

• (1650)

Ms. Julie Dzerowicz: Thank you, Mr. Lambe. I'm sorry, I do have to go on to one more question and one more questioner—

Mr. Robert Lambe: Okay.

Ms. Julie Dzerowicz: —but I really appreciate your important contribution today and your recommendations, and they will be taken seriously.

My last question is for Ms. Potter of the Tourism Industry Association. You talked about the need for immigration changes to fill labour shortages within the tourism industry. Can you elaborate on that for 30 seconds, please?

Ms. Beth Potter: We've been looking at lots of the programs that already exist within immigration and at how our industry is able to access those programs. We've come to the conclusion that we're looking for a stream that is specific to the industry. We know our population is shrinking. We are a great opportunity for new Canadians, so we see immigration as a way for us to gain the skills, the knowledge and the expertise we are missing right now within our sector.

Ms. Julie Dzerowicz: Thank you so much.

The Chair: Thank you.

Thank you, Ms. Dzerowicz. We are moving to the Bloc and Monsieur Garon for two and a half minutes, please.

[Translation]

Mr. Jean-Denis Garon: Thank you, Mr. Chair.

Mr. Breton, what are the consequences of climate change and air pollution, keeping in mind that few rational observers see carbon capture as a viable solution, at least not in the foreseeable future. How can electric mobility counter those impacts?

Mr. Daniel Breton: Thank you for the question.

People sometimes tend to talk about climate change and the role that the electrification of transportation, among other solutions, can play in reducing greenhouse gas emissions. However, people forget one thing, and that's air pollution.

As I said in my presentation, Health Canada indicates that the cost of air pollution is \$120 billion a year. That is a monumental

cost. Much of this pollution comes from the transportation sector, as well as the oil and gas sector.

The Environment and Climate Change Canada website, for example, states that greenhouse gas emissions from the transportation sector represent 25% of total greenhouse gas emissions. In fact, it's the emissions coming out of tailpipes. Another 24% comes from the development and refining of the oil needed to make the fuel.

This means that if we rely on carbon capture to reduce greenhouse gas emissions, we will reduce greenhouse gas emissions from oil development, but not greenhouse gases that come out of tailpipes. In other words, carbon capture will have no impact on more than three-quarters of the transportation sector's greenhouse gas emissions.

That's why we think the electrification of transportation is a much faster and more direct way of reducing greenhouse gas emissions.

Mr. Jean-Denis Garon: Mr. Breton, I have a few seconds left, and I don't want to lose them this time.

You talked about \$120 billion in damages. By comparison, how much are the subsidies given to the electric car industry?

Mr. Daniel Breton: We are talking about a few hundred million dollars. To date, the government has given just over half a billion dollars, which is considerably less than what has been given to the oil and gas industry.

We will have to make a transition to renewable energy and sustainable transportation. That's why I'm always surprised to hear people say that investments in the electrification of transportation are an expense, as opposed to investments in other areas.

This deserves serious consideration, especially when you see all the health costs.

Mr. Jean-Denis Garon: Your answer is very clear.

Thank you very much.

[English]

The Chair: Thank you, Monsieur Garon.

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

Mr. Daniel Blaikie: Thank you very much.

In your opening remarks, Mr. Cochrane, you talked about the importance of transparency. I'm just wondering if you could take a little time to expand on that and some of the recommendations you have with respect to better transparency in the tax system.

Dr. D.T. Cochrane: It's hugely important, and it's also the type of thing that gets support from Canadians of all stripes. Everyone thinks it's ridiculous that we don't know how much revenue and profit Amazon makes in Canada. How much tax does Amazon pay in Canada? It's obviously becoming an ever greater part of our economy. At the very least, shouldn't we have information on just how big a part of our economy they're becoming?

The OECD recommended country-by-country reporting for major transnational corporations about a decade ago. That information already gets provided to tax authorities. We just think that the step needs to be taken to make that information publicly available.

• (1655)

Mr. Daniel Blaikie: What does that look like for you? Do the legal authorities exist right now for that kind of reporting, or is legislative work necessary to make that happen? What do you think that looks like?

Dr. D.T. Cochrane: We think that the model that's been set up for the beneficial ownership registry can serve as a template for something similar. It should be relative to the beneficial ownership registry. This is a much simpler step, but you can definitely coordinate among the various relevant government departments to figure out how to do this in a way that maximizes transparency and doesn't potentially risk exposing information that you may not want to make public. It's more than doable.

Mr. Daniel Blaikie: Right on.

When we talk about people who hold massive amounts of wealth, one of the things that compounds some of the inequities is the difference between the statutory and the effective tax rate. I just wonder if you could speak to some of the ways that the effective tax rate ends up getting driven down for people as they accumulate more wealth and what are some practical steps that Canada could take to make sure that folks are paying what they ought to be paying by law.

The Chair: Make it a short answer, please. Thank you.

Dr. D.T. Cochrane: The wealthier you are, the more you can afford accountants and lawyers who can help you sidestep the taxes that you should be paying, often legally. We want a comprehensive review of the entire tax system to identify the loopholes that are being exploited in this way.

Mr. Daniel Blaikie: Thank you.

The Chair: Thank you.

We are moving now to the Conservatives.

I have Mr. Chambers up for five minutes.

Mr. Adam Chambers (Simcoe North, CPC): Thank you very much, Mr. Chair.

Thank you to all of our witnesses for coming with wonderful presentations.

I'd like to pick up where my friend, Ms. Dzerowicz, left off with the Great Lakes Fishery Commission.

I am coming to you today from Midland, Ontario—just outside of Midland—which is on beautiful Georgian Bay. My riding covers a significant number of waterways and lakes, including Georgian

Bay, Lake Huron, Lake Simcoe, Couchiching and Trent-Severn waterways. This is an incredibly important issue for us in our community and, of course, the surrounding communities that rely on the Great Lakes to survive.

The question is about the sea lamprey. Do we know how often the population would double, say, if it were untreated?

Mr. Robert Lambe: We do know that they are very prolific. If they're not treated, the population rebounds incredibly quickly. It takes about four or five years for larvae to mature into the adult phase where it goes out from the streams where they spawn, out into the lakes where they do their damage during the parasitic phase. They only live out in the lakes for about two years, but that's where they do all the damage. As I was saying before, each one kills about 18 kilograms of fish.

Mr. Adam Chambers: Wow.

Mr. Robert Lambe: In the 1980s, during a period of austerity we relaxed control, and we were proud at that point that we had held the population to about 90%, generally speaking, across the basin to what it was pre-control. We started to fall back really quickly well below the 70% range in just a couple of years. They're incredibly prolific in their repopulation.

Mr. Adam Chambers: Thank you very much. I really appreciate that. You'll have my full support, including all of your recommendations in the letter from this committee.

I'll be changing witnesses.

Ms. Mbarki, thank you very much for being here.

I have two large first nation communities in my riding, Beausoleil First Nation and the Chippewas of Rama First Nation, as well as one of the largest Métis populations in Ontario.

If you had a wish list, is there one thing that you think that government could do in this budget that would help with economic participation and growth with our indigenous populations in this country?

• (1700)

Ms. Melissa Mbarki: I think government needs to include the leaders of these communities. That's the simple answer.

Until you reach out to them, and until you get their ideas on what they would need economically, we'll never know.

Part of reconciliation is actually reaching out to your local indigenous communities and seeing what they need, because each of us is different. Your communities in Ontario are going to be different from what I see in Saskatchewan and Alberta, and each has differing responsibilities and needs.

I would say, reach out to them, ask them what they need, and then go from there.

Mr. Adam Chambers: Thank you very much. I certainly intend to do that, and do speak with them on a regular basis. It's wonderful advice, thank you.

Mr. Chair, I think I might have a minute or so left.

The Chair: You have about a minute and a half.

Mr. Adam Chambers: Thank you so much.

Ms. Potter, you've been in front of our committee before. You've talked about the challenges that a number of your members are having. I heard you mention to my colleague the rules and restrictions and how those are having an effect.

The rest of the world is starting to figure out how to live with COVID on a long-term basis. We are the only G7 country, as you mentioned, that has a PCR test on arrival. If we don't have a clear path to figuring out how we are going to live with this virus, will your members survive? How long can some of them survive continuing in the current state?

Ms. Beth Potter: Thank you for the question.

I will tell you, our industry is half of what it was pre pandemic. I have examples every day from tourism operators who are going deeper and deeper into debt trying to maintain payroll, trying to maintain their premises, whether it's rent or mortgages.

I was talking to one the other day. He runs a day boat excursion. Payroll came around again, and because he's a seasonal business he wasn't eligible for any of the subsidies, and he is another \$80,000 out of his own pocket. He's maxed out and very well could be closing his doors in the imminent future.

These are the stories I'm hearing every day from operators from coast to coast to coast.

Mr. Adam Chambers: Thank you very much, Ms. Potter.

I believe that's my time, Mr. Chair.

The Chair: Thank you, MP Chambers and Ms. Potter.

We are moving now to the Liberals.

MP Baker, you're up for five minutes.

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

I'd like to ask my questions of Mr. Lambe and Mr. McClinchey from the Great Lakes Fishery Commission. I'll let you gentlemen decide which of you wants to answer the question.

I want to start by saying that one of our colleagues, Vance Badawey, has done a tremendous amount of work on your behalf. He's not the only one, but certainly he's spoken to me about this issue on a number of occasions. I wanted to share that with you.

As you noted, the Great Lakes are a source of thousands of jobs in tourism and commerce. They provide clean drinking water for approximately 50 million people. They're an ecological trust. Could you share what would happen, what the consequences would be, if we were not to provide the funding you have requested?

I'm asking not so much about the process or programs, although that's important, but really what the impact would be on the Great Lakes. If we were explaining to my constituents in Etobicoke Centre what the impact would be, I think they'd be most concerned about what would be the impact on the Great Lakes. Could you articulate that for us?

Mr. Robert Lambe: Go ahead, Greg.

Mr. Gregory McClinchey: Just to allude to some of the comments I made in my opening remarks, you don't have to take our word for it; all you have to do is look back to fairly recent history. In the early part of the 1900s, for a series of reasons, there really wasn't effective control and effective regulation of the Great Lakes. We saw, in the simplest of terms, the near collapse of the fishery.

I grew up on Lake Huron. Our cottage looks out onto the lake. That was the place where we fished and canoed and camped and did all those things. Imagine that without fish. Sea lamprey really enjoy fish at the top of the food chain, the same kind of things that humans seem to value most from a sport fishing or commercial fishing perspective. Imagine those things gone. We target about 7.5 million sea lamprey [*Technical difficulty—Editor*] numbers. The estimates say that we could lose approximately 13.9 million kilograms of fish, or \$389 million worth of economic value, if we were to have those particular larvae mature and begin to do what they do best.

We're really talking about devastation on a large scale and then everything that goes with it. If you take the fish out of the Great Lakes, you're not going to have anglers coming. It's going to have an impact on tourism. It's going to have an impact on local communities, on the people who sell boats or sell fuel to people passing through, and on the restaurants. All of those kind of peripheral industries that make up our Great Lakes communities would be impacted. They were 100 years ago, 80 years ago, and that would all come full circle today.

• (1705)

Mr. Yvan Baker: That's really helpful.

Again, I'm thinking about the folks at home from my constituency and from other constituencies who are watching this. From an ecological perspective, could you talk a little bit more about the impact there? For those of us who haven't maybe spent a lot of time... I spent some time up at a cottage when I was a kid, but I didn't do a lot of fishing, because there wasn't a lot of fishing there.

Help us to understand from an ecological perspective what the impact would be. How would this affect the food chain? How would this affect our environment, etc.?

Mr. Robert Lambe: Part of what we saw back in the early 1950s, when sea lamprey destroyed the top of the food chain, primarily lake trout, was that the fish on which the top predators feed grew out of control. They couldn't feed either, and the population just exploded. They started to die off. They got washed up on beaches.

If you go back and look at the history of why so many people intervened with both the U.S. and Canadian governments back in those days, a lot of them were cottagers. They weren't necessarily fishers, but they couldn't go to the cottages anymore with tonnes of fish rotting and decaying on beaches. The cottagers couldn't enjoy the beaches just because of the stench. When you interrupt the ecosystem, it has tremendous effects throughout the whole basin.

If I have time, I'll just say as well that a lot of the research we do in support of fisheries goes to identifying habitat that needs to be controlled and rehabilitated and whatnot. The benefits of that are not just for fish, of course. You get into wetland restoration, which has a real economic value. Look at how much a wetland does in terms of removing things from the environment. If they weren't there, you would have to put in sewer management systems and so on.

The impacts are pretty incredible when you look at it from a broad ecosystem perspective.

Mr. Yvan Baker: Economic costs, costs to our quality of life, and costs to the environment—that's what I'm hearing.

Thank you.

The Chair: Thank you, MP Baker.

I'm just looking at the time and trying to divide what we have left. To conclude this round, we will go with five minutes, five minutes, two and a half minutes and two and a half minutes.

We will start with the Conservatives.

MP Lawrence, you have five minutes.

Mr. Philip Lawrence (Northumberland—Peterborough South, CPC): Thank you very much.

I'll start with you, Ms. Mbarki. I'm very blessed to have in my riding people from two first nations, Hiawatha First Nation and the Alderville First Nation. When I talk to the indigenous leaders, they use words like autonomy, independence and empowerment. They often share skepticism of the federal government. Quite frankly, I share that skepticism, given the mistreatment of indigenous peoples by the federal government and also government interventions in the economy and the failures that the government has had with that.

With that, Ms. Mbarki, I'm hoping that maybe you could talk a little bit about the potential empowerment of indigenous people if in fact we were able to deregulate and open up and take full advantage of our natural resources.

Ms. Melissa Mbarki: One example that I can give you quite specifically is here in Alberta. The Ermineskin Cree Nation wanted to open a coal mine. They didn't want to use coal as an energy source but to convert this coal to steel and help in steel production. This project was rejected. I believe it was due to lack of support from the public.

In instances like this, they went through the regulatory process, they went through the environmental assessment and they went through community, working with the operators to come to a consensus. A lot of times this work takes years, if not decades. To undermine this community and their decision puts a lot more mistrust in the government than it does trust.

This is where autonomy comes into play. If we can give indigenous communities a little bit more decision-making in what they want to do, this would bring not only prosperity to first nations; it would bring different ideas on how we can address things like climate change.

• (1710)

Mr. Philip Lawrence: Thank you very much, Ms. Mbarki. That was an excellent answer. I really appreciate it.

I'm going to switch gears and go to Dr. Cochrane. I'd like to talk about something a little bit off the subject but something I have significant interest in.

I believe it was last year that the finance committee studied tax evasion and the Panama papers. One of the revelations that came out of that committee was the fact that no one at that point had been prosecuted in Canada as a result of the Panama papers. I'm wondering if you could comment or if you know whether or not anyone from the Panama papers in Canada has been prosecuted.

Dr. D.T. Cochrane: No. So far, no one has been prosecuted. From questions posed to the CRA, the answer that has come back is that they're continuing to investigate. We wonder why other countries have been able to successfully prosecute.

It would be good to know one way or the other if the CRA can move forward with prosecutions. If they cannot, we need to figure out why not, because it offends the senses of so many that this happened. The failure to prosecute is really a failure that exists in our legal system.

Mr. Philip Lawrence: Thank you very much. I thought you'd have an excellent answer, and indeed you did.

In my whirlwind tour, I'm going to continue on with the Great Lakes Fishery Commission. I also had the opportunity to talk to you wonderful gentlemen before, and with almost the exact same request. It seems like it may be falling on deaf ears. What can I do, and what can other members of the committee do—it seems like we're all resolute that you need the support you're asking for—to awaken the PMO to this need?

Mr. Gregory McClinchey: If I could, Mr. Chair, I think we've been very blessed over the last number of months in having positive conversations with members of the House and Senate representing all parties. Certainly, we would hope to see this committee endorse our recommendation again, as it did in the last pre-budget consultation and the one before that. I think it's important to get that on the record, to let those who are making decisions in the next budget know that this is something that's important, and then certainly to speak with the ministers involved, with the Prime Minister, with the finance minister, just to let them know.

I think part of the challenge we have faced historically in bringing our funding up to a level is that the urgent will often swallow the important. What we're really talking about here is an \$8.84-million ask, which often gets lost in a much larger shuffle of government priorities. Certainly, appearing here today is very much appreciated. The attention that you, sir, as well as others have been giving this issue over the last number of months is very much appreciated.

The Chair: Thank you.

Thank you, MP Lawrence. That's the time.

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

[Translation]

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

I'd like to thank all the witnesses.

My questions will be mainly for Mr. Breton.

Mr. Breton, in your pre-budget recommendations, which I was reading earlier, you talk about electrification in rural areas. I represent a rural riding myself.

Can you tell us a little bit about how that's going to be done and what particular challenges rural communities will face?

Mr. Daniel Breton: I live in a rural community, too. I'm in Saint-Ignace-de-Loyola, in the Berthier Islands, so I'm very familiar with that reality.

Rural communities across Canada have very different levels of transportation electrification infrastructure. In British Columbia and Quebec, things are going well. You can get around quite easily in rural areas throughout Quebec. Where it gets more complicated is in northern communities, for example, where electricity generation is less stable and the supply of electricity comes from sources such as diesel or oil. There, you have to think about alternatives. This is one of the things we want the government to focus on.

Moreover, across Quebec and Canada, charging infrastructure is often designed around major roads, such as highways. This is where we're seeing more and more interesting infrastructure. As I mentioned earlier, it's quite easy to travel by electric car from Montreal to Toronto in 2022. However, it's more complicated when you leave the major highways. Everywhere, whether in Manitoba, Saskatchewan or Quebec, but especially in provinces that are less well equipped with transportation electrification infrastructure, there has to be a plan for the development of fast charging infrastructure, that is, level 3 stations, or direct current charging stations, to help people get off the major highways. Level 2 terminals are also needed in rural areas.

We're working with Natural Resources Canada to help it design programs so that large Canadian companies aren't the only ones receiving a lot of money to create a lot of infrastructure and so that smaller communities can install charging infrastructure in more remote locations.

• (1715)

Mrs. Sophie Chatel: Thank you very much.

You also talked about smart mobility. Can you tell us more about that?

Mr. Daniel Breton: It's something we often tend to underestimate.

Earlier, we were talking about the future demand for electricity, given that there will be more and more electric vehicles on the market. Gradually, we'll arrive at what we call smart mobility and smart energy management.

Be it in Ontario, Manitoba, Quebec or elsewhere, there are peak periods of energy use, often between 6:00 a.m. and 9:00 a.m. and between 4:00 p.m. and 7:00 p.m. To avoid increasing the burden of electricity generation or demand at peak hours, especially when it's

cold, electric vehicles can be programmed to only start charging after a peak period. This is called smart electricity management.

In addition, we are gradually moving towards systems where electric vehicles themselves will be part of the grid and will be able to feed the electricity grid, in any region, during peak periods. This will reduce the need to import electricity or to have electricity generation infrastructure. This is another aspect of smart electricity management.

Obviously, we'll also have smart and self-driving vehicles. As a result, fewer and fewer people will need to own vehicles. Mobility will have to become a service, especially in urban areas. That's something we're moving towards.

Mrs. Sophie Chatel: How much time do I have left, Mr. Chair?

[English]

The Chair: You have just about 30 seconds or so.

[Translation]

Mrs. Sophie Chatel: I don't have enough time left to ask another question, unfortunately, but I would simply like to mention that the transformation of transportation, especially since the advent of self-driving systems, is very interesting. All this feeds our thinking about transportation means of the future.

Thank you very much, Mr. Breton.

Mr. Daniel Breton: It was my pleasure.

[English]

The Chair: Thank you, Madame Chatel.

Now we are moving to the Bloc and Monsieur Garon for two and a half minutes.

[Translation]

Mr. Jean-Denis Garon: Thank you, Mr. Chair.

I'll come back to you, Mr. Breton.

I don't want to single anyone out, but here as elsewhere, there is sometimes opposition to carbon taxation. Given the figures you mentioned, it seems that this can create unfair competition in the current market in favour of traditional vehicles, that is, those with internal combustion engines. I'm wondering if subsidy programs for the purchase of electric vehicles wouldn't bring healthy competition back into the vehicle market in 2022.

You presented an interesting document. I'd like you to comment on two things: first, the eligibility thresholds for subsidies for individuals who purchase electric vehicles; and second, the role of these programs for both commercial delivery vehicles and buses.

Mr. Daniel Breton: At this point, if we're going to achieve our goals, we have to provide financial incentives. I would like to remind people here that financial incentives to purchase vehicles that are less polluting began in 2006, under the Conservative government. At the time, hybrid vehicle technology was more expensive. We have reached a point where hybrid vehicles are less expensive and no longer need to be subsidized.

It also requires a regulatory framework. We support federal zero-emission legislation to force manufacturers to provide more and more electric vehicles so that they are accessible to Canadians. Currently, the wait in most Canadian provinces is months-long, even a year. As much as people want an electric car, it is very difficult for them to get access to one.

With regulations becoming increasingly stringent around the world, manufacturers are prioritizing sending these electric vehicles to countries such as China or several European countries. In Canada, we are left with crumbs, and that is a real problem.

Of course, we want to accelerate the transition to electric vehicles, but people still need to be able to buy them at dealerships. At the moment, the majority of dealerships in Canada don't have electric vehicles on their lots. This isn't from the pandemic; it was like this before.

• (1720)

Mr. Jean-Denis Garon: Mr. Breton, I only have 10 seconds left. I'd like to take this opportunity to thank you. I hope the interpretation worked well and that everyone was able to hear your remarks.

Mr. Daniel Breton: Thank you.

[English]

The Chair: Did everybody hear that?

I don't know where that came from. Was that from Monsieur Garon?

[Translation]

Mr. Jean-Denis Garon: I'm done, Mr. Chair.

[English]

The Chair: Okay. Thank you, Monsieur Garon. I'm sorry. I thought it was the interpreter speaking.

We're moving to the NDP. MP Blaikie, you're going to be the last questioner. You have two and a half minutes.

Mr. Daniel Blaikie: Thank you very much.

In the last two and a half minutes, I want to ask Ms. Potter a question.

You mentioned in your opening remarks the concern about the revised wage subsidy program for the tourism and hospitality industry. We've heard loud and clear on this side of the Canada worker lockdown benefit about the extent to which it's really not adequate for independent travel agents. You talked about extending the window for the wage subsidy program in the tourism and hospitality industry and making some modifications.

I wanted to circle back to you to hear loud and clear what you think we need to do and what the consequences for the industry will be if no action is taken.

Ms. Beth Potter: The tourism and hospitality recovery program and the wage and rent subsidies that fall within that are due to be cut in half in the middle of March. That decision and those parameters were put in place before additional restrictions for omicron came to be.

We're looking for an extension of the program to ensure that businesses are able to continue to keep their staff and continue to pay their bills while they ramp up later than expected for what we hope to see being a robust session.

One of the other changes, to your point around travel agents, is that most of them are sole proprietors. Sole proprietors don't qualify for any of these subsidies and they're a unique group, because oftentimes their revenue is not earned until after the trip has been taken. As you can understand, over the last two years there have been a lot of trips booked but a lot of trips cancelled, so these travel agents have been without revenue and without the ability to tap into any of the support programs meant for the industry.

Mr. Daniel Blaikie: Thank you very much for that.

That's good for me, Mr. Chair. I'm sure I don't have very much time anyway.

The Chair: No, that was excellent.

Thank you, MP Blaikie.

Listen, right now is a good opportunity for me, for all of us, to thank the witnesses.

Thanks for your testimony and your answers to the many questions from the members as you inform our pre-budget consultation and our report. On behalf of the committee, the clerk, the analysts, the interpreters and the staff, I thank you a great deal for coming before us. We really appreciate that.

Members, we are going to have a discussion on the legislation that just went through the House, which we voted on. I do see MP Beech's hand up, but I am going to allow the witnesses to log off at this time. We'll just say goodbye, and everybody can take off.

Thank you. It was great to have you here.

MP Beech.

• (1725)

Mr. Terry Beech (Burnaby North—Seymour, Lib.): Thank you very much, Mr. Chair, and thank you also for the prerogative today of allowing our witnesses to testify. I thought the testimony and the questions were very helpful.

As we know, according to the Standing Orders, when legislation is passed on to the committee, it takes precedence. In that vein, I have a motion that I would like to propose. I have passed the motion to the clerk in both official languages and asked him to distribute that. Perhaps I can read the motion and then I'd like to speak to it.

The Chair: Thank you, MP Beech.

Clerk, have you received the motion? Has it been distributed in both official languages?

The Clerk of the Committee (Mr. Alexandre Roger): Yes.

The Chair: That's excellent. The members have had an opportunity to take a look at it.

The floor is yours, MP Beech.

Mr. Terry Beech: I'll read through it, and hopefully everybody can follow along from their P9s.

Mr. Chair, I move:

That the Standing Committee on Finance commence its study of Bill C-8, the Economic and Fiscal Update Implementation Act, 2021, and that

- a) The committee invite officials from the Department of Finance, Employment and Social Development Canada, Health Canada and the Public Health Agency of Canada to appear on Monday, February 14th,
- b) The committee invite the Deputy Prime Minister and Minister of Finance to appear,
- c) Prioritized lists of witnesses be submitted to the clerk by 5:00 PM EST, Monday, February 14th
- d) The committee meet the week of February 21st to hear further testimony
- e) The committee commence clause-by-clause consideration of the bill no later than February 28th, 2022
- f) Parties submit amendments to the bill no later than 5:00 PM EST, Friday, February 25th
- g) The Committee empower the Chair to schedule additional meetings, outside of the regular schedule, for the purposes of studying the bill.

Mr. Chair, that's the gist of the motion, and perhaps I could speak to it just briefly.

I have tried at every opportunity to provide members of this committee with answers to any questions they might have on Bill C-8. As it's been developing, briefings have been provided to members of this committee as well. We all know that there are elements within this particular bill that are important for Canadians. One of the most important parts is the procurement of rapid tests as we continue to fight COVID and making those available to the provinces and territories, as well as keeping kids safe with proper ventilation, etc. One thing I will note is that I haven't put in this motion exactly how many meetings the committee would like to have for witnesses. I would be very open to hearing the preference of the committee members on that.

I would also note that this is the busiest committee in town. We currently have pre-budget consultations going on, and, as we saw today, those are very productive. I also know that the committee has a study on housing inflation and affordability that it wants to get back to. I suspect that we could probably deal with this quite quickly, but I would be open to committee members' comments on the number of meetings they would like.

That is the motion I would like to introduce.

Thank you, Mr. Chair.

The Chair: Thank you, MP Beech.

I'll look for discussion. I see that Monsieur Ste-Marie has his hand up.

Welcome, Monsieur Ste-Marie. I know Monsieur Garon was here in your place during the committee meeting.

Mr. Clerk, if you see a hand up in the room, could you please inform me? I would appreciate that.

Mr. McLean's hand is also up. We'll go to Monsieur Ste-Marie and then Mr. McLean.

[*Translation*]

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

I agree with the spirit of the motion. I will obviously listen carefully to what colleagues have to say about the motion.

I think it would be important for officials to come and talk to us about Bill C-8, so we should at least schedule a meeting to that effect.

At the same time, the government has unfortunately gotten us used to having to deal with ever-tight deadlines. There is a section in Bill C-8 that deals with seasonal unemployment. There is still some pressure to get this bill passed quickly.

I want to point out to colleagues on the committee the importance of continuing the pre-budget consultations. I don't know if it's you, Mr. Chair, or you, Mr. Clerk, who can give us an idea of the deadline for sending in our pre-budget expectations. Could Mr. Beech tell us what date we could send it to the government to be considered in the budget?

I think we should have a few more pre-budget consultations. For example, to date, no one from the Canadian Federation of Independent Business has appeared. I think this would be the first time we've had a pre-budget consultations where an organization like that didn't appear.

So I'm in favour of the motion. That said, I would like to have a timeline for further pre-budget consultations.

• (1730)

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

[*English*]

I will look to the clerk and maybe to the analysts. They may have some information for us with regard to your question.

The Clerk: Do you want me to answer now, Mr. Chair, or do you want to go to Mr. McLean?

The Chair: We could go to Mr. McLean, and then we'll get an answer from you and the analysts.

Thank you, Monsieur Ste-Marie.

Go ahead, Mr. McLean.

Mr. Greg McLean: Thank you, Mr. Chair, and thank you to my colleagues at the table.

In the spirit of goodwill, we've listened to the motion, but the motion was just received at the end of this meeting and the schedule on it is very tight, including the calling of witnesses for our next meeting. I am going to propose that we deal with this at the next meeting on Monday and that we set the schedule at that point in time, but on Monday we should continue with the pre-budget consultations. We'll have witnesses to call and that is going to take more than a day, ready for the weekend, so I think it is a little too tight, and it also is out of order.

I haven't called a point of order because I wanted to hear exactly what the motion was. I think we've discussed it, but it is, as you will note, out of order, so if we can deal with it Monday—

The Chair: Actually, it is in order. I said that we would be discussing the legislation at the end of this meeting and that is what we're doing, so it is in order.

Mr. Greg McLean: It's discussing legislation, but this is a motion on the table. We're supposed to have 48 hours' notice on it.

The Chair: If it is what we are discussing on the floor, it is in order.

Mr. Clerk...?

It is in order, yes. Okay.

Mr. Clerk, do you have the answer for Monsieur Ste-Marie?

The Clerk: I don't have a specific answer for Monsieur Ste-Marie.

[*Translation*]

I don't know when the government would like to receive the recommendations.

In fact, procedurally, there is nothing in the Standing Orders that imposes any obligation on the committee in this respect. The only thing the Standing Orders say is that it must be done before the December adjournment, which is long past.

So it's up to the committee. Normally, the government should be able to tell us when the recommendations should be submitted so that it can draw up the federal budget. However, I haven't received that information. I don't know if Mr. Beech has received it.

Perhaps our analyst Mr. Capwell can add something about this.

[*English*]

The Chair: Can we hear from the analysts?

Mr. Beech, I do know that we did look at how many meetings we had in the past. Last year, I think there were about 13 hours of meetings.

Clerk, can you inform me if that's correct or not?

Now we're at about eight hours that we've completed, but in terms of the submissions, we can hear from the analysts.

Mr. Brett Capwell (Committee Researcher): The clerk is correct. Without knowing what the tabling date of the report is, we can't really provide a timeline of when the last meeting on the PBCs should take place, but at any point up until that date, we can

continue to receive evidence, written or oral, with respect to the PBCs. It will be considered in the report.

The Chair: Okay.

Does that answer the question, Monsieur Ste-Marie?

[*Translation*]

Mr. Gabriel Ste-Marie: Ideally, I'd like the government to give us a date so that the report can be considered. We know that it's time consuming to write.

I think last year we had until the end of February to submit it. Obviously, if we knew when the budget would be tabled, that might help us set an end date for our consultations. Otherwise, we would need a response from the government.

• (1735)

[*English*]

The Chair: It would help. I think only one person knows that date, but what we'll do is try to find a kind of end date for the submissions or anything still being brought forward that would make it into the report.

I see that MP Chambers' is hand up.

Mr. Adam Chambers: Thank you very much, Mr. Chair, for recognizing me.

Perhaps before I consider moving an amendment, could the clerk provide an update on whether he received an answer from the Governor of the Bank of Canada to the invite that we had provided him?

The Clerk: I've been instructed by the chair to continue on pre-budget consultations at least for the next couple of weeks, so I've been instructed not to ask the governor for a time at this moment, taking into account that the motion for the inflation study talked about a report at the end of May, and it was thought that we would have more time in the coming months to invite the governor.

The Chair: But, Clerk, we did invite the governor for that study?

The Clerk: We invited him at the beginning, before we started the pre-budget consultations, but we have not invited him since we've started.

The Chair: Okay.

Mr. Adam Chambers: I'm somewhat concerned that the message we received from the governor was that he's unavailable. I'm tempted to request, and to amend this motion to request, that the governor appear in front of this committee, because, one, when we ask an individual like the Governor of the Bank of Canada to appear as a witness for a study, I think we would expect that an individual who holds the office that the governor holds would respect the request of parliamentarians.

I wonder how my colleagues feel about this. This is an important issue, and the governor goes into blackout periods very frequently before all interest rate announcements. We had asked him to appear for three hours. Saying you're not available and then not giving any other dates is...I was quite disappointed there.

Since we don't have him scheduled, I'll move to amend that we invite the governor to appear along with [*Technical difficulty—Editor*]

The Chair: Okay. There's an amendment to the motion.

MP Beech's hand is up, although, just on the governor, like I said, an invitation did go out to the governor. That was on the inflation study. On that, we had Pierre at that time, who had said that he wanted it that the governor would only appear alone, without officials, and the governor at this time was not able to do that and would not do that at this time without officials.

I have MP Beech, and then MP Blaikie.

Mr. Terry Beech: I'll try to address multiple points.

First, to the amendment, and for my colleague, Mr. Chambers, I am also very much hoping to hear from the Governor of the Bank of Canada, but of course with regard to our study on inflation, housing and affordability, so I would recommend that perhaps you could rescind this amendment and we could figure out some way to appease that desire, because we share that desire, I think. I don't necessarily think that we should be dealing with it with regard to Bill C-8.

In terms of Mr. Ste-Marie, I have the same questions that you do around timing and everything else, so I don't know how helpful I could be on that, necessarily. I don't know how much time we would need for officials on Monday if we were to pass this motion as is, and perhaps—I'd have to ask the clerk if there's time to extend it—we could have another round of pre-budget consultations on Monday as well. I'd also ask the question of whether there would be some extra time available on Monday if possible. That might meet your needs in the immediate term. In terms of exact timing on the budget, I don't have an answer for you.

• (1740)

The Chair: Thank you, MP Beech.

Go ahead, MP Blaikie.

Mr. Daniel Blaikie: Thank you very much.

I think partly I just wanted to confirm with Mr. Chambers that he's proposing to invite the Governor of the Bank of Canada on Bill C-8. I think that would be the effect of his amendment. I'm not sure whether that's the intention or not. I'm just looking for a little bit of clarity there.

To reinforce what Monsieur Ste-Marie was saying, I think it is an important question: What is the window for government to consider the work that's coming out of this committee? For the government to offer a deadline for the completion of this committee's work in the pre-budget period is not to reveal a budget date. All it says is that if they gave us a date of February 28, it would just be to say that the budget's not coming before February 28. I don't think that would be a particularly incredible commitment for them to make or be any kind of sensitive information. It would just give this committee and all of the people who want to submit briefs and provide information a reasonable expectation that it's not in vain.

I would be satisfied if Mr. Beech would undertake to get a date from the government, or if you would, Mr. Chair. If we need to do

something more formal and have the committee write a letter to the government in order to get that information, so be it. I really do think it's a reasonable expectation and in keeping with the budget process in normal times, at least. As we are all concerned about getting back to normal, I think this is one small way in which we could begin that long road.

The Chair: Definitely, Mr. Blaikie.

I know that we want some clarity from MP Chambers. I'm also going to ask the analysts about this, because it's their work. They do the heavy lifting on all of this. They're also going to need that period of time. I don't know how long it takes them to get their report ready. Then we'll hear from MP Beech.

MP Chambers, did you have something to add on the clarity?

Mr. Adam Chambers: Yes, Chair.

Thank you to MP Blaikie. I am interested in hearing from the governor within at least the next three weeks. I'm open to suggestions, but I would propose that we add an "h" that says that the governor appear within the next three weeks and address the inflation study—or, I would also be open to having the governor speak about Bill C-8 and inviting him back to speak about the inflation study at the appropriate time.

The Chair: Thank you, Mr. Chambers.

I want to hear from the analysts. Maybe they can tell us about the end date and the time that they need.

Mr. Brett Capwell: I suppose to start, we can be flexible with how long it takes to produce the report, depending on, effectively, the amount of time we're given. If we only have a week, we can make a report work in that week, but it would be very small relative to other years' reports.

In general, it takes about a month between drafting, translation, recommendations, the review of those recommendations, and then the review of the report itself. As I said, the format of the report is up to the committee. We will make whatever we have to work.

The Chair: Thank you. You guys are the best.

MP Beech is next, I think, and then Daniel's hand is up.

Go ahead, MP Beech.

Mr. Terry Beech: Thank you, Mr. Chair.

I'm never as good at resolving impasses as MP Blaikie is, so we'll see what he has to say after me.

I might have misunderstood exactly what was being asked for with regard to the budget timeline and pre-budget consultations. One date that I do have is the timeline that the Deputy Prime Minister and Minister of Finance gave for her own pre-budget consultations, which is February 25. That is publicly listed. That is information that I'm happy to share with the committee. I don't know if that's a helpful piece of information with regard to Mr. Ste-Marie's question.

With regard to Mr. Chambers' concern and timeline, I still believe that your amendment is kind of out of order for this particular motion, but I do want to resolve the invite. If you were able to find a way to let this motion go through and withdraw your amendment, then I think we would be supportive of re-extending the invite with a deadline. We could do that with a separate motion following this motion.

● (1745)

The Chair: Okay. Now I have MP Blaikie.

I apologize, MP Dzerowicz. I now see the clerk waving his hand. I guess you had your hand up. You also wanted to go after MP Blaikie. My apologies for not seeing that.

Mr. Daniel Blaikie: Thank you, Mr. Chair.

I have a couple of quick things. I really want to hear from the Governor of the Bank of Canada. I'm happy to have that happen in the next three weeks or so. I agree that he is a key witness for that study, and I think that hearing from him earlier in the study would be better since some of what we're going to hear from him will help inform some of the questions we may want to ask of other witnesses when they come to appear, including what their comments are on some of the things we might hear from the Governor of the Bank of Canada.

I think this motion probably isn't the place for re-extending that invitation, because this is about Bill C-8. It's not obvious to me that there is anything in the bill that we would solicit the opinion of the Governor of the Bank of Canada on, so I think making sure that we keep those things separate and that we have the testimony of the governor for the study without requiring any additional procedural work by the committee, in order to make sure we can have that testimony serve in the context of the study for which it is meant, would be a good thing.

I want to come back to a comment that was made either by the clerk or perhaps by you, Mr. Chair, about the Governor of the Bank of Canada's response to the initial invitation, because you indicated that the presence or absence of his officials might have played a role in his decision as to whether he was available.

To me there's a bit of a question here for the committee. If the governor appearing without any officials at all is going to be a hindrance to scheduling, I'm happy to have the governor appear with his officials, if that helps facilitate getting him before the committee earlier. For me there's not much that hangs on whether he comes all by himself or whether he brings the people he feels are most appropriate to support him in providing timely answers to the committee.

If that is a hang-up, I would certainly offer that the clerk could contact him again and offer him to come with his officials. That's my personal point of view. If we have consensus on the committee that we'd rather expedite the appearance of the governor and that he can bring whichever officials he likes, then that's something we can go forward with. If not, and his appearing alone continues to be a barrier to scheduling, then perhaps the committee could consider a motion or something that would allow us to decide, on a majority basis, whether or not the governor could appear with his officials.

The Chair: Thank you, MP Blaikie.

MP Dzerowicz, go ahead, please.

Ms. Julie Dzerowicz: One of the key things I was going to mention is what Mr. Blaikie talked about a minute ago. I do recall that our governor had asked whether or not he could bring officials, and I wanted to bring up whether or not we'd be okay with his bringing them, so I entirely agree with Mr. Blaikie's comment. I do think it's important for us to hear from the Governor of the Bank of Canada on inflation, and I'd be, as Mr. Beech mentioned, very open to having another motion, although I'm not sure we need one. I think if we're all in agreement, we can ask the clerk to extend another invitation to the governor and we can talk a little bit about timing.

In terms of the budget, this will be my third budget process. Typically a date is set, and then we usually give three to four weeks to the analysts to come up with a draft report. Then we usually have two big sessions in which we go through all of the recommendations, and those are fairly intensive. Then a final report is crafted from that.

I'm not sure if this is helpful, but it seems as though we might need a little bit of time to figure out the time. It might be helpful if we move pre-budget consultations to Monday, which is just two days away, and then by that point maybe have a proposal about how we unfold Bill C-8 and then also how, if we're making an invitation to the Governor of the Bank of Canada, that would fit in with any of the proposed timelines around Bill C-8.

I don't know if everyone is amenable to that. I hope even our side is amenable to it. It seems as though that might be the most sensible proposal.

Thank you.

● (1750)

The Chair: Thank you, MP Dzerowicz.

I have MP Beech and then MP Chambers.

Mr. Terry Beech: I'll let Adam go first.

Mr. Adam Chambers: Thanks, Terry, and thank you, Daniel, for always trying to find a solution where we can all agree. I appreciate everybody working together on this.

Perhaps it would be more appropriate to revise the amendment such that the study of Bill C-8 could be interrupted if the governor would be available in the time period that we provided. I think that would be reasonable, but again, I would like to say that it would be within the next three weeks. I think that has to be important for this committee.

I will make the point that the governor appeared in front of a Senate committee on February 2. I'm easy with it, if it is with or without additional support, although I would hope that's not the hang-up. We look forward to hearing him.

I also think it's important for the committee, as we are talking about inflation, to hear from the governor before we wrap up pre-budget consultations. I also think that's another reason for this.

I hope I haven't caused too much discomfort, but hopefully we can find a solution.

Thank you.

The Chair: Thank you.

I have MP Beech and then MP Ste-Marie.

Mr. Terry Beech: I'm trying to figure out the easiest way to do this. Perhaps if I could ask a question of Mr. Chambers, we could resolve this.

My recommended solution would be to withdraw the current amendment. Let's vote on the motion. Then perhaps introduce a motion, although I don't think you're going to need a motion—I think you're going to get the agreement of committee, from what I'm hearing around the table—with regard to an invitation with a timeline that you like.

If you're open to it, I would recommend withdrawing the amendment. Let's have our vote. Then take the floor to make your suggestion with regard to the Governor of the Bank of Canada. Assuming that the chair can get unanimous agreement, we might not even need to vote on it.

The Chair: I have MP Ste-Marie, and then I guess MP Chambers will want to weigh in on this.

[*Translation*]

Mr. Gabriel Ste-Marie: I'll let Mr. Chambers go first.

The Chair: Thank you.

[*English*]

Mr. Adam Chambers: Thank you.

Do you think we could pass a motion, my motion, prior to this one, with unanimous consent, and we may be able to resolve that? Is that reasonable for everyone?

I see some nodding.

The Chair: I see all thumbs up. I don't know about the room.

Clerk, can you look at the room?

Everybody looks to be in agreement.

Mr. Daniel Blaikie: I don't know that it's a procedural best practice, but with unanimous consent you can do anything, so I'm on board.

The Chair: Okay. It looks like we have UC to do that.

Mr. Adam Chambers: Thank you. I'll withdraw it.

The Chair: Okay. That's been withdrawn.

Now we'll go to Monsieur Ste-Marie.

[*Translation*]

Mr. Gabriel Ste-Marie: I just wanted some clarification about everything that's being discussed. Again, Mr. Blaikie may not be happy about the order of things.

When we invited the Governor of the Bank of Canada, it was agreed that he would appear alone for three hours. The wording of the motion is open to interpretation.

My personal interpretation was that a three-hour meeting would be devoted only to the governor, without inviting anyone else to appear, for example, the Minister, in which case it would be an hour and a half for each guest. In my interpretation, that did not mean

that the governor could not be accompanied by his usual staff. As far as I know, the governor always comes accompanied, and that's the way it's done. I had no problem with that.

I just want to make sure that only the governor will be invited to appear during the three hours, and that the committee won't invite other witnesses to talk about other subjects during that meeting.

• (1755)

[*English*]

The Chair: You are correct, Monsieur Ste-Marie. The motion that we had from MP Poilievre went out. The invitation went out to the governor, who would have to appear alone. The governor did come back to us, through the clerk, and was not interested in that. We did speak with MP Poilievre. MP Poilievre was not in agreement. He wanted the governor just alone. That's where it stands right now.

Clerk, is that pretty much it? Okay. It captured everything.

That is where we ended, but now, with this new light of MP Chambers', we may be able to do it a different way. Let's hope the governor would take us up on this invitation and come and meet with us.

Go ahead, MP Beech.

Mr. Terry Beech: Thank you, Mr. Chair.

Of course we're happy with the governor coming alone or coming with his officials. We just want the governor to be here. With that, I'd like to call the question on the motion.

Mr. Yvan Baker: I think you're muted, Chair.

The Chair: Thank you, MP Beech.

I look to the clerk and then to the members.

Is everybody in agreement? Can we do this with UC or is it...? I think everyone is in agreement. We have unanimous consent.

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

The Chair: Clerk.

The Clerk: There was perhaps a friendly amendment on the floor to cancel the—

The Chair: I thought it was withdrawn.

The Clerk: I'm not sure what we're doing for Monday. Do we keep Bill C-8 or do we continue on with the pre-budget consultations? I just want to clarify.

The Chair: I believe we're going into Bill C-8.

MP Beech, is that...?

Mr. Terry Beech: I believe that given the motion we just passed, we're going into Bill C-8. If we'd like to tack on an extra hour for some more pre-budget consultations, that will depend on whether or not we have the time and the will of the committee.

The Chair: We will start with Bill C-8. If we want to spend another hour or so of PBCs, I will look to the members as to whether we could build that in with some witnesses.

I think everyone is in agreement with that also, so we'll have one more panel on PBCs.

Thank you very much.

We are adjourned.

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