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# Standing Committee on Finance

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Chair: Mr. Peter Fonseca





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• (1105)

[English]

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

Welcome to meeting 132 of the House of Commons Standing Committee on Finance.

Pursuant to the order of reference on Monday, March 18, 2024, and the motion adopted on Monday, December 11, 2023, the committee is meeting to discuss only part 5 of Bill C-59, an act to implement certain provisions of the fall economic statement tabled in Parliament on November 21, 2023 and certain provisions of the budget tabled in Parliament on March 28, 2023

Today's meeting is taking place in a hybrid format, pursuant to Standing Order 15.1. Members are attending in person in the room and remotely using the Zoom application.

I would like to make a few comments for members.

Although this room is equipped with a powerful audio system, feedback events can occur. These can be extremely harmful to interpreters and cause serious injuries. The most common cause of sound feedback is an earpiece worn too close to the microphone. Therefore, we ask all participants to exercise a high degree of caution when handling the earpieces, especially when the microphone or your neighbour's microphone is turned on. In order to prevent incidents and safeguard the hearing health of the interpreters, I invite participants to ensure that they speak into the microphone into which their headset is plugged and to avoid manipulating the earbuds by placing them on the table away from the microphone when they are not in use.

As a reminder, all comments should be addressed through the chair. For members in the room, if you wish to speak, please raise your hand. For members on Zoom, please use the "raise hand" function. The clerk and I will manage the speaking order as best we can. We appreciate your patience and understanding in this regard.

Members, before we get to our witnesses today, there are a couple items.

One is that you would have received a couple of budgets. I'm looking around for approval for those budgets.

**Some hon. members:** Agreed.

**The Chair:** They're approved. Thank you for that.

For Thursday, I know we had sent out an invitation letter to the DPM to appear. The DPM has accepted and will be appearing before our committee this upcoming Thursday.

I do see your hand, MP Dzerowicz. I'll just go through a few opening remarks quickly first, so that we can get all our officials set up.

Today, to discuss part 5 of Bill C-59, we welcome 36 departmental officials. I know many of them were outside the room, going through security. I hope everyone has made it in. They are from the departments of finance, employment and social development, environment, health, industry, justice, Canada Border Services Agency, Financial Transactions and Reports Analysis Centre of Canada, Treasury Board Secretariat, and the Office of Infrastructure of Canada and Service Canada.

Please note that all these individuals cannot sit at the table. A number of them are at the table. The rest are here in this room.

For the officials, as the members ask their questions, if the question pertains to your department within part 5, we would ask that you come to the table to answer those questions. We need you before a mic to be able to do that, so we may have some rotating chairs in the room as we go through today's questions from the members.

We do not have any opening remarks today from our officials, so we will go right into questions from the members.

If someone is not in the room yet and you have a question for that particular department, we'll have to get that in another round as it comes up, and then maybe one of those officials can come up to the mic.

Now I will go to MP Dzerowicz.

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

You had mentioned the Deputy Prime Minister and Minister of Finance coming before this committee on this bill this Thursday.

Colleagues, given the fact that the main estimates have been referred to this committee—I believe that's right—should we hear from the Deputy Prime Minister on the main estimates as well?

I know I have some questions on them. I want to see if there would be any appetite for that.

**The Chair:** MP Chambers.

• (1110)

**Mr. Adam Chambers (Simcoe North, CPC):** I'm sure we have lots of latitude to ask the Deputy Prime Minister questions, but if she would like to stay for another hour, we would be happy to have her.

**Ms. Julie Dzerowicz:** I'm not sure how that works, Mr. Chair.

Is it that we can ask the Deputy Prime Minister if she has some additional time? I'm not sure if it's an hour; I'm not sure if it's a half an hour. I'm not sure what the time is. That's not for me to decide.

Can we ask her whether she has some extra time to also address the main estimates?

**The Chair:** Yes, we can reach out.

**Ms. Julie Dzerowicz:** Okay.

**The Chair:** We can see if that's possible.

Is there anybody else on that?

MP Lawrence.

**Mr. Philip Lawrence (Northumberland—Peterborough South, CPC):** My apologies for breaking protocol here.

I'm going to take just 30 seconds or a minute, with sadness in my heart. As I'm sure many members have already heard, Kim Rudd, former member of Parliament for our riding of Northumberland—Peterborough South, has passed away.

I want to pass on condolences to her family and to reiterate what I'm sure everyone in Northumberland—Peterborough South knows, which is that she was dedicated to her community, an entrepreneur and hard-working.

Also, of course, she spent a year here on the finance committee, so I thought it fitting to take 30 seconds and pass on my condolences and my gratitude for all her work as the member of Parliament for Northumberland—Peterborough South.

Thanks, Chair.

**The Chair:** Thank you, MP Lawrence.

On behalf of the finance committee, our condolences go out to her family and her friends. We were all friends. She had quite an entrepreneurial spirit. I'm sure she is watching us right now.

Thank you for that.

With that, we are going to get right into the members' questions.

For the officials, how it works is that in the first round each party will have up to six minutes to ask questions. In the subsequent rounds, the timing changes a bit.

In the first round, we're starting with MP Morantz.

MP Morantz will be up for six minutes.

**Mr. Marty Morantz (Charleswood—St. James—Assiniboia—Headingley, CPC):** Thank you, Mr. Chair.

Thanks to all of you for being here.

I wanted to start by saying that at the last meeting, the members of this committee had many questions, but unfortunately we had

votes come up during that meeting, which seriously abridged our ability to ask questions.

One of my questions—I'm sorry, but it might not be directly related to part 5—has to do with the carbon tax.

Given the fact that there are 36 departmental officials here, I'm hoping that there might be one person in the group we have here today who has some knowledge of the carbon tax. Is that the case?

**The Chair:** Do we have an official best suited to be at the table?

**Mr. Marty Morantz:** Is there anyone?

**The Chair:** No? I guess....

**Mr. Marty Morantz:** You could say no instead of not saying anything—

**The Chair:** I'll say for MP Morantz that the people at the table, the officials at the table.... As I said, we have a lot of officials here in the room. They are not necessarily the officials who would answer that. It doesn't look like we have an official who would be able to take that up.

**Mr. Marty Morantz:** How many officials are there—

**The Chair:** There are 36 officials.

**Mr. Marty Morantz:** —in the department?

**A voice:** There are 1,200.

**Mr. Marty Morantz:** Are there 1,200 officials in the Department of Finance?

**The Chair:** And there are 36 officials with us here today.

**Mr. Marty Morantz:** Okay. There's no one here who could answer a question about the carbon tax. Is that correct?

Does someone want to say yes? Could you say “yes” so that it's on the record? Just say yes.

You don't want to say yes. You don't want to speak.

**The Chair:** MP Morantz, we don't want to put the officials in a difficult spot.

**Mr. Marty Morantz:** I just find it astounding. There are 36 members of the department here—

**The Chair:** The officials will answer the questions that they can.

**Mr. Marty Morantz:** Well, I'm asking a question: Is there anyone here who can answer a question about the carbon tax?

They're looking around, nodding. There's nodding that I see in the negative, but no one is actually speaking, Mr. Chair.

Okay. I will move on.

The Cullen commission found that there was a 5% increase in housing prices due to money laundering in British Columbia. Has the department done any analysis to determine what the effect has been on housing prices across the country?

• (1115)

**The Chair:** Thank you, Ms. Hunt. Perhaps you could let us know your department.

**Mr. Marty Morantz:** Before you start, Ms. Hunt, do you know anything about the carbon tax?

**Ms. Erin Hunt (Director General, Financial Crimes and Security Division, Department of Finance):** I can confirm no: I do not know anything about the carbon tax.

**Voices:** Oh, oh!

**Mr. Marty Morantz:** Thank you. I appreciate that. That's wonderful to get an answer. Great.

Tell me about housing prices. Are they affected by money laundering?

**Ms. Erin Hunt:** Excellent. Thank you, Chair.

Thank you for the question. I've appeared in front of this committee before to explain the importance the government places on its anti-money laundering and anti-terrorist financing regime.

Certainly, we recognize that the housing market in Canada is one where there are risks related to money laundering and terrorist financing. The government has taken several steps over the last several years to be able to address these risks in the housing market, including a proposal in the fall economic statement of 2023 to capture title insurers and incorporate them into our anti-money laundering and anti-terrorist financing regime, as well as to enhance the obligations of participants, in order to make sure we're verifying the identity of unrepresented parties in a transaction.

**Mr. Marty Morantz:** Thank you, Ms. Hunt.

Because I have limited time, this is a fairly simple question. If you don't have this data, feel free to say you don't have it.

Does the department have any data that would show that money laundering has caused housing prices to increase across the country, just like the Cullen report found in Vancouver?

**Ms. Erin Hunt:** There was the Cullen report. Another study in British Columbia also identified this as a risk.

I think there's a general understanding that it's difficult to quantify the potential effect this would have, but there are effects of money laundering in the real estate sector, yes.

**Mr. Marty Morantz:** Therefore, there is an effect on housing prices.

In the time I have left, I have a question for the Criminal Code lady. Which one is she?

There you are. It's still okay to say the word "lady", I think.

Mrs. Cassidy, why are there amendments to the Criminal Code in a budget bill?

**Mrs. Erin Cassidy (Counsel, Criminal Law Policy Section, Department of Justice):** As my colleague from the Department of Finance indicated, the government maintains a high priority on its anti-money laundering and anti-terrorist financing regime. That regime, which is led by the Department of Finance, includes repre-

sentatives from various departments and agencies, including the Department of Justice.

**Mr. Marty Morantz:** I'm down to my last 30 seconds. I'm very sorry.

These are amendments to the Criminal Code. The last time I recall this happening, it was to cut a deal for SNC-Lavalin by bringing in amendments to the Criminal Code in a budget bill that would provide them with an ability to have their prosecutions deferred. Therefore, pardon me if I'm a little suspicious of amending the Criminal Code in the context of a budget bill.

I'm asking this again: Shouldn't this be something implemented separately in a bill and considered at the justice committee, not the finance committee?

**Mrs. Erin Cassidy:** Thank you for your question.

The decision regarding what is included in a finance bill, a budget bill or a fall economic statement bill is made by the deputy prime minister and the prime minister.

Thank you.

**The Chair:** Thank you, MP Morantz.

Now we'll go to MP Thompson for six minutes.

**Ms. Joanne Thompson (St. John's East, Lib.):** Thank you.

Welcome to committee.

I'm going to switch and speak about bereavement and pregnancy loss, if I could. I'm not sure which team it is for this shift.

Clearly, this is very important to many people. Certainly, having experienced both, I was very grateful to see some of the changes.

Could you discuss how the changes in Bill C-59 better support parents with parental benefits not available to those who experience pregnancy loss, what the current leave options are, and what benefits they're currently using in place of the specific pregnancy loss benefit?

• (1120)

**Mr. Douglas Wolfe (Senior Director, Strategic Policy and Legislative Reform, Analysis and Workplace Information Directorate, Labour Program, Department of Employment and Social Development):** Good morning, everyone.

Thank you for the question. It's musical chairs this morning, but I'll try to answer the question.

The Government of Canada is committed to protecting and supporting the mental and physical health of workers. Dealing with pregnancy loss can be extremely challenging, and individuals who experience it often need time away from work to support their recovery.

To better support federally regulated private sector employees during this difficult time, the government is proposing changes to the Canada Labour Code to provide three days of paid leave following a pregnancy loss. In the event of a stillbirth, employees would be entitled to prolong their leave for a period of eight weeks without pay.

The new leave will provide workers with greater job and income security while they recover. It will be available to the individual who is pregnant, the spouse or common-law partner, and any person who intended to be the legal parent of the child, including the biological parent and parents who were planning to have a child through adoption or surrogacy. The leave will be available to individuals who are employed in a federally regulated private sector workplace.

**Ms. Joanne Thompson:** Thank you.

I want to capture one of the points you reference.

What was the basis for the definition of “stillbirth”?

**Mr. Douglas Wolfe:** This was a subject that was passed in Bill C-3, as you may recall. That bill received royal assent in 2021. What is here is aligned with Bill C-3, which was never brought into force. All the provisions were exactly aligned with that bill.

**Ms. Joanne Thompson:** Thank you. I personally was very pleased to see that there.

Leave related to pregnancy loss and bereavement leave are similar to changes proposed and adopted by New Zealand a few years ago. How have New Zealand parents benefited from this? Are you able to speak to that?

As well, are there similar shifts in other jurisdictions that have made differences for families in their time of truly great loss?

**Mr. Douglas Wolfe:** Certainly a number of jurisdictions, including a number of provinces in Canada, have made similar changes. What we see is that many, many parents or would-be parents have benefited from the leave. Pregnancy loss is certainly something that affects many, many individuals. Having a number of days for them to rest and recover is seen as critical.

I think this is why the government put forward this perspective.

**Ms. Joanne Thompson:** Thank you. I think it's incredibly important.

I don't know if you are able to speak to adoption leave.

**Mr. Douglas Wolfe:** Actually, we have others who could come up and speak on adoption leave.

**Ms. Joanne Thompson:** Please do. It's so important for families.

**Mr. Douglas Wolfe:** Of course.

**Ms. Joanne Thompson:** Thank you.

I have a sense that I'm quickly running out of time, so I'll be really quick. Could you speak to the rationale of why you brought forth the EI changes for adoption leave?

**Ms. Mona Nandy (Executive Director, Employment Insurance Policy, Skills and Employment Branch, Department of Employment and Social Development):** Thank you for the question, Chair.

The rationale for bringing forth the 15-week shareable new EI benefit that would support those who become parents through the process of adoption or through the process of surrogacy would respond to a Government of Canada commitment to introduce such a benefit. It was outlined in the mandate letter of 2021 for the then Minister of Employment, Workforce Development and Disability Inclusion.

It would also ensure that the EI program continues to be responsive to the different ways in which families are formed, including, as I said, through the many different types of adoption and surrogacy. It would cover the same types of adoption that are currently covered by EI parental benefits.

**Ms. Joanne Thompson:** Am I still good, Chair?

**The Chair:** You have a little over a minute left.

**Ms. Joanne Thompson:** Okay. Thank you.

I think I'm going to have to change the table seating again. I'm sorry about that.

I'm just wondering how the changes to the Canadian Payments Act will deliver faster and more secure options to pay bills and transfer money. Again, it's linked to families.

I'm sorry about the musical chairs.

• (1125)

**The Chair:** Is there a particular division or particular officials who can answer that?

**Ms. Joanne Thompson:** I think it's probably more general, if anyone wants to take the question.

**The Chair:** I do understand, members and officials, that we are losing some time in transition here. We will build some of that into members' time.

Would you identify yourself and your department?

**Mr. Nicolas Marion (Senior Director, Payments Policy, Department of Finance):** Absolutely. I am Nick Marion of the payments policy team at the Department of Finance.

**Ms. Joanne Thompson:** Thank you, and welcome.

The question is about the Canadian Payments Act. Obviously, it strengthens Canada's payment system to deliver faster, more secure and lower-cost options to Canadians to pay their bills and transfer money. How will that change basically benefit Canadians? Obviously, it's an important question in light of the challenges so many are facing.

If you could just speak to that, I would be grateful.

**Mr. Nicolas Marion:** Yes, absolutely.

Maybe I can just start by describing the payments modernization program.

Payments modernization has three components, the first being expanding membership eligibility in Payments Canada, which is the subject of the amendments before this committee, as well as the establishing of the Retail Payment Activities Act regime, which will effectively enable the Bank of Canada to supervise registered payment service providers. The regime itself, that is, the final regulations, has been released. Registration of payment service providers will begin in November of this year, with the substantive elements of the regime coming into force in September 2025. That's the second part of the program.

The third part of the payments modernization program is Payments Canada launching the real-time rail, which is effectively a new payment system that enables instantaneous data-rich payments to be exchanged, cleared and settled instantly 24/7. The purpose of this payments modernization program is to provide new payment options for consumers and for businesses that enable these fast payments, allowing new payment participants into the ecosystem, regulated payment participants in the ecosystem, and provide lower cost opportunities, again for the benefit of Canadian consumers and businesses.

**The Chair:** Thank you, MP Thompson.

Now we're going virtually to MP Ste-Marie in the riding of Joliette.

[*Translation*]

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

Good morning, everyone. Thank you to all the officials for being here.

My first questions will be about the proposed amendments to the Competition Act and the Competition Tribunal Act found in division 6 of part 5 of the bill.

The Commissioner of Competition sent a letter to the Standing Senate Committee on National Finance. I imagine that the commissioner will also send us a letter—perhaps it's being translated right now. The commissioner welcomes the amendments that expand the powers of his office, but he has a list of recommendations for us to consider that will strengthen and improve the amendments. There are six recommendations on the list.

I'd therefore like to know if you've considered the six recommendations and if you have any general comments on them. If you don't have them, I can read them out to you.

**Mr. Mark Schaan (Senior Assistant Deputy Minister, Strategy and Innovation Policy Sector, Department of Industry):** Mr. Chair, I thank the member for those questions.

My name is Mark Schaan, and I'm the senior assistant deputy minister for the Strategy and Innovation Policy Sector at Innovation, Science and Economic Development Canada. I'm here with my colleagues Samir Chhabra and Martin Simard.

With respect to the letter from the Commissioner of Competition, we looked at the recommendations he proposed. Some of the recommendations are not specific amendments, but rather general suggestions to the committee for future legislation.

In terms of the recommendations for amendments to Bill C-59, I'll turn it over to my colleagues to say a few words about those suggestions.

• (1130)

**Mr. Martin Simard (Senior Director, Corporate, Insolvency and Competition Directorate, Department of Industry):** Good morning. My name is Martin Simard, and I report to Mark Schaan.

There are six recommendations. I don't know how much time we have, but I can quickly explain why the government introduced this bill. The rest will be up to the committee.

First, the commissioner is proposing an amendment regarding drip pricing or last-minute price changes. That's not necessarily within the scope of this bill. This recommendation came from a [*Inaudible—Editor*] two years ago. The commissioner suggested changing what was done two years ago, because there was an oversight. However, in Bill C-59, we simply reproduced what had been done, because we wanted all provisions on equal footing. That's why the amendment proposed by the commissioner is not in Bill C-59.

Next, with respect to greenwashing, as Mr. Schaan mentioned, this just recommends that greenwashing be considered as a factor. Therefore, it doesn't suggest a specific amendment.

In terms of the ordinary selling price of products, the commissioner suggests reversing the burden of proof. In Bill C-59, the government seeks to correct a concordance error between the English and French versions. This meant that, to prove that someone was posting a sham discount, people had to look at the entire marketplace to determine the average price of the product in question. The bill corrects that by requiring instead that the past prices posted by sellers themselves be used to determine whether a discount is genuine. So the government wants to clarify that.

However, the commissioner wants us to go further and make companies responsible for keeping a price list and proving that they offer genuine discounts. The government didn't go that far. All the government said was that it had to be based on the prices set by the seller. Here, we're taking into account the fact that not all SMEs have a price list, and that could be a burden for them. Currently, the commissioner's power of examination gives him access to large companies' price lists. That's why the government didn't go any further.

Furthermore, with respect to mergers, the commissioner suggests setting a percentage by default and reversing the burden of proof there as well. Currently, the Competition Tribunal cannot prevent a merger solely on the basis of market share. In Bill C-59, the government removes this barrier, which would allow the tribunal to make intuitive presumptions if market share has become very high. Once again, the commissioner wants us to go further and set a percentage in the act. To our knowledge, no other countries are doing that. Bill C-59 is in line with what the United States is doing, which is allowing the courts and jurisprudence to evolve.

Basically, in order for a merger to be challenged before the Competition Tribunal, it has to significantly reduce competition. The commissioner proposes requiring that the solutions put forward in the event of a challenge, such as the sale of a company's shares, be used to fully restore competition. The government didn't go that far because a merger can only be challenged if it has a significant impact on competition. It's therefore not clear why the solution to a problematic merger should mean that it has no effect on competition. That's why the government didn't go as far. Once again, the commissioner will be able to present his view on this.

Finally, the commissioner expressed doubts about the new environmental certification process established in Bill C-59. I can tell you why the government wants to establish the process. A number of companies and environmental groups have told us that getting together to stop the sale of certain toxic products to protect the environment could be considered a cartel and therefore a criminal offence under the Competition Act. The government therefore recommends that a pre-authorization system be set up within the Competition Bureau. That way, people will be able to tell the Competition Bureau that they want to agree not to sell certain toxic products to protect the environment, and the commissioner will then be able to issue a letter saying that they are not at risk of criminal charges. The commissioner will be able to explain why he has doubts. I think his concern is that people will hide behind fake environmental concerns to create a cartel.

• (1135)

However, in the government's view, all the bases are covered. The commissioner has full discretionary powers, so when in doubt, he can simply not issue the letter.

However, we've heard from businesses and environmental groups that criminal penalties can deter companies from engaging in environmentally friendly collaborative efforts. That's why, once again, the system that allows for these collaborative efforts is administered at the commissioner's discretion.

**Mr. Gabriel Ste-Marie:** Thank you very much for making your responses so clear.

[English]

**The Chair:** That is the time.

[Translation]

**Mr. Gabriel Ste-Marie:** Okay. Thank you.

I'll come back to this in the next round of questions.

[English]

**The Chair:** We go to MP Blaikie, please.

**Mr. Daniel Blaikie (Elmwood—Transcona, NDP):** Thanks very much, Mr. Chair.

I'm going to start with my question about the Competition Bureau provisions just to save a little bit of time and exercise for officials.

I want to ask about the greenwashing provision in the bill. I think it talks about ensuring that there are adequate and proper tests for environmental claims about products, but I think folks are concerned that there are other ways to falsely promote something as

being environmental, for instance, activities, services or a brand generally.

I'm wondering how "product" is defined and whether it covers that more broadly or whether changes would have to be made to the legislation in order to have a more comprehensive prohibition.

**Mr. Mark Schaan:** I'll start and then may turn to my colleagues for supplemental responses.

The entry point for the Competition Act is on the substantial lessening of competition or price competition in the marketplace, and the deceptive marketing provisions of the Competition Act rest in that assurance that what a consumer is experiencing in the marketplace is not unduly uncompetitive or potentially provides false information about a given transaction. Hence, there is hardwiring around a product being the transaction that a consumer is potentially undertaking.

If the product claim that's being made by the organization extends to the point in which there might be deception of the consumer to the point where it might actually sway their overall choice in the actual transaction, then, potentially, there's an understanding that that could feed within the conceptions of deceptive marketing when an environmental claim is made. However, broad environmental claims that are not specific to the actual transaction—which is the heart of the constitutional underpinning of the act itself and the enforcement powers of the bureau—would not necessarily be subject to that because that's not the hardwiring of the act. The act is about that transaction and the potential for deception for a consumer in that transaction.

**Mr. Daniel Blaikie:** Aren't you concerned that that's a pretty narrow way of looking at it, though? If a company is making deceptive claims about its brand, and giving consumers the impression that it's a green brand and using that indirectly to give a kind of green credibility to its products, that's not captured if we look narrowly at the product transaction, but it's certainly part of informing consumer decision-making. If the point of the legislation is to try to promote honesty within the market and build confidence for consumers that when they're relating to companies that sell them products, they're getting a pretty above board representation of what they're buying into when they purchase a product, shouldn't we be concerned to have legislation that isn't so narrowly focused on product transactions? I understand that the European Union, for instance, has a more general application of its anti-greenwashing provisions.

**Mr. Mark Schaan:** I'd make two points. One is, obviously it's difficult to port other systems into ours, particularly, the European Union's, which is able, at the commission level, to do things that, potentially, aren't necessarily part of the same federated structure that we possess here within the Canadian Competition Act specifically.



Our view isn't necessarily that there shouldn't be some standards, for instance, around the types of environmental messaging that companies are making. This relates back to climate disclosures and climate reporting—which is work that's also under way within both our department and the department of ECCC, and where, I think, there can be greater standardization around environmental messaging without necessarily trying to get outside of the remit of the Competition Act. That's where we would probably differ, which is to say, within the guise of the Competition Act and its constitutional underpinnings in the trade and commerce power, we are about that transaction, we are about that deception.

• (1140)

**Mr. Daniel Blaikie:** Am I hearing you right? Are you suggesting that there's a constitutional objection to the idea of including activities or brands within the scope of the prohibition in the Competition Act? If so, I guess my question is, what is the basis for that constitutional objective and, secondly, let's say, point granted about the Competition Act for the sake of argument, are there other legislative vehicles or other places where such a prohibition could be put into federal legislation that would cover that expanded anti-greenwashing concept?

**Mr. Mark Schaam:** I would make two general points, Mr. Chair.

One, the capacity for us to regulate anti-competitive conduct is premised on a particular division of powers in a sense that product regulation specifically and a number of other specific regulations are often shared jurisdiction with provinces and territories. We rest within the capacity to be able to limit the significant lessening of competition and potential deception.

**Mr. Daniel Blaikie:** Can you point us to the section so that if we want to go back...?

**Mr. Mark Schaam:** I would have to get back to you on the section.

**Mr. Daniel Blaikie:** Okay. That would be helpful if you could.

**Mr. Mark Schaam:** Then, in terms of broader legislative efforts, I think this is where climate disclosure reporting and other aspects of regulating the information about environment claims is actually a part and parcel of the broader effort to potentially.... It's not just, you know, about a specific product saying that it's 35% more green than its competitor. It's also actually on broader claims like "We're really good for the environment" or "Our company is doing great things for the environment". Those types of broad claims are best understood within the environmental understanding in terms of the actual technical understanding, which is not within the remit of the Competition Bureau.

**Mr. Daniel Blaikie:** Okay. Thank you for that conversation.

Do I have time to ask a question on something else?

**The Chair:** Well.... Then we will have a transition, so I will take—

**Mr. Daniel Blaikie:** Okay.

My next question, Mr. Chair, in the next spot will be on the Canada water agency. When Mr. Ste-Marie is asking his questions very shortly, I will need those officials.

**The Chair:** Yes, officials be ready.

Now we're actually transitioning into our second round.

As we go into our second round—just for the officials—the times are a little bit different.

We're going to start with MP Chambers.

MP Chambers, you have five minutes to ask your questions.

**Mr. Adam Chambers:** Thank you very much, Mr. Chair.

Thank you to all our officials.

While Ms. Hunt is getting ready and prepared, I want to apologize on behalf of the government for delaying the budget. I know it takes a lot of time and effort to do it, and work expands to the fill the time available. An extra few weeks is very difficult, I know. I'm sorry. Hopefully, in the future, we will have fixed budget dates, and we can all know when they will be.

Ms. Hunt, thank you very much. It's nice to see you again.

Do you remember Bill C-289? It was a private member's bill that proposed to amend the Criminal Code, and it was related to money laundering.

You're nodding yes.

One of the arguments that the government used to defeat that bill was that it did not enjoy or did not recommend making changes to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act and the Criminal Code outside of the five-year review of that legislation.

My first question is this: Does Bill C-59 amend the Proceeds of Crime (Money Laundering) and Terrorist Financing Act?

**Ms. Erin Hunt:** The answer to your question is that, yes, it does amend the Proceeds of Crime (Money Laundering) and Terrorist Financing Act.

**Mr. Adam Chambers:** Thank you very much.

Does it also amend the Criminal Code as it relates to money laundering?

**Ms. Erin Hunt:** The answer to the question is that, yes, it does.

**Mr. Adam Chambers:** I'm just puzzled because the government said it couldn't support a private member's bill previously because it amended an act that it said we should do the five-year review on.

Have we started, to your knowledge...? Has any committee undertaken the required statutory review of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act?

**Ms. Erin Hunt:** My understanding is that we have had an introductory meeting on that with this committee. We await further guidance from this committee on the parliamentary review of the act.

• (1145)

**Mr. Adam Chambers:** However, there is no committee that has actually undertaken and passed a study to do that review. Is that correct?

We've had an introductory meeting, but currently there's no committee that's been assigned that duty. Would you say that's fair?

**Ms. Erin Hunt:** I am not a parliamentary affairs expert, to be honest with you. You probably know the answer to this question better than I do. To my knowledge, I do not believe that has been formally passed.

**Mr. Adam Chambers:** Thank you very much.

Do you know when we were supposed to start that review?

**Ms. Erin Hunt:** The last review took place in 2018. The act proposes a review every five years.

**Mr. Adam Chambers:** Okay. That would be 2023. We're now in 2024. We've actually missed the deadline.

Is Canada not up for review under the Financial Action Task Force? Are they not coming to do a bit of a review of the country to see how we're doing on money laundering?

**Ms. Erin Hunt:** Yes. Canada will undertake its mutual evaluation by the Financial Action Task Force. It will begin in 2025.

**Mr. Adam Chambers:** Right, but we've missed the statutory review by which we're supposed to review. We're actually going to start that with a bit of a black mark, because we haven't kept up to the statutory requirement, is that correct?

That's one of the things that would be looked at. Is Parliament actually fulfilling its obligations under the current money laundering regime?

**Ms. Erin Hunt:** The review looks at how Canada is faring against 40 different technical requirements and 11 broad kinds of efficiency regulations. The government has made many changes and improvements over the last several years. Obviously, those changes and the effectiveness of our regime will be looked at from a broad-based perspective.

**Mr. Adam Chambers:** Thank you very much.

Before I continue on this line, I would like to point out that I do not believe there are any officials from CRA here today, and I don't believe there were any at the last review. My understanding, after having consulted the Senate pre-study hearings on the same bill, is that CRA is actually tasked with auditing. I would request that we put the CRA as a future witness as part of the pre-study.

Since I'm in a very giving mood, I've put a motion on notice. I won't move it, but I'll quickly read it into the record to help the government in its review of Proceeds of Crime (Money Laundering) and Terrorist Financing Act.

It reads:

Pursuant to Standing Order 108(2) and with regards to section 72 of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act, the committee undertake a study to review the Act and the current situation regarding money laundering and terrorist financing in Canada. That as part of the study the committee calls the Deputy Prime Minister and Minister of Finance for no fewer than two (2) hours, the Minister of Justice and Attorney General of Canada no fewer than two (2) hours, the Minister of Public Safety no fewer than two (2)

hours, the Minister of National Revenue no fewer than two (2) hours, department officials for the departments of Justice and Public Safety, the Royal Canadian Mounted Police, the Financial Transactions and Reports Analysis Centre of Canada, the Canadian Security Intelligence Service, the Canadian Border Security Agency, the Office of the Superintendent of Financial Institutions, the Financial Consumer Agency of Canada, the Ombudsman for Banking Services and Investments, the Cullen Commission Lead Counsel, Royal Bank of Canada, TD Bank, Bank of Montreal, Scotiabank, CIBC, National Bank, the Ontario Securities Commission and other witnesses as submitted by the members of the committee. That the committee take no fewer than ten (10) meetings for this study and that it report its findings to the House.

I'm deciding not to move the motion. I'm just putting it on notice. I provided it in advance to the committee clerk, and I believe the translators have it. It will be available either in your inboxes now or very shortly.

Thank you very much for your time. We have additional questions, and we'll speak to some of your colleagues later.

Thank you.

**The Chair:** Thank you for that, MP Chambers.

Yes, it has been distributed to all members. They shall receive it. Thank you, clerk.

We now go to MP Weiler, for five minutes.

**Mr. Patrick Weiler (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.):** Thank you, Chair. I want to thank all of our witnesses for being here today. I'll ask some questions of our witnesses who are sitting here.

I really appreciate the renewed interest of our Conservative Party members on this committee to look into money laundering. Unfortunately, it was the budget cuts that Stephen Harper brought in that cut \$500 million from the integrated proceeds of crime unit. That helped create the conditions we see today with money laundering. It's actually mentioned by the Cullen commission, which identified that as one of the factors that led to the amount of money laundering we're seeing in real estate.

Obviously, there have been many changes since then. It's great to see that the Province of B.C. has brought in a land ownership registry, and, just recently, announced it's going to make it free for individuals to access it.

Of course, over the last four years, there have been many very important changes made to our anti-money laundering regime, including in Bill C-59. I was hoping that the witnesses might be able to share with this committee how Bill C-59 will improve the operational effectiveness of our AML regime, and, specifically, how is it going to address some of the ongoing enforcement issues that have been identified within the regime?.

• (1150)

**Ms. Erin Hunt:** Excellent. Thank you, Mr. Chair.

Thank you for that question.

I'm happy to walk through some of the areas that will be put forward in this bill.

Operational effectiveness is obviously a broad consideration, so I would like to talk a bit about the different elements of the bill, because I think they will all contribute to operational effectiveness.

The proposal will help combat sanctions evasion, which is something that we see is a growing concern, particularly emerging from Russia's unjust war on Ukraine. This will allow for better information gathering and for our colleagues at FINTRAC to be able to provide intelligence, both tactical and strategic, to the enforcement partners and others to better combat sanctions evasion.

There are changes to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act, as well as to the Customs Act, to better enable our colleagues at the CBSA to identify and pursue more effectively trade-based money laundering, which is one of the largest ways that money is laundered internationally. This will provide additional tools to the CBSA to be able to do that.

It will also capture white-label ATMs, which are ATMs that do not belong to a bank or credit union. They make up about half of all ATMs in Canada. These are seen as a very high risk for money laundering and terrorist financing.

It will also enable additional information sharing. We spoke about environmental considerations earlier. Environmental crime is obviously a very lucrative crime. It's one of the most lucrative crimes internationally. This will allow FINTRAC to be able to share intelligence directly with ECCC—Environment and Climate Change Canada—and the Department of Fisheries and Oceans so that they can leverage this information in their activities enforcing environmental and other related standards.

**Mr. Patrick Weiler:** Thank you for that.

Beyond the changes you mentioned to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act and the Customs Act, there are some changes being made to the Criminal Code, particularly because these are offences that are very difficult to prove when you need to prove knowledge of some of these things.

I was hoping you might be able to speak a bit to that and how those standards are going to be addressed through Bill C-59.

**Ms. Erin Hunt:** Excellent. I will turn this over to my colleague from Justice Canada. The other Erin at the table is better placed to respond.

**Mrs. Erin Cassidy:** Thank you, Erin.

Thank you for the question.

Bill C-59 proposes three types of amendments to the Criminal Code that are intended to address operational aspects of the anti-money laundering and anti-terrorist financing regime.

The first proposed amendment targets the laundering of proceeds of crime offence. What we have heard through our consultations and our engagement with provincial and territorial partners is that this offence is particularly challenging to prosecute and to obtain sufficient evidence on to go to prosecution. This is because, among other things, the offence requires that the accused have the knowledge or belief, or be reckless as to whether the property was obtained or derived from the commission of a designated offence.

In the case of money laundering committed by third parties—persons who are not engaged in the underlying offence that gave rise to the proceeds—it can be particularly challenging to establish that mental element, which is that knowledge or belief, or recklessness.

The amendments proposed some changes specifically to address third party money laundering. They establish a statutory inference—

• (1155)

**The Chair:** Mrs. Cassidy, I'm going to interject. You're going to have to be very quick and very brief. We're already past the time.

**Mrs. Erin Cassidy:** Okay.

**The Chair:** I know you said you have a few amendments, but you're going to have to be very quick.

Thank you.

**Mrs. Erin Cassidy:** Absolutely.

They establish a statutory inference that may be drawn and some changes to the extent to which the details must be established in relation to the predicate offence.

The second amendment will streamline and modernize certain aspects of the seizure and restraint of proceeds of crime provisions.

The third amendment will address a production order for financial information to better respond to digital assets, or cryptocurrency.

Thank you.

**The Chair:** Thank you.

Thank you, MP Weiler.

We're going to MP Ste-Marie, please.

[*Translation*]

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

My questions are still on amendments to part 5, division 6 of the Competition Act.

Having said that, first I'd like to thank the clerk of the committee, Mr. Roger, for getting the commissioner's letter to us so quickly. We have the best clerk of all the House and Senate committees.

Mr. Simard, I expect that a gag order will be issued on the study of Bill C-59, which would limit the length of our study. We're going to invite the commissioner and representatives of other organizations to appear. We may propose amendments to the bill. After the commissioner and the other witnesses have testified, if you have any additional information for us before we vote on the amendments, send it to us so that we can make a well-informed decision.

I want to come back to the second recommendation, which concerns greenwashing. My colleague Daniel Blaikie mentioned it. A number of organizations are telling us that prohibition of greenwashing products as part of the amendment to the Competition Act should also apply to environmental statements in general made by companies, such as allegations about the sustainability of their operations.

Can you comment on this amendment that could be proposed?

**Mr. Mark Schaan:** Thank you for your question.

I'm going to turn it over to my colleague, Mr. Simard.

**Mr. Martin Simard:** Mr. Schaan touched on this a little earlier. He mentioned the legal aspect.

The government wanted to use all the tools at its disposal to fight greenwashing. There was already a mechanism in the Competition Act that required evidence to make a claim about a product in the context of a transaction, as Mr. Schaan said. For example, if they said that a product washed whiter than the competitor's product, they needed evidence of that, they had to have tested it. The government took this pre-existing tool and decided to apply it to claims about a product's environmental benefits, such as saying that a product is greener. The difference is that, if they say that a product washes whiter but it doesn't, that affects the consumer. That's the test currently being used. However, if a product pollutes a lake, it doesn't affect consumers themselves. However, a product can be tested too. We can test whether or not a product leaves phosphorus in a lake, for example.

When they move away from that and make a broader claim, like when companies say they're green, there's no longer a pre-existing mechanism in the Competition Act. For example, if companies make blanket statements that they are fair or that they treat their employees well, there's no mechanism that requires them to already have proof of that. Such assertions are only subject to the general prohibition against breach of trust. The reason the government stopped there was that the Competition Act already had a mechanism that worked. However, more general statements stray from the scope of that mechanism.

Mr. Schaan said there was also a practical aspect. If a company says it's greener, what should it test to prove that? If it's greener in terms of a certain aspect, is that enough to make a general statement?

The European Union came up. The Competition Act is general legislation that applies to everyone. It has no sectoral provisions. In some countries, and even in Canada, when it comes to plastics in particular, recommendations are made on a more sectoral basis. Conditions can be set for the right to use the recycling symbol, for example. So there are other more sector-specific tools to combat greenwashing. We talked about statements like saying that a com-

pany is carbon neutral. The mechanism increasingly being put in place is climate disclosures in companies' annual reports. Perhaps other tools would make it possible to combat specific greenwashing activities. However, the Competition Act may be a limited tool for framing such broad statements.

If a company says it's greener, what should it test to prove that?

• (1200)

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

**Mr. Gabriel Ste-Marie:** Thank you.

I'll have more questions in the next round.

[English]

**The Chair:** Thank you, MP Ste-Marie. Yes, you can do that in the next round.

We'll go to MP Blaikie.

**Mr. Daniel Blaikie:** Thank you very much.

My question is for the folks who can talk about the Canada water agency.

**The Chair:** We have a transition of witnesses.

**Mr. Daniel Blaikie:** Ms. Boag, I understand that the government has announced that the new headquarters for the Canada water agency will be in Winnipeg, Manitoba. I see that's not specifically in the legislation, so I wanted confirmation today that this is indeed the plan.

**Ms. Gemma Boag (Director General, Freshwater Policy and Engagement, Department of the Environment):** The legislation indicates the headquarters will be designated by order in council. In budget 2023, which you probably saw, the government indicated the plan is to set up the headquarters in Winnipeg.

**Mr. Daniel Blaikie:** Thank you very much.

Is there any statutory funding for the new Canada water agency, or is that all going to be done on an ad hoc basis through appropriations?

**Ms. Gemma Boag:** There's a combination of existing funding for activities that are taken care of by Environment and Climate Change Canada now but will be moving into the agency, and then budget 2023, as you may have seen, announced additional funding that would also be for the Canada water agency. That includes \$85 million over five years and \$21 million ongoing to create the Canada water agency, and a total investment of \$650 million over 10 years for investments in eight water bodies across the country. The Canada water agency would deliver the majority of that investment in water bodies.

**Mr. Daniel Blaikie:** How much of that funding would be statutory, which is to say it's in the legislation for the Canada water agency and it's regular without the government having to come back to Parliament, and how much of that funding would be approved through the estimates process every year?

**Ms. Gemma Boag:** I'll have to come back with the specifics of that, but a fair portion will be coming through the estimates.

**Mr. Daniel Blaikie:** Okay.

What kind of mandate change is coming with the establishment of the Canada water agency as an independent agency? What can Canadians expect in terms of government water policy, and changes to it, through the new organizational structure?

Are things largely going to be the same? Perhaps you could explain some of the differences you're anticipating.

**Ms. Gemma Boag:** That's a good question.

There are over 20 different departments and agencies in the federal government, as you may know, that have a responsibility for freshwater-related activities. In the proposed legislation, the Canada water agency would assist the Minister of Environment and Climate Change with the minister's freshwater-related responsibilities. More specifically, the mandate of the agency would be to work "to improve freshwater management in Canada by providing leadership, effective collaboration federally" with those 20-plus federal organizations "and improved coordination and collaboration with provinces, territories, and Indigenous Peoples to proactively address national and regional transboundary freshwater challenges".

**Mr. Daniel Blaikie:** What would be some of the mechanisms by which the new Canada water agency will achieve that better collaboration that haven't been deployed in the current structure?

**Ms. Gemma Boag:** The federal government already has strong relationships with the provinces and territories in some of those eight water bodies that I mentioned earlier. That will be a main focus for the agency's activities. We now have a larger investment in those water bodies, particularly the Great Lakes, that we'll be advancing very much in collaboration with provincial and territorial partners. I would say that's where you're going to see some of the more significant investment very much building on existing collaborative, highly functional relationships between jurisdictions.

**The Chair:** MP Blaikie, we're well over time, so I'll put you in the next round.

**Mr. Daniel Blaikie:** Thank you.

**The Chair:** We're off to MP Lawrence now for five minutes, please.

**Mr. Philip Lawrence:** Thank you very much.

My questions will be with respect to division 11 of part 5. If Mr. Peets and Ms. Boldt could take the microphone, that would be amazing.

While you sit down, perhaps I'll give a little bit of a preamble before my question.

My understanding is that division 11 enacts the department of housing, infrastructure and communities act, which is to create a

new federal bureaucracy that will take over some of the responsibilities from the previous administration.

What's the total cost of creating this new bureaucracy?

• (1205)

**Mr. Gerard Peets (Assistant Deputy Minister, Policy and Results Branch, Office of Infrastructure of Canada):** The act creates departmental legislation for the department of housing, infrastructure and communities. This is a transformation of the existing Department of Infrastructure Canada. The Department of Infrastructure Canada has existed since 2002 by order in council. This legislation provides a legislative basis, but that's not all it does. It also puts housing, infrastructure and communities together from a mandate perspective. Part of that happened with the movement of staff from the Department of Employment and Social Development Canada to Infrastructure Canada who are responsible for homelessness policy.

**Mr. Philip Lawrence:** Thank you.

I appreciate your giving us the background. That was valuable.

What's the total cost of the change?

**Mr. Gerard Peets:** There is no revenue associated with this bill. It's about mandate and the responsibilities of the new department.

**Mr. Philip Lawrence:** There will be no additional costs because of the changes proposed in division 11?

**Mr. Gerard Peets:** That's correct.

**Mr. Philip Lawrence:** Okay.

How many new houses will be created because of this change?

**Mr. Gerard Peets:** What this bill does is... It's not about program interventions. It's not about measures to introduce new spending on—

**Mr. Philip Lawrence:** With respect, one of the aims is to advance "public infrastructure and housing outcomes". The reason that we're doing this is presumably to build more homes.

Is that not correct?

**Mr. Gerard Peets:** I think one of the distinctions I'd like to make is between the creation of a department with a certain mandate—one that, according to this legislation, will persist and provide the basis upon which governments of the day will institute their policies related to infrastructure and housing—and the policies themselves.

This is about the framework and government.

**Mr. Philip Lawrence:** I'm aware of that, but the reason why we put the framework in place is to build more houses. Is that not correct? Whether that is subsidized, private sector, affordable or unaffordable housing, the idea is to build more houses.

I'm asking a very simple question: How many more houses will be built by 2030 because of these changes?

**Mr. Gerard Peets:** That's a question that relates to government policy and program interventions, as opposed to the legislation.

**Mr. Philip Lawrence:** Why are we doing this? Why are we making this change?

**Mr. Gerard Peets:** Why the government is proposing this change is to bring together things that are related and things where you can add value—

**Mr. Philip Lawrence:** To—

**Mr. Gerard Peets:** —by treating things like infrastructure, communities, housing—

**Mr. Philip Lawrence:** Is not one of the outcomes to build more houses? Is that not one of the things we want to get done with this change?

**Mr. Gerard Peets:** What this legislation does is put the department on a footing to advance government priorities. One of the government's priorities is—

**Mr. Philip Lawrence:** It's a very simple question: How many more houses will be built in 2026 because of this change?

**Mr. Gerard Peets:** This bill is about putting a framework in place.

**Mr. Philip Lawrence:** I just want a number. If you don't know, say, "I don't know".

**Mr. Gerard Peets:** Well, it's—

**Mr. Philip Lawrence:** Just give a number.

**Mr. Gerard Peets:** I don't know a specific number, but this is not the goal of the bill. The goal of the bill is to create the framework upon which government policies and programs—

**Mr. Philip Lawrence:** Is the goal not to build more houses? Is that not part of this change?

**Mr. Gerard Peets:** This bill is about putting tools in place so the department can then exercise the policies for the government of the day.

**Mr. Philip Lawrence:** I understand it's about putting in the framework, but you're presumably putting gas in the car to drive it. We're putting in a plan to build more houses.

I'm asking a very simple question for the taxpayers of Canada: How many more houses will be built because of this? You need to have some type of estimate. Why would you do this if you have no measurable outcome?

**Mr. Gerard Peets:** Measurable outcomes are associated with program interventions, policies and various budget decisions.

**Mr. Philip Lawrence:** Okay. Thank you.

It's clear to me this program exists to build bureaucracy, not more homes. I've given you multiple chances. I'll give you one last opportunity. We've established that this is going to build a new bureaucracy. We've done that. This government is great at building bureaucracy, but you haven't given me one number.

Can you table something with this committee as to any measurable results that will come from these changes?

• (1210)

**Mr. Gerard Peets:** The reason I'm having a challenge answering your question is that you're linking the policy outcome with the legislation. The legislation is about—

**Mr. Philip Lawrence:** That's exactly what I'm doing.

**Ms. Julie Dzerowicz:** Mr. Chair, I'm very sorry.

In a court of law, this would be called "badgering the witness". The witness is not being allowed to answer the question. Then, when he's not giving the answer the member was looking for, the member is saying that the witness is trying to stop answering. The witness is saying he's not able to give a response because he doesn't have one. It's not in his jurisdiction.

**The Chair:** I hear what you're saying, MP Dzerowicz.

I—

**Ms. Julie Dzerowicz:** Have a bit of respect, please.

**The Chair:** Yes.

**A voice:** [*Inaudible—Editor*]

**The Chair:** Thank you, MP Baker.

We want to be very respectful, at committee, with our officials. The officials are here. They have a great deal of knowledge. They want to impart that knowledge to our committee for our analysts and for us to be able to do our work, so we ask for that respect and decorum within our committee.

Thank you for that.

Thank you, MP Lawrence. Your time is up, anyway.

We're on to MP Baker for five minutes.

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

I'd like to ask the folks who are here on money laundering to come up and speak. While they're doing that, I have a few things to say.

First of all, I'd like to give a big thank you to all of you for being here. I understand that there are 36 of you. I don't think I've seen this many folks in a committee meeting before. Thank you for taking the time to be here. I know that not all of you will get a chance to answer questions. Maybe you'll be happy about that and maybe you won't be happy about that. Either way, we thank you for making the time to be here to answer questions.

I'd also like to say thank you for all your work on an ongoing basis on behalf of Canadians, because you do a tremendous amount. Everything that government does relies on civil servants like you, who are working behind the scenes and aren't necessarily known to Canadians. Thank you to you and your colleagues for all your work.

The second thing I'll say—I'll apologize to our witnesses for a moment—is that I'd like to put a motion on notice. I will ask my team to circulate that to the clerk.

Should we take a minute, Chair? Should I wait, or should I—

**The Chair:** You can send it to the clerk right now, if you have it.

**Mr. Yvan Baker:** We've sent it.

**The Chair:** Okay.

We have received it, and he'll distribute it to the members.

Go ahead—

**Mr. Adam Chambers:** Is it translated?

**Mr. Yvan Baker:** It is translated.

**The Chair:** It is translated, yes. We do have it in both languages.

We will send that to the members.

**Mr. Yvan Baker:** While we're doing that, I'll just make a few quick comments.

Ms. Hunt, when you were testifying in the last round with Mr. Chambers, at one point you said that you supposed Mr. Chambers knew the answer to his question better than you did. I will tell you something about Adam Chambers: He very rarely asks a question that he doesn't already know the answer to. Sometimes we're privileged enough that he will share the answer with us.

**Voices:** Oh, oh!

**Mr. Yvan Baker:** Sometimes he holds it back and sometimes he shares it. That's the first thing. That's good intuition on your part, I would say.

The second thing is that Mr. Chambers has put a motion on notice.

I know that we're not debating the motion—I'm just using the time that I have here—but that was quite a long list of witnesses, Mr. Chambers. I think you have more than half the cabinet in that motion. If we were to pass that motion, I think we'd have even more people in the room than we have today, and I think today was a record.

Mr. Chair, are we ready?

**The Chair:** MP Baker, everybody should have received it already. It's in their inbox.

**Mr. Yvan Baker:** I'll just read it into the record, Chair:

That in accordance with its motion adopted on January 30th, 2024, the Chair be instructed to schedule meetings for the consideration of Bill C-59, upon the bill's referral to committee; that clause-by-clause consideration of the bill start no later than April 30th, 2024, following a total of twenty hours of witness testimony;

For the purposes of this study, that the Chair be empowered to set up extended meetings and request additional House resources, if necessary.

**The Chair:** Thank you, MP Baker.

**Mr. Yvan Baker:** How much time do I have, Chair?

**The Chair:** You have almost three minutes.

**Mr. Yvan Baker:** On the issue of money laundering, for my constituents who are watching at home, I'd like to step back from the legislation for a second. There are a number of measures in the legislation that combat money laundering. What I would like to understand better, and what I'd like my constituents to understand better, is this: How does money laundering harm Canadians? What problem are we trying to solve?

● (1215)

**Ms. Erin Hunt:** Thank you very much for the question. That's an excellent question. I think we often think of money laundering

as a victimless crime, but let me be clear and on the record: It is not a victimless crime.

What we're talking about when we talk about money laundering is how criminals try to take their proceeds of crime and make them seem legitimate. These are proceeds that are generated from such crimes as human trafficking and drug trafficking and environmental crimes, where they're deterring environmental protections for Canadians that can have real-life impacts on our health and safety. This is trade-based money laundering, so it's trying to hide the value of their crimes within the international trading system. This is generating, and helping them generate, more proceeds to be able to perpetuate even further crimes. These are things we need to stop.

Canada has a very involved and developed system to combat money laundering and terrorist financing. It involves 13 departments and agencies at the federal level, our provincial and territorial colleagues and nearly 30,000 reporting entities that are all involved in trying to identify suspicious transactions and suspicions and report them to our FINTRAC, our financial intelligence unit, to allow our enforcement agencies to better identify, deter and detect money laundering throughout our country.

**Mr. Yvan Baker:** When you talk about the fact that money laundering allows some of these criminals to then fund and resource other criminal activities, for the folks I represent in Etobicoke, what kinds of criminal activities are we talking about that might impact my constituents?

**Ms. Erin Hunt:** Thank you very much for the question.

Money laundering infects all sorts of different criminal activities—both small criminals and large criminal organizations. This would be funding small criminal acts, which could be any variety of criminal acts.

It's the act of taking the criminal proceeds and trying to make them legitimate. In doing that, you are allowing the criminals to continue to perpetuate crimes.

**Mr. Yvan Baker:** Could those resources be used to perpetrate car thefts, for example?

**Ms. Erin Hunt:** I think the answer to that question is that criminal proceeds can be used to direct any type of other criminal acts within our country, including things like car theft.

**Mr. Yvan Baker:** I appreciate that each criminal entity and each criminal organization is different and perpetrates different types of crimes, but presumably there are some people who are using laundered money to fund and facilitate car thefts, break-ins and other forms of serious crimes that affect folks every day.

Is that a fair assumption?

**Ms. Erin Hunt:** If I could answer your question slightly differently, I think that car theft, for example, is a way to generate proceeds of crime. The way you would wash that money to try to make it clean is to launder your money. That's kind of the network and nexus in which we're working.

**Mr. Yvan Baker:** By doing this, we can actually help limit car theft.

**The Chair:** Answer quickly, please.

**Ms. Erin Hunt:** I think we all hope that we can limit car thefts.

**Mr. Yvan Baker:** Thank you.

**The Chair:** Thank you for that, MP Baker.

Now we're actually moving into our third round. We have MP Hallan up now.

**Mr. Jasraj Singh Hallan (Calgary Forest Lawn, CPC):** Thank you, Chair.

Can I call up the department of infrastructure, please?

Thanks, folks.

I just want to continue the questioning by my colleague, Mr. Lawrence.

I'll ask this one more time: For this legislation, Bill C-59, on the FES, is there any analysis on how many homes this legislation will build?

**Mr. Gerard Peets:** I really am conscious of the spirit of the question and also that my answers could be repetitive—

**Mr. Jasraj Singh Hallan:** Is the number zero?

**Mr. Gerard Peets:** This legislation is about creating a department. It's not about the programs the department runs.

**Mr. Jasraj Singh Hallan:** How many billions of dollars have they committed to supposedly build homes faster?

**Mr. Gerard Peets:** The national housing strategy would be...

I'm sorry. I'm prepared to speak to the legislation. I don't have the familiarity with CMHC's existing programs. It is a Crown corporation.

• (1220)

**Mr. Jasraj Singh Hallan:** Ms. Boldt, I think you were looking for a number.

How many billions were committed?

**Ms. Lindsay Boldt (Senior Director, Strategic Policy, Office of Infrastructure of Canada):** I don't have access to that number right now, but we can make sure to follow up on that.

Thank you for the question.

**Mr. Jasraj Singh Hallan:** The reason I ask is that the finance minister said that with Bill C-59 or the FES, they were putting billions into building new homes. That's what the point of this was, according to her.

She also said that they will “unlock billions of dollars” to unlock more homes and get more homes built faster.

Are you saying that this legislation doesn't do any of that?

**Mr. Gerard Peets:** I think the finance minister is talking about the various programs and initiatives the government has put in place to build more homes, including incentives for creating new purpose-built rentals and tax incentives to make the math work better for builders.

This legislation is about reassigning mandates within existing federal departments. It has no financial implications. It doesn't cost anything. It moves responsibilities from one department to another.

**Mr. Jasraj Singh Hallan:** But again, [*Inaudible—Editor*]—

**Mr. Gerard Peets:** It provides the department that can then move forward with policies in the future.

**Mr. Jasraj Singh Hallan:** This specifically doesn't build any homes.

**The Chair:** MP Hallan, that question has been asked a number of times. The officials are here to answer. They have answered the question a number of times, so that's the answer.

**Mr. Jasraj Singh Hallan:** I've never been interrupted by the chair before like that, but I'll move on.

I know we have more than 35 officials here. Have any officials done any analysis on Bill C-59 to see if the measures would lower grocery prices and what the exact number is?

Is there anybody?

I can see officials getting up and leaving.

I just need a number on how much this legislation would lower the grocery prices.

**Mr. Mark Schaan:** Like my colleague said, the changes to the Competition Act empower our commissioner of competition and allow for a more robust competitive environment within the Canadian marketplace. It's not specific to any one sector, but we do believe that it will have positive impacts on competition, including prices, but there's not a specific number I'm able to provide as to what—

**Mr. Jasraj Singh Hallan:** There's no proof that it will lower prices.

**Mr. Mark Schaan:** Mr. Chair, I believe you'll see that there's quite a bit of evidence that competition and offering choices to consumers aids in lowering prices for Canadians and that this bill significantly improves our overall competition framework, which we believe will have a positive impact for consumers and Canadians in all sectors, including those in the grocery sector.

**Mr. Jasraj Singh Hallan:** Mr. Chair, I'd like to move a motion right now.



That, given that,

- a) The carbon tax increases the cost of food;
- b) Canadians are already set to spend an additional \$700 on groceries this year;
- c) Increased food costs are driving Canadians to food banks in record numbers;
- d) There are now 8,000 members of the Dumpster Diving Network of Toronto Facebook group;
- e) Increasing the carbon tax on April 1, 2024, will only make food prices even more expensive;

in order to help Canadians afford groceries and reduce reliance on food banks, the committee call on the Liberal Government to cancel the 23% carbon tax increase on April 1, 2024, and report this recommendation to the House.

I believe this was put on notice on Friday.

**The Chair:** Yes, it was put on notice on Friday. It is after the 48 hours, so it's admissible.

**Mr. Jasraj Singh Hallan:** Mr. Chair, I'll continue.

As we all know, this carbon tax scam puts less back into Canadians' pockets than what they pay into the tax, which was proven by the PBO, the budget watchdog. It was again confirmed yesterday in committee that the indirect costs put less in Canadians' pockets. It also has done nothing to reduce emissions, and that was proven by the government's own environment department that said that they don't even track the emissions, so they don't even know if this is effective at all.

We know that Canadians are visiting food banks in record numbers, two million a month, to be exact. Second Harvest says that this year, there are going to be a million more on top of that who will visit a food bank in a single month. A third of those are children. There's a new phenomenon in Canada where double income-earning families are going to food banks more than ever before.

We have also heard that people have asked for medical assistance in dying just because they're hungry. There are 8,000 people in a Facebook group talking about dumpster diving because of the cost of food, the cost of gas and the cost of groceries and home heating. Seniors are have to turn down their heat and use blankets because they can't afford to eat and heat their homes or keep a roof over their heads.

After eight years of this government, they want to hike that tax by 23% on April 1.

• (1225)

**Ms. Julie Dzerowicz:** Mr. Chair, I have a point of order.

Is this a presentation of a motion or an oratorical speech?

**The Chair:** MP Dzerowicz, the member has the floor. MP Hallan is speaking to his motion.

**Mr. Jasraj Singh Hallan:** Thank you for the ruling, Mr. Chair.

It is 23% that they're going to hike that tax by. It's an April Fool's Day joke, but it's on Canadians. Canadians will have to pay this cost, because this government doesn't understand that the farmer gets taxed, the trucker gets taxed and the retailer gets taxed, and that tax gets passed down to the buyer ultimately, and right now Canadians are suffering.

This government raised payroll taxes, which means that they take more money from Canadians. It's because of this government and its spending.

Rents and mortgages have doubled. More of people's monthly incomes goes towards shelter, which leaves them with less and less food. That is why Canadians are the most indebted households in the G7. That is why delinquencies are going up for mortgages and credit cards. That is why Canada is the most at risk in the G7 for a mortgage default crisis, and yet this Liberal-NDP government thinks it's a great idea to hike that tax by 23% to take even more. It's all economic pain and no environmental gain for anybody.

This government still wants to continue on its path to quadruple the carbon tax when it promised that the tax would not go as high as they're taking it. They said in the last election that they wouldn't make it go higher. After they got Canadians' votes, now they're going after Canadians' pocketbooks even further. This is the record after eight years of this Liberal-NDP government.

Once again, we call on this government to spike the hike, axe the tax, scrap the carbon tax scam and leave the money in the pockets of hard-working, struggling Canadians after eight years of this government.

Thank you, Mr. Chair.

**The Chair:** Thank you, MP Hallan.

I do have a list here. I have MP Blaikie and then MP Chambers.

**Mr. Daniel Blaikie:** Thank you very much, Mr. Chair.

I'm pleased just to take a moment to address the motion. Obviously, there's been a lot of talk about the carbon tax on Parliament Hill for some time now. I think it's important to note that I do think there are some falsehoods in the narrative around the carbon tax and inflation.

It is a difficult time for Canadians. That's why New Democrats have been focused on trying to make life more affordable for Canadians. We've tried to expand access to dental care in Canada, for instance. We have worked to press this government to reduce child care costs. We recently announced an agreement to reduce the costs of prescription drugs.

We've also proposed direct tax relief. In fact, we twice got the government to double the GST rebate. Why was that important, as opposed to a general tax measure? If you look at the carbon tax, the people who pay the most carbon tax are the highest earners in Canada. Reducing the carbon tax means giving a tax break to the people who have the most disposable income. To the extent that you give more disposable income to people at the top of the income scale, what you're doing is putting more money in the economy.

Now, that last time I listened to a Conservative, they said that was a terrible idea, because that was driving inflation. That's why there should be targeted tax relief for the people who need the help the most, which was the GST rebate. That's something the government should continue to do. We've advocated for doubling the GST rebate again. That kind of targeted tax relief puts money in the pockets of Canadians who need it, without putting more money in the pockets of the Canadians who are at the top of the income scale, who presumably will spend that money on other things and help contribute to a higher rate of inflation.

We've also proposed to take the GST off home heating. It's something that we've proposed as an amendment to Conservative motions about the carbon tax, but which they've refused. Why do we think that's a good idea? That kind of tax relief would help Canadians who are struggling to heat their homes, but it would also include Canadians who are heating their homes with emissions-free electricity, like most people in Manitoba, for instance, who use electric heat. They don't have emissions with that electric heat. Taking the GST off home heating is a way of not just reducing the tax on home heating that burns carbon, but also of reducing the tax on all kinds of home heating.

Furthermore, it would apply right across the country. It was a Liberal cum Conservative government that introduced a carbon tax in B.C. It was the first in the country. They're not going to get any relief if the federal backstop doesn't go up. It doesn't apply in B.C. That's true for folks in Quebec as well. The GST does apply right across the country, but we don't hear them talking about that. We just hear them talking about the carbon tax.

There are ways that New Democrats have proposed meaningful tax relief in a way that would be less inflationary than what the Conservatives are proposing. The ways we've proposed tax relief would actually help more Canadians than what the Conservatives are proposing.

We've heard many times around this table that the problem with inflation is certainly not just the carbon tax. In fact, it's a relatively small amount of the inflation that's going on. We've heard about supply chains. We've heard about other important contributors to inflation, including from a number of studies. We've heard from some of the very economists who authored those studies. The Conservatives had an opportunity to cross-examine them. They said that over 25% of inflation in Canada has been caused by price increases that go above and beyond the increase in input costs that companies have experienced. They're not talking about corporate greed.

I'm not prepared to support a motion that is about distracting from the fact that big corporations in Canada are fleecing Canadians and not doing anything about it. I'm not interested in promoting

tax relief that is less targeted to the people who need it, and is more likely to increase inflation, and that doesn't apply to the kinds of home heating that aren't part of the problem when it comes to Canada's getting its emissions under control. That's why I think this motion is a farce and I'm not prepared to support it. Thank you.

• (1230)

**The Chair:** Thank you, MP Blaikie.

I do have MP Chambers and then MP Dzerowicz.

**Mr. Adam Chambers:** I want to quickly get on the record that it's one of the last times I'll follow an impassioned speech by my colleague Mr. Blaikie.

I have other questions for these witnesses. I hope we can get to a vote relatively quickly.

I would say, perhaps for a future NDP member on the committee, I'd be open to a study on corporate greed. I think there's some good literature on the subject. We would very much welcome the opportunity to explore that area with the committee.

Thank you, Mr. Chair.

**The Chair:** Thank you, MP Chambers.

It's MP Dzerowicz and then MP Morantz.

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

I'll speak very quickly, because I'm next up to speak, so I want to ask the witnesses a few questions.

Much of what Mr. Hallan is saying is deliberate disinformation—that is, deliberately not saying truthful things—and I'm sure he's going to be posting it on his website in the future.

**Mr. Adam Chambers:** I have a point of order, Mr. Chair.

**The Chair:** MP Chambers has a point of order.

**Mr. Adam Chambers:** I would just check the rules related to parliamentary language and accusations.

**Ms. Julie Dzerowicz:** It's not a point of order.

Oh, is it? Okay, that one is.

**The Chair:** MP Dzerowicz.

**Ms. Julie Dzerowicz:** I'm sorry. I didn't know if you had more to say, Mr. Chambers.

Look, I just want to put on the record that last week I happened to have Minister Wilkinson in my riding, and this question actually came up from a Davenport resident on whether or not the carbon tax is a really bad thing given the fact that life is really tough for Canadians right now. His deliberate answer, I think, is important to put on the record. Putting a price on pollution, a.k.a. the carbon tax, is the most economically efficient way to reduce carbon emissions. If you ask 100 economists, 99 and one-half of them will tell you that is true. The way we have structured this price on pollution makes it affordable for eight out of 10 Canadian families, where they will get more money back than what they paid. It works proportionately to their income, so those who live on the most modest means get more money back than they actually paid.

I think it's really important for us to put that on the record, Mr. Chair.

Maybe at this point, because I want to go back to our witnesses, I'd like to call for a vote.

**The Chair:** We still have a speaking order, Ms. Dzerowicz.

**Ms. Julie Dzerowicz:** Okay. Thank you.

**The Chair:** MP Morantz is up next.

**Mr. Marty Morantz:** Mr. Chair, I just want to express my concern that Ms. Dzerowicz is deliberately providing disinformation to this committee.

**Ms. Julie Dzerowicz:** How's that?

**Mr. Marty Morantz:** She's saying that Canadians get back from the carbon tax more than they paid, but we know that that simply is not true. This is deliberate disinformation, Mr. Chair, from Liberal MPs at this committee. It's deliberate disinformation. It's very, very concerning. The Parliamentary Budget Officer put out a report that makes it very clear that Canadians pay more in the carbon tax than they get back. I would ask you to enforce the rules around truthful testimony at this committee.

There's one other thing, only because Mr. Blaikie raised this issue of how much the carbon tax contributes to inflation. Now, the bank governor was here saying it contributes 0.6% to inflation, but that will go up by 0.15% on April 1, because of the carbon tax increase, so the effect on inflation will be 0.6% plus 0.15%.

Now, the inflation rate is 3.9%, and just recently the Governor of the Bank of Canada said he was holding interest rates fast. I would love to ask him next time he's here—and I will ask him—if the carbon tax didn't exist, the inflation rate would have been, then, by his own numbers 3.3%. I think at 3.3% he would have reduced rates during the last economic policy report.

I'll leave that thought with the committee, Mr. Chair.

Thank you.

• (1235)

**The Chair:** Thank you, MP Morantz.

MP Lawrence.

**Mr. Philip Lawrence:** I'll be quick. Thank you.

I just want to go over carbon tax and math. I and Governor Macklem have done this a number of times, yet, unfortunately, it

continues to get demagogued, and misinformation is out there. I'm just going to do the numbers, and all my numbers will be cited to the Bank of Canada and the governor, Tiff Macklem. You can look it all up.

Currently the headline rate of inflation in Canada is 2.9%. The carbon tax, according to the Governor of the Bank of Canada, at its current rate, is 0.6% of that. The increase coming on April 1, which is a 23% increase in the rate of the carbon tax, will add another 0.15%. If you do the math and you calculate it—you divide the numerator by the denominator—that's 26%, according to the Governor of the Bank of Canada. This is a non-partisan office. According to the Governor of the Bank of Canada, we could reduce inflation by 26% tomorrow by eliminating the carbon tax.

With respect to Mr. Blaikie's comment on who's benefiting from it, well, I can tell him that the most vulnerable in Northumberland—Peterborough South are barely getting by. There's been a doubling in the usage of food banks by children. Do you know who gets hurt by the carbon tax? If you can't make it to the end of the month to feed your family, that's a huge issue, Mr. Blaikie—it's huge. And the carbon tax is taking tons of money.

Conservatives will always be open to reducing taxes.

**Mr. Daniel Blaikie:** You haven't been.

**Mr. Philip Lawrence:** It's simple math. We can reduce inflation by 26% tomorrow by eliminating the carbon tax.

**The Chair:** Thank you, MP Lawrence.

I don't think I have anybody else on the list, so I'll go to the clerk to poll the members please.

(Motion negated: nays 7; yeas 4)

**The Chair:** MP Hallan, you have about a minute left.

**Mr. Jasraj Singh Hallan:** I'm going to pass it over to Mr. Lawrence.

**Mr. Philip Lawrence:** Thank you very much.

I just want to follow up with Mr. Hallan. I understand Mr. Hallan's questions, and I understand that there are frameworks, legislation and actions that have to be put in place, but presumably those actions are put in place to achieve results.

Certainly, in the private sector, if an investment is made, if a change is made, there's nearly always a calculation as to the return and what will be achieved. With respect to the changes in the fall economic statement and its implementation act, Bill C-59, what can consumers expect in terms of a reduction in prices?

**Mr. Mark Schaan:** Thank you again, Mr. Chair, for the question.

Because the Competition Act is premised as an enforcement action act—it's premised on the notion that the Competition Bureau will be awarded the tools to be able to combat actions within the marketplace that significantly lessen competition and choice for consumers—it's nearly impossible to predict what actions the bureau will then take action against within the marketplace, nor or the behaviour changes. However, the premise of the proposals within the act is such that, by tightening the rules on anti-competitive activities and providing greater enforcement powers to the enforcer, this will in fact increase competition, increase choice and thereby lower prices for Canadians, but there's no number that I—

• (1240)

**Mr. Philip Lawrence:** Thank you, so we—

**The Chair:** That's your time, MP Lawrence.

Now it's over to MP Dzerowicz, please.

**Ms. Julie Dzerowicz:** Thank you, Mr. Chair.

First, I want to thank everyone here today. I think often it takes a room where you see a lot of people who've done a lot of hard work to know that there are a heck of a lot of people working in our government doing really important work, so I just want to say a huge thanks to all of you. I know all of you won't get a chance to speak today, but I thank you for being here. Thanks for your hard work.

Since our competition team is here, I might as well ask a question of them. I know that we've been working really hard as a government to try to improve our competition within Canada, and I know there have been elements in Bill C-56 in addition to Bill C-59 around modernizing our competition regime.

If you could, maybe talk to how the measures in Bill C-59 build on those measures that we've introduced in Bill C-56, which was, I believe, our budget. Thank you.

**Mr. Mark Schaan:** Thank you, Mr. Chair, for the question.

The question is correct in that we've made a number of important changes to the Competition Act over a series of legislative efforts, the first being in the Budget Implementation Act of the last budget. There was a set of further measures in Bill C-56, the groceries and affordability act.

That first set of changes were essentially broad, consensus-based measures. The groceries and affordability part targeted a number of key pieces. One was competitor collaborations, or the degree to which the bureau would have the capacity to look at collaborations in the marketplace. Notably, it's not necessarily those among competitors. It's also those in the value chain. It ended the efficiencies defence—the reliance on the presumption of efficiencies as the basis for a uncompetitive merger, or a merger that is significantly less in competition—and introduced a market study power with the capacity to compel information on the part of the commissioner.

This proposition now adds to that in a number of ways.

One is that it allows the commissioner to better use some of those other tools in mergers. Killer acquisitions is one, which is the capacity to have a longer look-back period, in order to ensure there's time to look at transactions that might be very compelling, particularly in spaces such as digital or innovation companies. It

might be the acquisition by a very large player of a very small player, one that normally wouldn't be a risk detection but that turns out to be very important for the structure of the business place.

Others include more mergers being notified and making a transaction irremediable, or essentially allowing for a transaction not to close until the merger has been considered by the bureau. A number of others include revamping the enforcement framework, or incentivizing private enforcement, which gives more players within the marketplace access to the tribunal to take on...and to competitive effects, noting that the bureau has only certain capacities. Sometimes a competitor might be best placed to understand the transaction and why it's significantly lessening competition.

We already talked about some of the greenwashing provisions and the ways in which there will be enhanced powers there. It's also clarifying that labour markets are relevant to a merger review, in terms of the degree to which a transaction is changing the skills basis, which might be impacting the worker composition. That is a factor that can be considered.

Then there are a few housekeeping changes.

In sum, I think you'll see that the measures between the first two legislative efforts and this last one build out a comprehensive framework that gives the commissioner not just the powers but also the scope to be able to look at the effects in the marketplace.

**Ms. Julie Dzerowicz:** When you're looking at competition, a lot of what has been in the news has been around food prices.

Is there anything in terms of the buildup of improvements we're trying to make around the Competition Act? How is it going to...? For someone in my riding of Davenport saying, "Well, Julie, my food prices still keep on going up", what is it you're doing around the Competition Act or competition policy that might have some impact on keeping things competitive within the marketplace and that, overall, will have an impact on lowering prices?

**Mr. Mark Schaan:** I think the biggest pieces around competition changes that have impacts on the grocery and food sector were in Bill C-56, for the most part. One is the competitor collaboration piece. We know that one of the factors potentially reducing competition is access to retail space. There are restrictions between, for example, land owners and grocery stores that prohibit the entry of new players within the retail footprint of the broader developer. Two is the market study powers that allow the bureau to understand the particular dimensions. Sometimes that requires information you would normally have to compel, in order to ensure it's accurate.

Both of those are important provisions, but I wouldn't undercut even something like the killer acquisitions piece. There's been a ton of innovation in the food and grocery space, including around some of the direct-to-consumer aspects. Sometimes that's a function of buying up small companies that have some of those tools and widgets that become part and parcel. However, if that becomes an act of dominance by which a player potentially has the controls to further hoard their market share at the expense of competition in the marketplace....

I think those are other elements I would point to, in terms of things that may impact the price of food for your constituents.

• (1245)

**Ms. Julie Dzerowicz:** Thank you so much.

**The Chair:** Thank you, Ms. Dzerowicz.

Now it's over to MP Ste-Marie.

[*Translation*]

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

Still on the subject of the Competition Act amendments, I'm interested in repair capacity rights, particularly in the automotive sector. We have to make sure that people can get their car repaired wherever they want. However, we see that filing a complaint would be a complex affair.

My question is more specifically about clarity in the bill. In my opinion, Quebec's and the U.S.'s right to repair legislation is clearer. For example, both acts stipulate that manufacturers cannot withhold information from the outset. However, it's getting harder and harder to demand access to car repair diagnostics. The data are often stored in the cloud.

Why was this not addressed more clearly in Bill C-59, following the United States' and Quebec's lead?

**Mr. Mark Schaan:** Thank you for the question.

When it comes to vehicle repair capacity, it's important to understand what tools are available within the government. The Competition Act isn't the only tool. Why has the government addressed this issue through a few measures?

First, there are some bills before Parliament right now. They cover the role that copyright plays in gaining access to what may be protected by copyright, such as vehicle software. This is one of the major aspects that will help ensure that consumers can have their vehicle repaired.

The changes in this bill are another tool. That may be the role of the Competition Act. It's not enough to have access to some of the most important vehicle repair tools, such as the marketplace. This is really a question for the Competition Act. These cases only cover situations where an operator attempts to stand in the way of a competitor, which would be breaking the law. It's important that a few aspects of right to repair be clarified, but that may fall more under other jurisdictions.

[*English*]

When we compare Canadian law with some of what you might have seen on the right to repair in certain provinces or potentially in

certain states in particular, they have a much broader federal jurisdiction than we have here. We've attacked it through the mechanisms that are the primary levers we have.

[*Translation*]

It's really about copyright and that aspect of the Competition Act. All it does is regulate the marketplace and minimize competition in the market. That's why the revision was made about failure to provide information.

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

[*English*]

MP Blaikie, go ahead, please.

**Mr. Daniel Blaikie:** Thank you very much, Mr. Chair.

I have questions about division 7 on post-secondary educational institutions.

I think some things in the example of Laurentian University were quite concerning. My colleagues Charlie Angus and Carol Hughes have done a lot of work on this, and the fallout was that the CCAA was being used for a public institution. It seemed that part of the motivation for that was to get around good-faith bargaining and to get out of their collective agreement commitments. That's presumably something that can happen with other public institutions outside of the post-secondary educational institution space.

I'm wondering if the government has looked at what it would take to be able to apply provisions like this more generally so that we don't have to suffer another example in order to move to prevent this kind of bad-faith engagement with employees.

Under the Harper government, the Canadian Nuclear Laboratories was created, and we saw workers get pushed out of their pension plan, for example. What was created was not quite a public entity, and those employees were moved from a public entity into this amorphous organization that wasn't quite private and wasn't quite public.

What else can and should we be doing in order to avoid workers' getting screwed when governments decide they don't want to live up to their commitments?

• (1250)

**Mr. Mark Schaan:** Thank you so much, Mr. Chair, for the question.

I'll try to avoid talking about the multiple tools in the tool kit again, but I will in one sense.

In this particular instance, we've essentially allowed for the regulations to set out an institutional category that would not have access to the CCAA for the purposes of an orderly wind-up. That definition will be set out in the regulations and will then be added to. There is context and capacity for the government to potentially augment or consider other entities that might need to live within that regulatory structure. We probably have to come back legislatively to think about other categories, but generally speaking, the regulations will set out what we're talking about when we talk about a publicly funded institution. I think in many of these cases we do need to be thoughtful about the marketplace out there and about why these people wouldn't have access to an orderly wind-up, because there are certain protections actually in place under the CCAA that we would want to afford to other cases that would potentially benefit from the CCAA.

I do think, in the context of other protections, that this is part of the rationale for our having done a number of other things in this space, including changes to the Pension Benefits Standards Act. Those were not by me but by my colleagues in Finance. There were also the changes we've made to the bankruptcy proceedings in terms of some of those considerations for other organizations or groups, including labour and including as they relate to pension rights, as well as things such as what we've done under the Canada Business Corporations Act, under which a federally incorporated corporation is under obligation to report back on a regular basis as it relates to the treatment of its workers and pensioners.

There are other protections, particularly for the types of transformational aspects that you're talking about, but as they relate to bankruptcy and to access to the CCAA, the test is size, and the second piece will be determined in the regulations.

**The Chair:** Thank you.

That is the time, so we're off to MP Chambers now.

**Mr. Adam Chambers:** Thank you very much, Mr. Chair.

I'll stay with Mr. Schaan, if I can.

With regard to greenwashing, I'm very interested. It seems like it's a fairly narrow provision, but I want to pose a question to see if it might be captured.

Regarding the financial products that investment firms, mutual funds, ETFs and asset managers promote as ESG investing—or saving the world by investing through green—but that turn out to have their highest holdings in oil and gas companies or other extractive sectors or tobacco companies, would the new powers give the bureau the ability to examine that element of the financial services sector?

**Mr. Mark Schaan:** Insofar as there is a technical claim being made about the product in question.... In this case, if it's a technical claim about an environmental standard that's being offered in relation to the product—if it were an ETF that potentially made a very technical claim on an environmental basis—and not just something general but something for which a test would exist, like “Are you investing or not investing in the clean energy or some part of the greener sector of the economy?”, then it would afford the commissioner the capacity to be able to evaluate whether or not the test was actually being sufficiently reported back to the consumer.

If it's a broader claim, then that's not within the scope of this particular provision.

**Mr. Adam Chambers:** Thank you very much.

I just want to stay on this for a second because it's very important.

Most of the asset management flows over the last five years have actually gone to companies that slap the label “ESG” onto their funds. They're making claims that, by choosing to invest there, you are saving the planet.

I will editorialize and say that it's a scam, and I hope you'll consider putting the financial services companies on notice that you may be able to capture them for their claims and for what they're telling investors about what they can do. There are multiple entities that do ESG ratings, and they would say, “Yes, this is high,” so if someone promotes the fact that they have a high ESG rating and it turns out that they aren't really doing that, I would hope that you're going to examine those cases.

● (1255)

**Mr. Mark Schaan:** I have two comments, Mr. Chair.

As it notes, this provision reverses the onus on who needs to make representations related to the claim in the marketplace. If it's a technical standard and they're relating claims related to the technical standard, it reverses the onus. The entity in place, whether it is a financial company or otherwise, would need to be able to prove that it is meeting the technical standard to the position of the bureau.

Deceptive marketing provisions do apply more generally without the necessity, but the onus is in reverse for the claims for which there aren't technical standards in place.

My other comment is that this does relate to the broader effort under way on climate-related financial disclosure reporting as it relates to a whole series of both financial and other entities with regard to how they report on both their GHG reduction commitments and their broader ESG claims. That is very much not the purview of the Competition Act, but the purview of my financial colleagues.

**Mr. Adam Chambers:** Thank you very much, Mr. Schaan.

I'm going to run out of time here. Just to save some folks getting up and around, I'm going to request that we be able to submit questions in writing, as we have done before. I think that's fairly reasonable because I don't think it's fair to ask the Treasury Board Secretariat individuals, Ms. MacLean and Ms. Labrie. I think it's out of their scope, but I think it's in their department.

We often get large pieces legislation sent here without parliamentarians being told how many people are required to implement the new programs. I ask it every single time I come to committee. It's great to have a large group here, but it's all siloed off, and it's unclear to me who is actually looking at the people plan in the Government of Canada.

That's a request that we're going to make in writing.

Mr. Marion, with regard to the payments, I am wondering if there is a briefing note that you could share with the committee or some analysis on transaction costs, particularly for e-transfers. My understanding is that it costs pennies to actually do the e-transfer but that banks charge three dollars. I don't care how much fraud is in the system; that's a pretty good profit margin. You don't need to answer. I would just love you to share any analysis you have on that.

I believe my colleague has a question about the Canada water agency and will follow up about the water agency in Winnipeg.

Thank you very much.

**The Chair:** We're actually at time, MP Chambers.

If you do have a question, MP Morantz, if you could put that in writing, we could put that out.

Thank you. I apologize for that.

All the questions that were captured, MP Chambers, we'll get out to the officials.

MP Thompson will be the last questioner for our officials today.

**Ms. Joanne Thompson:** Thank you.

I'm sorry. For the last questions, you'll need to do musical chairs again.

Perhaps you could come forward, Mr. Peets. I want to go back to the conversation on housing and the departmental change.

I'll begin by referencing that, last week, while I was in my riding of St. John's East, we were able to announce the accelerator fund. I was so pleased. It took some time, but it really showed the collaboration and also the complexity of the housing strategy in being able to work with municipalities to really break down some of the barriers that have been a challenge, especially in housing, and building homes at the most vulnerable entry points.

If you wouldn't mind, could you go back to the points you were discussing when we ran out of time? They were specifically on the implementation of the policy, which I presume is around the national housing strategy and also that framework, and how, with the department infrastructure and community linked, it really is able to expand the strategy that understands that this is not a linear conversation but really is quite complex and requires multiple supports.

• (1300)

**Mr. Gerard Peets:** Thanks very much for the question. Indeed, the housing accelerator fund is being implemented right now with a number of municipalities signing on. The target for that program is 100,000 units. Its uptake has been quite positive.

The national housing strategy, turning to another thing, is not in the legislation, per se, but that is part of the government's policy

and program delivery on housing. The national housing strategy is an \$82-billion group of programs and initiatives over 10 years that aim to put in place 160,000 new housing units, to renovate 300,000 units and to lift 530,000 Canadian families out of core housing need.

The departmental legislation, by joining housing with infrastructure and communities, really does enhance the ability for the government to receive advice from the public service that connects things that are intrinsically connected. How do you build housing? You need infrastructure. That's one of the key ingredients. You need to make sure that the people who are in that housing have access to transportation so that they can get to their jobs. That relies on transit, among other things.

Putting these things together allows for the interconnection of programming and allows for infrastructure funding to have housing considerations and occasionally housing conditions brought in. It really does, I think, put us on a solid footing for future programs as they are implemented and rolled out.

**Ms. Joanne Thompson:** Thank you for that. I really do want to have that as part of the record, because I think it is quite forward-thinking.

I'm sorry. We have more musical chairs here. I have a couple of minutes left, and I want to switch to something that's close to my heart—the nursing that's still present in my work life—and talk about the amendments on tobacco and vaping.

I'm not sure who here is able to speak to this. It's a very simple question. On the fees or charges that are paid to the tobacco and vaping product manufacturers, do they recover the full cost of Canada's tobacco control strategy?

**Ms. Sonia Johnson (Director General, Tobacco Control, Department of Health):** Thank you for that question, Mr. Chair.

Within Canada's tobacco strategy, the government expends \$66 million every year for those activities. The first step in being able to recover those fees are these proposed legislative amendments, because it would then allow the set-up of the tobacco and vaping cost recovery frameworks.

That's the first step. There would be several steps following that, which would include consultations on what a fee proposal would look like, what eligible activities would be considered and so forth. It would be at that time that we could then go forward with regulations. The amounts at that point would be clarified.

**Ms. Joanne Thompson:** Thank you.

What circumstances would allow the Minister of Health to remit all or part of the fee or charge?

**Ms. Sonia Johnson:** Could you clarify that question, please, in terms of what—

**Ms. Joanne Thompson:** Yes. Are there any circumstances under which the Minister of Health would remit some of the charges or the fees?

**Ms. Sonia Johnson:** There's a component, and my colleague may want to elaborate on that further.

If there's an error in the calculation, for example, then there would be the ability within the authorities to be able to provide money back to the manufacturer. Those provisions are in place.

**The Chair:** That is the time, MP Thompson. Thank you.

We want to thank our very knowledgeable and hard-working officials who have answered many, many questions here for us today. I know you're going to answer more, because we're going to be sending you some emails.

I know, MP Blaikie, that you have your hand up.

I also want to say to members while I have you here that we have talked about how hard working our clerk is. He's the best clerk on

the Hill. To help our clerk, when it comes to witnesses as we get into Bill C-59, I'm asking members to get the preliminary list of witnesses to the clerk by, let's just say, Tuesday of next week. Would that work? Okay. Get that list in by Tuesday, please. That would help the clerk to reach out to them, and we can have them all prepped and ready to come before committee. Thank you for that.

Now we'll go to MP Blaikie before we conclude.

• (1305)

**Mr. Daniel Blaikie:** I have a quick question.

You may recall—I think it was at the last meeting—that I moved a motion on doubling the GST rebate in the national school nutrition program. We didn't come back to that, so I wanted to let you know that I'll be following up with you, Mr. Chair, and the clerk to figure out how that comes back on the agenda. The meeting was adjourned, but debate on the motion wasn't adjourned. I just wanted to lay a marker down that I am still very much interested in that question.

Mr. Lawrence expressed enthusiasm for voting for tax relief, so I'm sure he'll want to support the motion. I'd hate, therefore, not to have it come back to the table expeditiously, so I'll be following up with you on that issue, Mr. Chair.

Thank you.

**The Chair:** Thank you, MP Blaikie.

We are adjourned.









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