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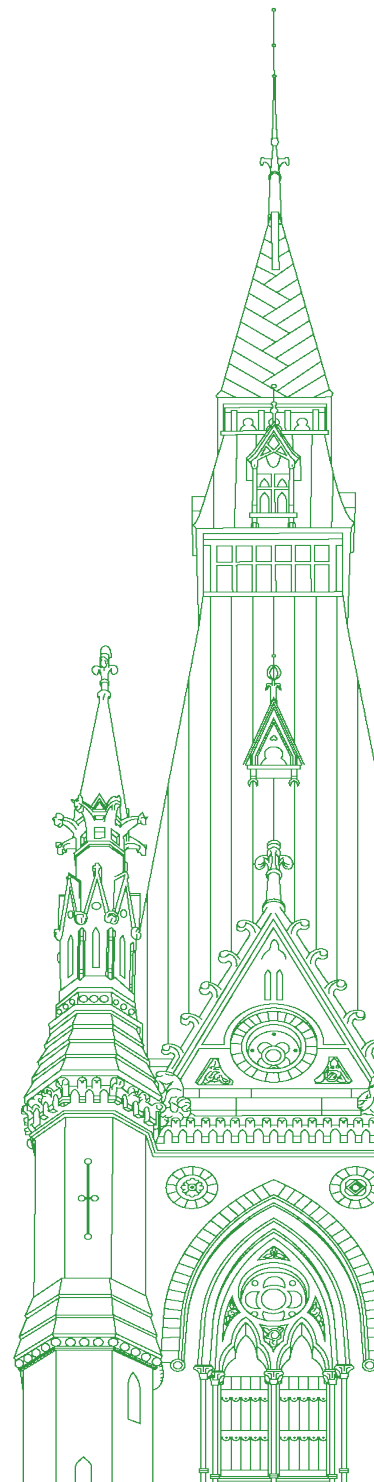
Standing Committee on Industry and Technology

EVIDENCE

NUMBER 134

Thursday, September 19, 2024

Chair: Mr. Joël Lightbound



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• (0830)

[Translation]

The Chair (Mr. Joël Lightbound (Louis-Hébert, Lib.)): Good afternoon, everyone.

I call this meeting to order.

Welcome to meeting number 134 of the House of Commons Standing Committee on Industry and Technology.

I would like to apologize for being late. I had noted in my calendar that the meeting started at 8:30 a.m., but there's been a change. Our meetings now start at 8:15.

I would like to remind all members to please review the guidelines for the use of microphones and earpieces. These guidelines, which are on your desk, are intended to protect the health and safety of all participants, especially the interpreters.

Pursuant to the order of reference of Monday, April 24, 2023, the committee is resuming consideration of Bill C-27, An Act to enact the Consumer Privacy Protection Act, the Personal Information and Data Protection Tribunal Act and the Artificial Intelligence and Data Act and to make consequential and related amendments to other Acts.

I'd like to welcome the two witnesses from the Department of Industry, whom we are pleased to see again after the summer break. They are Samir Chhabra, director general, marketplace framework policy branch, and Runa Angus, senior director, strategy and innovation policy sector.

As you may recall, colleagues, at the end of our last meeting on Bill C-27, we were on CPC-9. Specifically, we were on the subamendment moved by Mr. Perkins.

I will now open the floor for discussion on this subamendment.

(On clause 2)

The Chair: Ms. Rempel Garner, welcome to the committee. I'm very pleased to have you here.

Go ahead, Ms. Rempel Garner.

[English]

Hon. Michelle Rempel Garner (Calgary Nose Hill, CPC): Good morning, Mr. Chair.

Good morning, colleagues.

In Ottawa, instead of “all roads lead to Rome”, it's “all roads lead to INDU”. This is my second time on this committee in my time in

Parliament. For those of you I haven't worked with before, I think it's good to know who we are working with sometimes instead of just faces yelling at each other in the House of Commons.

My educational background is in economics. Prior to politics, I managed the sponsored research portfolio at the University of Calgary and was involved in academic tech transfer for over a decade. I previously served as the Minister of State for Western Economic Diversification, so I looked at all of those issues from a different side of the coin.

I've been working with colleagues who sit on the committee now on the issue of artificial intelligence and emerging technologies for the last couple of years. It's nice to be back on this committee dealing with what I think are really important issues that often aren't ballot questions but that I think are fundamental to what the Canadian economy will look like in the next 10 years. It's a pleasure to serve on this committee again and to serve with all of you.

Mr. Chair, since this is our first meeting since the summer and the summer was busy—there was a lot of news—I will say that I did post notice of a motion with regard to the Futurpreneur program. This is a notice of motion that I gave on Tuesday.

I'll move:

That, given recent reports that ISED's taxpayer funded loan program for “future entrepreneurs” has resulted in \$45.9 million in writeoffs for taxpayers, and there may be conflict of interest concerns regarding a grant recipient and their relationship to a current senior member of the federal cabinet, the Standing Committee on Industry and Technology undertake a study of the future entrepreneur program comprising of two meetings, invite the following witnesses and others as deemed appropriate by the committee, and report its findings to the House:

Karen Greve Young—Futurpreneur CEO;

François-Philippe Champagne—Minister of Innovation, Science and Economic Development Canada; and

Mélanie Joly—Minister of Foreign Affairs.

Colleagues, the impetus for this motion comes from an article written by Blacklock's Reporter that was published on Monday, September 9, 2024. The title of the article is “Write-Offs Eclipse \$45,000,000”. The nut of the story is “Write-offs under a taxpayer-backed loan program for 'future entrepreneurs' have cost over \$45 million, says a Department of Industry audit. Best-known borrowers under the Futurpreneur Canada program include Foreign Minister Mélanie Joly's husband”.

If you read through this article, the audit in particular raises some problems. It suggests that there isn't actually benchmarking data for whether or not the funds are doing what they're supposed to do. For me, programs like this are designed.... I'm not talking to filibuster here; I just want to give my thoughts.

Programs like this are designed to give young entrepreneurs a heads-up. Given the changes in the Canadian economy over the last several years and where the Canadian economy is going, programs like this should be designed to maximize economic output. They should be measured for success. There should be alterations made to perhaps granting eligibility. That should be done on a regular basis because, as colleagues, we have a fiduciary responsibility to taxpayers. You know, 45 million dollars' worth of writeoffs.... The article states that close to 20% of the loans were in arrears. To me, if you're sitting on a corporate board—and I know some of you have—you would be looking at those numbers and going, “Hmm, maybe we have a problem here.”

If there's no problem, the study will show that there's no problem. However, I would like to determine what the conflict of interest rules are and if they're adequate on this program, and also if there need to be adjustments made to the granting criteria such that perhaps the percentage of loans in arrears should go down.

● (0835)

I hope you'll consider this motion in that spirit—the spirit of improving the program—but certainly the news article was concerning for me, and I hope we can dispense of that with a quick study.

Thank you, Chair.

The Chair: Thank you, MP Rempel Garner. Welcome again to the committee.

The motion has been tabled. It was sent on Tuesday. Proper notice was given.

We're debating the motion right now. I have on my list Mr. Patzer, as well as Mr. G  n  reux, Mr. Turnbull and then Mr. Masse.

Go ahead, Mr. Patzer.

Mr. Jeremy Patzer (Cypress Hills—Grasslands, CPC): Thank you very much.

Yes, it's also a pleasure and an honour for me to be back on the industry committee. I served with my colleague here last time I was on industry as well. It was a fun committee to be on, so I'm quite happy to be back as well.

I'm also getting used to these new microphones. It took a little while to figure out how to switch the language, but I have that figured out now, so that's good. It's nice to see that we're updating some of the equipment around here.

I think this is a good motion, just given some of the news we've been seeing lately around some people who have been able to take advantage of relationships. The misappropriation of taxpayers' money has been a common theme as of late.

This is a good motion. It's a fair motion to make sure we do right by the taxpayer, but also, as my colleague so eloquently said, to do

right by young entrepreneurs who are looking to get started on their career path, their path of choice.

I think it's a fair motion. I look forward to getting into a study on this as soon as we can. Thank you very much.

The Chair: Welcome, Mr. Patzer, to INDU. I'm happy to have you on board.

Next on my list is Mr. Turnbull.

The floor is yours.

Mr. Ryan Turnbull (Whitby, Lib.): Thank you.

I'm well aware of the organization Futurpreneur. They do great work. I think it's important to note that they're a non-profit organization. They're not a government entity, although they are funded by the federal government. They have been consistently, actually, for quite a number of years. Previously, they were the Canadian Youth Business Foundation, or CYBF.

They've done great work. I know that first-hand, because I actually worked in that space for 13 years, helping entrepreneurs get started. They do really incredible work. It's also important to note that the \$45.9 million was Futurpreneur's total loan portfolio value. That's not writeoffs, as Ms. Rempel Garner has said, or at least as the motion itself implies.

I would also like to say that I think the funding for this organization started in 2001 and that 18,700 or more young entrepreneurs have benefited from the business support services provided by Futurpreneur, because they don't just provide loans. They also provide guidance and support and coaching and peer-to-peer support, which is really important for entrepreneurs to get started.

The other thing is that, to my knowledge—I saw the article that Ms. Rempel Garner referenced when she was speaking to this motion—the loan in question, with the gentleman by the name of F  lix Marzell, was made in 2013 and was repaid in full back when the Harper government was funding Futurpreneur. When I think about the benefit of this motion right now and what it's claiming, there are some inaccuracies in the actual motion itself. I think it's implying a conflict of interest. If you had received a loan in full and repaid a loan in full, I'm not sure why there would be a conflict of interest for a minister who actually served as minister after the loan was issued and repaid. It seems to me there's an anachronism there. It doesn't really make sense to me.

I don't see the merit in this particular motion to be studied at this committee. I think if members are really concerned about a conflict of interest, they should make a complaint to the Ethics Commissioner's office and have them see if there's enough evidence to actually investigate it. I don't see how this would be a conflict of interest.

Again, the minister wasn't even a minister or in government at the time when the particular loan that's being referenced here was made, and it was repaid in full. I don't understand how that could be a conflict of interest. You can't have a conflict of interest in the past, before you've actually served as minister. It doesn't make sense. That's illogical.

I would just say that this feels like an attempt to lump this in with some of the other things we've been studying and say that there are all these conflicts of interest. I think Mr. Patzer said that in his remarks. I don't think we should be doing that as a committee. I think we should be fact-based. I think we should look at circumstances and just be honest about what's really going on here.

I don't support this motion, but I'll be happy to hear what my other colleagues think.

● (0840)

[Translation]

The Chair: Thank you very much, Mr. Turnbull.

I now give the floor to Mr. Masse.

[English]

Mr. Brian Masse (Windsor West, NDP): Thank you, Mr. Chair.

Welcome back on committee to my Conservative colleagues who I know have actually done good work here. I'm glad about that, because the previous two Conservative members who were here gave me quite the concern.

In fact, one was abusive to the point where you, Mr. Chair, couldn't control the microphone. I want to note that, because that member went on to party with people in this community. It was well noted in the media, but that behaviour here was a concern to me, because we literally lost our rights with a member turning the microphone on and off at a whim's notice without you having control. Hopefully, the new Conservative members will contain their excitement at committee and actually follow the chair's order.

I did want to note that, Mr. Chair, because that was something that was exceptional at the last meeting. I was going to bring a procedural motion. I'll hold that procedural motion in abeyance at the moment. I know that the colleagues who have joined us now actually have a history of participating very well in this committee.

I appreciate the motion, but I guess what I'm concerned about is that New Democrats presented a motion on Monday. Perhaps the members aren't aware of it. I'll read it into the record again. I believe it's important business that should actually be before this, because it was presented first. Second of all, the motion we have here, as the parliamentary secretary has identified, there are some issues, and I am always open to anything. It seems to be more of a fishing expedition, in some respects, versus the factual motion that I have that deals with Canadians at the moment—

The Chair: Just so we're clear.... Mr. Masse, I'm willing to let you read it on the record again, but we have to deal with the motion that's on the floor first because there is a motion on the floor right now.

Mr. Brian Masse: Okay.

I don't have to read it, I guess, but I just wanted to reference that we have to make a choice. I won't read it. It is an extensive motion, so for brevity I will not. The motion I have is about credit cards, the cost to Canadians and the impact that's having. My concern is that we would deal with this motion now, making my motion subservient to that, when we know, at least in my opinion, the damage and the effect that's taking place on Canadians, consumers, the

economy, small businesses and so forth right now. Whereas this one.... I'm open to looking at some of these things, but I can't support it right now because it comes at the expense of what I do know is happening right now to Canadians. That's the challenge I have when I'm presented with this at the moment.

I just want to be clear on that. The timing, to me, is really important. We have a limited number of opportunities at the committee. I'll finish with this because I don't want to take too much time, and I won't read the full motion. I respect your advice with regard to staying on topic. However, it is germane in the sense that, once we choose this right here, that means mine is basically shunted off to later on. That's the concern I have with regard to this.

I won't support this until I get my credit card study because that is really happening right now. Even as we have this committee meeting, Canadians are consistently getting ripped off. If you look at the models of Australia and other places, it's unbelievable that we let it go this far.

Thank you, Mr. Chair. I appreciate the motion being put forth. Again, to me, it's about timing.

● (0845)

[Translation]

The Chair: Thank you, Mr. Masse.

Mr. Garon, the floor is yours.

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

The motion contains a number of things and, let's be honest right out of the gate, it seems to have, if not an objective, certainly the consequence of completely clogging up the committee's agenda for the next few weeks, and more particularly of preventing us from doing legislative work, which should be our priority now, based on my perception of what we need to do at committee, although we are sovereign.

Obviously, this program model to help and finance start-ups may be altogether acceptable. However, with this kind of model, public funds flow into organizations whose leaders are not necessarily subject to the Conflict of Interest Act. As a result, control over the use of public funds is lost or issues may become apparent once the money has disappeared or, at the very least, been misspent. This model has been criticized. That was the case at SDTC, Sustainable Development Technology Canada. Here we have another one. We should certainly reflect more deeply and completely on this long-standing practice by the federal government, on all sides of the House.

Despite all that, I get the impression that the purpose of the motion is to delay our work. I certainly don't want to judge the intent, but we will recall very recent cases where Conservative motions have resulted in witnesses appearing. Meetings were called in the middle of the summer under Standing Order 106(4). I know that made you very happy, Mr. Chair. We know you to be a patient man.

We propose studies of this kind and, in the end, we put anything and everything on trial rather than working on the purpose proposed in these motions, essentially because the political agenda is broader. I have a feeling that might be the intent of this motion. That's my impression, for what it's worth.

We see the Conservative strategy. For example, SDTC was raised again before the Standing Committee on Public Accounts. It may be relevant. However, we're seeing the same thing every time we talk about a program that funds small start-ups, particularly when it comes to businesses that could become green transition and environmental technology leaders. By putting the funding model on trial, even though the case may be legitimate, we're also putting these businesses on trial. In doing so, we're harming their reputation, freezing funding, and hindering the green transition, which the Conservatives are obviously not very fond of. That's what's in their platform, if they have one. That's theirs, and that's fine. At the end of the day, we're realizing that we end up putting these businesses on trial.

In Quebec, we have a bunch of businesses like this. We like to innovate. Long before the current government came to power, Quebec introduced an emissions trading system that makes the emergence of these types of technologies cost-effective.

Given the legislative agenda before us and the time available to us, I'm not sure this is the right time to hold this trial. We don't know how much time we have left to do our work.

I will now turn to Bill C-27, and this is directly related to the motion before the committee. I will then speak to Mr. Masse's motion. The Conservative motion was clearly drafted in such a way that my NDP colleague would feel guilty voting against it. I'm glad he saw through that. We can consider his motion, which has merit.

Having said that, we've all had conversations about Bill C-27. We don't all agree on the terms, the amendments and the details, but we do agree that parts of this bill are important. Quebec has passed Bill 25 and there may currently be inconsistencies between it and the federal bill. Some provinces are waiting to amend their personal data laws. I'm referring here to the first part of the bill. We've always said that we feel the bill should be split up so that we can pass it in chunks and ensure that we're acting in the public interest. I believe we need to continue to work out our differences and move this bill forward. I'm not saying it will be easy. However, if we start making a circus of motions and undertaking studies of all kinds for which the committee sets aside a Monday here and a Thursday there, a few months will certainly have passed without us being able to work on Bill C-27. Since time is a very scarce resource here, I don't think this way of doing things would allow us to work in the public interest.

Given the content of this motion and the merits of all these motions, we will not support it.

• (0850)

With regard to my NDP colleague Mr. Masse's motion, I will be pleased to discuss it at greater length when we debate it.

The Chair: Thank you, Mr. Garon.

Ms. Rempel Garner.

[English]

Hon. Michelle Rempel Garner: Thank you, Chair.

This was a motion put in place because I was concerned about public funding on a program. The gaslighting on it was this motion or that motion. I would like to think that, among colleagues of all political stripes, I have a reputation for being a bit of an independent thinker. It sometimes works and sometimes it gets me into trouble, but nonetheless.

The intent of the motion here, colleagues.... First of all, I want to address one of Mr. Turnbull's points. He suggested that there wasn't an issue with the number of writeoffs in this program. There are. There's an estimate that at least 20% of these programs are in arrears at any point of time. Yes, it is an arm's-length organization, but it is funded by the government and within our scope. If the level of arrears is that high, then we have an obligation, through this committee, to ask why that's happening and if the granting criteria could be improved.

I could alter the motion if you wanted to talk about conflicts of interest and about the man that Mr. Turnbull mentioned. He is the husband of the foreign affairs minister, who received over \$25,000 from the NRC, the National Research Council, while his spouse was a sitting cabinet minister. We could do that.

In the spirit of good faith, this program to me looks like it probably needs a tweak in terms of eligibility to ensure that these write-offs aren't so high. That's what we should be doing here.

With regard to my Bloc colleague's assumption of motive on why we're doing this.... Colleagues, ISED is one of the largest distributors of grants and contributions in the entire government. It's literally hundreds of billions of dollars. Seriously. It is the water font of direct subsidies to large corporations. Its directors general and bureaucracy are at very high risk of being captured both by themselves and also by industry. It is our job to scrutinize the decisions made on expenditures within the department, and whether or not they are providing value added for the Canadian taxpayer.

I understand there's a legislative agenda. However, we have to balance that legislative agenda, colleagues, with the scrutinization of these expenditures. We have to, because the reality is that Canada is in an inflationary crisis. Part of that inflationary crisis is caused by government spending, large amounts of government spending and large amounts of government deficit spending. If we are not scrutinizing whether or not that deficit spending has a net positive benefit to the Canadian economy and ensuring there are safeguards in program spending to get there then.... That has to be part of this committee's mandate. It has to be.

If we're not looking at what ISSED bureaucrats are recommending to the minister or the lack of accountability, then who is?

When I was in cabinet and I had large grants and contributions, I was on top of every program design. I looked at every funding model. I reformed a lot of our funding models, when I started, because I couldn't see the safeguards to ensure value for taxpayer money in some of these things. I redesigned the programs. That should be the positive productive input from parliamentarians of all stripes, including the government members.

It's not saying that these programs aren't necessary or that these programs aren't good. It's just asking how these can be designed.... When you have a bureaucracy that perhaps is not willing or doesn't think that it's necessary to give advice to the minister for changes to program funding, or the minister is not doing it the other way, then it's our job to make those recommendations.

For me, a 20% arrears rate is high. If colleagues want to modify this down to one meeting, I'm happy to do that. We should be looking at spending at this committee. We really should be. We should be looking at how much money is going to corporate Canada.

To my colleague from the NDP, if my colleague would like his motion to go first in terms of study, I also have....

● (0855)

Since he talked about it, am I allowed to talk about it, or is that a breach of privilege?

The Chair: Yes, that's okay.

Hon. Michelle Rempel Garner: Okay, I'm just checking.

I'll be really honest with you. The banks had a great week. Champagne, popping the corks—I wish I had these new mortgage rules with longer debt, higher levels of debt for housing. It was a great week for the bankers.

I actually support his motion, and I'd be happy to have it go first if we can also, in spirit, agree that we should be looking at quick, little in-and-out studies on whether funding programs are working. I think we should be able to have our legislative cake and eat it too. We can look at bills but also just come in with a few recommendations, ask a few witnesses whether they agree with those recommendations and report back to the House quickly so that....

My colleague from the Bloc said, the end is nigh—in a different way. We are at the end of this Parliament. We will be going into a campaign at some point. I think that it behooves us, and Canadians who are considering how to vote in the next election, to look at recommendations, even for our own platform development, on how to

improve some of these programs so that it becomes a productive conversation with Canadians rather than just.... We need to have checks and balances on the funds coming out of ISSED. It's kind of bad. Even if the intent is good, the management has been bad.

Management can be fixed with the right type of oversight and recommendations. I would speak in favour of this motion or other similar motions. If my colleague from the Bloc would like to amend it, I'm fine with that. If my colleague from the NDP would like his motion to go first, I think we could do that too. If we'd like to sit for extra meetings, I'm okay with that, but we need to do all of these things. Thank you.

The Chair: Thank you.

MP Chandra.

Mr. Chandra Arya (Nepean, Lib.): Thank you, Chair.

I think the motion appears to be a bit misleading when it comes to \$45.9 million.

One glance at the recent financial report shows that the outstanding loan portfolio for future entrepreneurs is about \$34 million. This organization has existed since 1996. That is 28 years. During those 28 years, it has given out loans worth about \$220 million. Even assuming that there's a 20% writeoff, it is over a period of close to 30 years. That is a writeoff of about \$1.5 million a year on average.

In my previous life, I worked in a financial institution funding small businesses—small, new, first-generation entrepreneurs mostly. I know that the writeoffs on that kind of loan, a very high-risk loan, are normal. If it is limited to this amount for a period of 29 years, that is fairly good.

It is not just loans this organization used; it also used mentorship. You can imagine the risk involved in small first-generation loans under the guidance of mentorship.

I think the motion is misleading. The current portfolio is \$34 million. With a lot of things pending before the committee, taking this up further, I think, is not a productive use of this committee.

Thank you, Chair.

The Chair: Thank you.

MP Turnbull, the floor is yours.

Mr. Ryan Turnbull: I have to say that I agree with my colleague, Mr. Arya, that this would probably not be the most productive use of the committee's time, given the fact that.... I know that the Conservatives have touted Futurpreneur. I have a long list of quotes that I've dug up very quickly. Many of the current sitting members on the Conservative benches have claimed and have given accolades to Futurpreneur for many years. I could read those in to the record.

We've seen what the Conservative Party does on these fishing expeditions. I understand that sometimes they may be merited, and in those cases, I think you've often experienced that our party is willing to work with you and to undertake those studies. In this particular case, I don't think this is a good use of the committee's time, so we won't be supporting this.

I agree with my colleague, Mr. Garon, that really the committee is here today with our wonderful officials to work through Bill C-27, which we've all agreed, for quite some time, is a real priority for this committee. Obviously, government legislation generally takes priority. We know that committees are the masters of their own domains. We often say that, but we also all recognize that, as Ms. Rempel Garner said at the beginning of the meeting, it would be great to eventually study the AI portion of the bill. We have to get through a considerable number of amendments to get to that point, but I look forward to productively working through that process together.

I know we've reached a bit of an impasse on a key amendment, CPC-9, which I'm hoping to get back to today. I hope maybe we can get to a vote and move back to discussing Bill C-27.

Thank you.

• (0900)

The Chair: Thank you, MP Turnbull.

[Translation]

Mr. Masse, you have the floor.

[English]

Mr. Brian Masse: Thank you, Mr Chair.

I appreciate the mover being open to my motion, but the reality is that I only have what I have in front of me, and it's not up to me to fix what's in front of me. I can tell you that the reason I brought my motion to this committee was that I need help.

I have been fighting the credit card agencies and companies for two decades. I go back to when we used to actually hand out scripts to have people switch companies so that they could get lower rates. We had around 1,700 people—until they got wind of what we were doing, having people switch rates amongst companies—get the lower rates. Therefore, this issue in front of us, again, will then make mine suburban, and I need help on that issue.

During COVID, we fought really hard to get 10% off the 20%. I spent six months working on that, and it was a real result that we got a reduced rate. Then, we also fought to get two months interest free, so I know, specifically, that my motion can yield results for people. We also took on Capital One for the privacy breach, which has been an issue I've brought here to this table before regarding fraud and so forth.

I appreciate that what's specifically in front of me here is a potential issue, but at the same time, given the time that we have and what I have in front of me, I know I can get results, and I need the help of this committee. We need national attention on credit card companies to bring to light that other countries do not have the same systems in place that we are being abused with. You can point directly to Australia, to the United States or to the European Union.

You can point to all these different things. I want to get at that with any time that we have available. That's why I can't support the motion. I can't really fix it with regard to the time frame in this situation. I can't affect what other parties are going to do and so forth. All I know is what I can bring to this table.

Again, I brought it on Monday when we had witnesses here. I haven't brought many things to this committee because we've actually had some really good work and studies here, but I think it's time that we dealt with this issue. Quite frankly, I need help on that issue. I can keep doing what I want out there, and it's going to have a result. We're going to get some changes and we're going to get some attention, but the reason I bring things here is that I need help for those things. What I want is my study.

I appreciate this motion in front of us. I'm not going to get into the details of the merits and the politics and things of it. I know what I'm doing, and I know what this committee can do. We can actually get results for Canadians if we shed some light on it. For those reasons, I can't support the motion at this time. I really hope that we can get to what I put in front of us because I don't bring things here to this table that I don't think will get action.

That's why I want the credit card issue dealt with at a committee level, because it is much more substantial than any individual member of Parliament for any particular political party out there by themselves. It needs a home for a full investigation, and this home really needs to be in the industry committee because it is an industry issue, not just a finance issue. It's an industry issue because of the lack of competition, the privacy concerns and the collusion, which in many respects are at the cost of Canadians. It's time that we shed some light on that.

Thank you.

• (0905)

The Chair: Thank you, Mr. Masse.

Mr. Perkins.

Mr. Rick Perkins (South Shore—St. Margarets, CPC): Thank you, Mr. Chair.

I know you'll all be shocked to learn that I support MP Rempel Garner's motion.

I'm a little concerned about some of the positions put forward by the Liberal members. Because it's a taxpayer-funded, arm's-length body does not mean it's exempt from scrutiny from Parliament. In fact, we've spent a bit of time on the Liberal green slush fund, which is an arm's-length foundation where we've seen almost \$400 million of taxpayers' money taken for the personal interest of Liberal appointees to the board. Therefore, it is possible for us to look at that.

It's \$390 million, MP Badawey, if you want to relook at the Auditor General's report. I would invite you to do so.

I mean Mr. Turnbull. I'm sorry; it's easy to mix up the direction in terms of the voice.

Let's talk about the issue. I'm also concerned that somebody thinks that \$35 million to \$45 million is an insignificant amount. That might come from, obviously, a party that thinks spending \$15 million on potted plants at parties is a valuable taxpayer expenditure. I won't make any further comments about potted plants.

The loan loss of this organization is huge. I, too, worked for a financial institution for many years. I also have served on boards of financial institutions. Banks do less than 1% loan loss. The BDC, which takes much higher risk for small businesses and which is accountable to this, has about a 2% loan loss. This loan loss is much higher and needs an examination of what's going on.

MP Masse, we've said there's merit in the credit card study, and we can walk and chew gum at the same time. We've done it before. We can do concurrent studies on things. It's not difficult. This is not asking for a massive amount of committee time, contrary to what some have asserted. The proposal is for two meetings.

There is no time set here, MP Masse, about which study comes first in this motion. That's easy enough to work out once we pass the study motions.

I'm assuming that MP Masse would actually move his motion. Right now it's just on notice. We can't actually deal with MP Masse's credit card study unless he puts it forward as a motion, rather than just on notice.

From the comments of my Bloc colleague, the Bloc has always been concerned about this bill, as we are. I'll point out that the government put 55 amendments forward on this. If the government's concerned about the amount of time it has taken for amendments, maybe they shouldn't have put in such a crappy bill, which they've had to amend 55 times already and are table-dropping. Maybe they should have done their homework first.

I think you'll find, as we go through this bill, that every single amendment that we've put forward is a real, substantive issue that witnesses have asked for. To say that somehow we've been delaying it.... It is the government—the Liberal members—that so far spent five of our 10 clause-by-clause meetings filibustering this amendment and wasting committee time on a filibuster, which I know MP Turnbull continues to want to do going forward. Instead of listening to a Liberal filibuster and wasting another five meetings to put 10 meetings on a Liberal filibuster on CPC-9, I think it's time we get on to some other business that is more pressing. It doesn't seem pressing to the Liberals to pass this bill when they filibuster every amendment that goes out.

I would ask that my fellow committee members refocus this committee on some work that Canadians want us to do. ISED needs to be held accountable for its lack of spending controls on many programs, from the green slush fund to this. Yes, the government needs to be held accountable for why, after nine years, they've done absolutely nothing to deal with the outrageous interest rates and credit card fees that Canadians pay.

• (0910)

There's a lot here for us to go on. Until the government can sort itself out on the inadequacy of the proposed privacy tribunal and

not waste our time for another five meetings filibustering this motion, we should do other work.

The Chair: Thank you, Mr. Perkins.

I have no other speakers on my list, which brings us to a vote on the motion tabled this morning by MP Rempel Garner.

(Motion negatived: nays 7; yeas 4)

The Chair: The motion is defeated, which brings us back to our regularly scheduled programming.

I recognize Mr. Masse.

Mr. Brian Masse: Thank you, Mr. Chair.

I'd like to move the following motion:

That the Standing Committee on Industry and Technology undertake a study on the issue of credit card practices and regulations, following recent concerns about the high interest rates, excessive fees, and consumer protection. This study should include, but not be limited to, the following areas:

- a. interest rates and examining of the impact of high credit card interest rates on Canadian consumers and potential measures to cap or regulate these rates;
- b. fees and charges and an analysis of various fees associated with credit cards, including late payment fees, annual fees, and foreign transaction fees, and how these fees affect consumer finances;
- c. consumer protections and a review of these measures related to credit cards, with a focus on improving transparency in credit card terms, interest rates, and fees;
- d. predatory lending practices, to investigate predatory lending practices within the credit card industry, and recommendations for stricter regulations to prevent exploitation of consumers;
- e. financial literacy, with consideration of the role of financial literacy in helping consumers manage credit card debt, and potential initiatives to enhance financial education;
- f. regulatory oversight, including an assessment of the effectiveness of existing regulatory frameworks overseeing credit card companies, and potential impacts to ensure fair and transparent practices.

The study should be no fewer than four meetings and include consultations with relevant stakeholders, including financial experts, consumer advocacy groups, and representatives from the credit card industry.

I would like to speak to the motion when I can.

The Chair: Thank you, Mr. Masse.

Do you have anything else to add?

Mr. Brian Masse: Can I speak to the motion?

The Chair: Of course, I encourage you.

Mr. Brian Masse: Thank you Mr. Chair.

I appreciate the opportunity to table the motion and make this representation right now because it is germane to how Canadians are experiencing everything from the cost of living but also economic fairness and, I would also argue, privacy.

On the motion, I'm open to amendments if there is considerations for improving the motion. No motion is perfect. Definitely, if there's interest to follow through on this, it can actually be more specific in terms of certain aspects or highlight other things.

I noted in our previous debate some of the work I've tried in the past with credit cards and that there have been some effective measures that have taken place. We've been able to shame them into practices that are more consistent with other countries. My hope is to have some type of a focus here in this committee, because it's going to take more than just one individual member of Parliament, regardless of political affiliation, to bring some fairness and accountability.

I'll conclude with this because I am really sincere about the approach to this. Australia actually has an entirely different process from Canada, where there's regulation in terms of the interest that they can apply and also the interest that they can charge on consumers. That's just one model that's out there, and it's different from what we experience here. In fact, their rates are significantly lower.

On top of that, I want to conclude with this. We all just think about the major credit cards right now in terms of Visa, MasterCard, the ones that you pull out of your wallet on a regular basis, but there are also credit fees and credit cards that go up to 30%. They can be from furniture stores and other places you go to get financing from. That is absolutely unacceptable. It's often to induce people to pay zero interest now, and then it sets them up for failure later on and puts them at rates that are just absolutely nothing more than obscene and theft, especially for working class people. It sets them up on a purchasing point in terms of seducing them into thinking that, yes, you can get your new washing machine and you can get your new fridge and you can get your different things and not have to pay for a full year. However, later on, it comes due, and if in that time somebody's lost a job, somebody's gotten sick or so forth and the income of the family has changed, they're then stuck with a 30% to 40% sometimes interest rate on these things and the purchases they've made.

For all those different reasons, I'm hoping we can shed a little bit of light on this and get some relief for Canadian consumers. I don't want to take a lot of the committee's time with this, but I think that if we scope it we can actually get some really good results. I'm hoping that I get the support of my colleagues because I have in the past brought fraud issues to this table and this is similar to that vein. I haven't asked for a lot at this committee with regard to time. I've been very respectful about the agendas of those who have brought their things forward. I'm really just eager to get at this because I don't know how long this Parliament will last. It could last another year. It could last another day. I don't know. All I know is that these rates are going to continue to be a burden on people, and it's about time that they actually had some accountability in this place.

Thank you, Mr. Chair, and I thank the committee for its time.

• (0915)

[Translation]

The Chair: Thank you, Mr. Masse.

We'll go to Mr. Arya, please.

[English]

Mr. Chandra Arya: I am not talking about the content of this motion, but it's a good one.

Hon. Michelle Rempel Garner: I was on the list next.

The Chair: I'm sorry, Mr. Arya. I missed the order.

You are correct, Ms. Rempel Garner. I'm sorry.

Hon. Michelle Rempel Garner: Thank you, Chair.

To build on what Mr. Masse said, colleagues, if you look at the total consumer debt of Canadians, it has rapidly and exponentially grown, particularly over the last 10 years. The debt-to-disposable income ratio of most Canadians is now, I think, a record. It's almost 200%. It's particularly acute within gen Z. Many gen Z Canadians are living entirely on their credit cards. They're loaded with student debt and can't pay rent.

We're now in a situation where Canadians are forced to live on their credit cards more. I think the motion uses the term "predatory lending practices". I would have to agree. There are some predatory lending practices in here. Given how many Canadians are now living on their credit cards due to inflation, a high tax burden and the housing crisis, I think it is very incumbent upon this committee to look at the structure of how government allows lenders to profit on the backs of those Canadians.

I would just add, particularly given the changes in Canada's mortgage rules announced by the government last week, that the changes in the mortgage rules will exponentially add to the Canadian debt load over the next 30 years. I think history will look back on that change as a fundamental transformation on generational debt.

Just as an aside, Chair, the fact that the finance minister was like, "This is the best thing ever." I'm like, "For banks, for banks...it was the best thing ever for banks." I'll just say this: It's truly been remarkable to watch the Liberal Party become the party of the banks.

I fully support this motion. I look forward to litigating how much money the Canadian government should be allowing credit card companies to make off the backs of Canadians they're forcing to pay double the cost for housing, more for everything. Giddy-up. I love this motion. Let's do it.

[Translation]

The Chair: Thank you very much.

Mr. Arya, the floor is yours.

[English]

Mr. Chandra Arya: Thank you, Mr. Chair.

I don't have any issues with the content of the motion, but is the motion itself relevant to our committee? Is it not the finance committee that should deal with this?

• (0920)

Hon. Michelle Rempel Garner: It's not. It's this one, 100%.

[Translation]

The Chair: Mr. Arya, I'm going to turn it over to Mr. Masse.

[English]

If you want to answer, I'll give you the floor quickly.

Mr. Brian Masse: Thank you.

I do appreciate that. It's a fair question because at times our committee overlaps with other things, but this is an industry issue because it's across the board and it also involves regulation. It's not just percentages. It also involves the Privacy Commissioner and so forth, so I do appreciate that. However, what happens sometimes in this place, and I've seen this at industry committee, is that some stuff gets punted over to finance where later on it doesn't get the coverage it needs, especially when they have budgets and other things. It's seen as just that, as a numbers issue.

This, to me, is broad-range industry abuse that's taking place, and it's a competition issue, which involves the Competition Bureau. That's how I pushed it before with the Capital One issue. I wrote the competition commissioner for that. For those reasons, I believe it's in-house for us to deal with. We have kind of dealt with some of those things before. We had the first one of your studies, Mr. Chair, with regard to financing and so forth. We have had that before. We've touched on these things that have led to other committees kind of copycatting us later on so, if somebody wants to copycat us later on this, I'm okay with that, but I really believe it's industry-wide.

I thank the member for that. The Competition Bureau, the Privacy Commissioner and it being industry-wide is why it belongs in-house here.

The Chair: Thank you, MP Masse.

MP Arya, was that all?

Mr. Chandra Arya: That's it. Thank you.

The Chair: Okay. Thank you.

[Translation]

Mr. G  n  reux, you have the floor.

Mr. Bernard G  n  reux (Montmagny—L'Islet—Kamouraska—Rivi  re-du-Loup, CPC): Thank you, Mr. Chair.

I am totally in favour of this motion, not only for consumers, but also for small- and medium-sized businesses. In recent years, we've had the opportunity to hear the grievances of the Canadian Federation of Independent Business as well as chambers of commerce across Canada regarding credit card fees, as well as all the other fees and penalties involved. It's a reality that SMEs are experiencing and it's been weighing on their competitiveness for a number of years.

So I fully agree with this motion.

The Chair: Thank you very much.

Mr. Perkins, the floor is yours.

[English]

Mr. Rick Perkins: Thank you, Mr. Chair.

Thank you, Mr. Masse, for giving notice of this on Monday and tabling it today. I won't prolong the discussion other than to say we agree with it. As you said, I think this has been given short shrift. Everybody says, "Put stuff forward at finance committee." The finance committee has 52 pre-budget consultation meetings and nothing can wedge in between. That's important work.

I would like to propose an amendment to the motion.

The amendment would be to leave everything there as is but to add a new sentence where the last sentence ends with "consumer advocacy groups, and representatives from the credit card industry". We'd add "and that the committee begin consideration of this study within 14 days following the adoption of this motion."

The Chair: Okay. We have an amendment proposed by MP Perkins, so we'll first deal with the amendment.

Mr. Rick Perkins: I think we may have circulated it.

The Chair: Yes, it's pretty straightforward.

Do we have any speakers on the amendment?

I have Mr. Patzer on the amendment.

Mr. Jeremy Patzer: Thank you, Chair.

I want to thank my colleague for that proposal. I think that's a great idea.

As Mr. Masse said, this Parliament could go for one day or it could go for one year. I think every one of us has received the heartbreaking emails and phone calls from people who have been evicted from their apartments, have defaulted on their mortgages or have defaulted on their credit cards. We've all had those emails. We've heard those heartbreaking stories.

I think urgency is required, so I thank Mr. Perkins for this suggestion. I think this committee should jump to it as soon as it is able to.

The Chair: On the amendment, I have MP Arya.

Mr. Chandra Arya: Thank you, Mr. Chair.

My concern with that 14 days is this. In case the current issue we are supposed to discuss today, Bill C-27, doesn't get done within 14 days, it will get further postponed.

Is there any way we can say this can be taken up 14 days after the conclusion of the current things the committee is dealing with?

• (0925)

The Chair: Thank you, MP Arya.

On the amendment, I have Mr. Garon.

[Translation]

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

I completely agree with the wording of the motion. The proposed topic of study is something Quebecers care about. In fact, the Office de la protection du consommateur du Québec is responsible for some of the regulations. The Government of Quebec has already looked into the matter. I do think it's time for us to take on an initiative of this kind, so I commend my colleague Mr. Masse's initiative. It's very important.

However, I'm inclined to vote against the proposed amendment, for the following reason. As we've said before, time is getting tight. We may have to change our schedule if we want to do things properly. I'm wondering how we should do it. I'm not convinced that it's the right way to go introducing motions with a few days' notice, providing dates and saying that we must devote two meetings to it this week, next week or in two weeks. If we start operating this way, the deadlines will eventually pile up and it will be hard to control.

I'm opposed to the amendment for the following reason. I think that we will ultimately have to hold a subcommittee meeting to discuss the schedule, be honest with each other and agree on rules for carrying out our work. I'm open to that. I even think it's possible, depending on how our discussions go on Bill C-27, that we will need a break to find solutions to certain issues. If so, this study could very well slip in as a solution, and even help us manage our time properly if we need to discuss Bill C-27.

I really think we should have a subcommittee meeting in the near future to discuss the schedule. I don't want my colleague to think that I'm in no hurry to do the study he proposes in his motion. This is an important issue, but it's not appropriate to do it this way, squeeze it in on very short notice.

The Chair: Thank you.

Mr. Turnbull.

[English]

Mr. Ryan Turnbull: I've just been listening to the debate here, and I tend to agree with Mr. Garon on this particular amendment. I think there's merit to Mr. Masse's motion. I think there's merit to this study. Predatory lending is something our government has put in budget 2024. Instalment loans, for example, are the second-highest form of debt Canadians have, and it's growing. We limited the maximum rate for charges. We also included financial literacy organizational funding in the last budget.

I'm really sorry the Conservatives didn't support that budget. I was on the finance committee when we had quite a lot of push-back from the Conservative Party, who didn't support those things, but it's good to hear they're changing their tune here today and are willing to support a study into this matter.

I think it would be great to work out the timeline and schedule at a subcommittee meeting. For that reason, it would be great not to adopt the amendment, so I will be voting against it. The study has merit, and I think we could work it into the schedule.

Thanks.

[Translation]

The Chair: Thank you, Mr. Turnbull.

Mr. Masse, the floor is yours.

[English]

Mr. Brian Masse: Thank you, Chair.

I appreciate those sentiments, but I'm going to support the amendment because I want to get something going. I am listening to both my colleagues. I believe they both want to get this work done. I think the motion leaves the chair with discretion about the amount of time, how we will coordinate Bill C-27 and what happens next. I have total confidence in the chair's ability to judge that. I support the motion because it doesn't tell the chair specifically how many meetings, how much time and so forth, but basically he's going to get the airplane off the runway. That's the way I view it.

I really do respect what we've heard from my two previous colleagues about this. Sending it to committee is not to defer it. It is the usual practice for this. I would just rather deal with this right now than schedule another meeting with interpreters and all the different stuff that goes on, and then leave it in the chair's hands in terms of getting something going within the next couple of weeks.

You won't hear me complaining. I'm not expecting that meeting to circumvent everything else that's taking place here when we do get to Bill C-27 and try to deal with the tribunal issue, which I think is really important. If we can resolve that somehow at this table, then I think, quite frankly, we should split Bill C-27 and send the privacy component off to the Senate, and then decide on the other AI stuff as we go forward, so that we can get them working on this bill. That's just my personal preference right now.

I'm going to support the amendment, but it's because I think the amendment is crafted in a way that gives the chair the ability to do the necessary scheduling. That way, we won't deviate entirely from our duty here, and then at the same time we will at least show Canadians.... It will be interesting to see the reaction from the credit card industry once they know we're zeroing in on this issue. I'm sure there's going to be some activity right away. Ironically, I have a meeting coming up after this with the bankers. I see some nods here. They're lobbying on the Hill.

At any rate, I think that in itself is really important: that they know the Bloc Québécois, the Liberals, the Conservatives and the NDP are serious about consumer debt and what's taking place.

For those reasons, I'll support the amendment and leave it in your capable hands to determine how we proceed with the business at this table.

• (0930)

The Chair: Before I turn it over to MP Perkins, even though my opinion is of no importance because I just channel the will of the committee, whatever happens with the amendment, Mr. Masse, I'm very sympathetic to this motion. I think Mr. Garon's suggestion to use that study occasionally to fill in the gaps when we are at a dead end on Bill C-27 is useful. Whatever happens, I think we'll get it going sooner rather than later.

Mr. Perkins, go ahead.

Mr. Rick Perkins: Thank you, Mr. Chair.

The intent of the amendment to the motion was to give the chair the ability to pick. Obviously, the clerk and the table would need some time to get witnesses aligned with the start of the study. It gives that flexibility.

Given the record credit card debt rates and other debt rates Canadians are facing, this is an appropriate time for us to do it. Again, I will say I think this is real work, and I live in fear, Mr. Chair, that what we're going to have is another five meetings of Liberal filibustering on CPC-9. We're at an impasse on that right now, it seems. Many of us on this committee don't like the tribunal idea. Obviously, the government is sticking with it.

In the absence of the ability to solve that and avoid sitting here for another five meetings listening to a Liberal filibuster, the government can go off, try to figure out what it wants to do and come back with some sort of compromise. Otherwise, this bill is going to be stuck here for a long time, and we're going to be listening to a long filibuster.

There are significant things in this bill that are of importance, and there are significant changes that need to be made besides this particular issue, including concerns around clause 18 and legitimate interest, so we need to make sure that we're making the best use of the committee's time.

To me, right now, given the concerns of Canadians about the cost of living and debt levels, getting to this study right now is important. I think what we'll end up with if we relegate this, as MP Garon says, to the subcommittee is an impasse on the timing issue, and we'll end up debating this again at this committee, because I don't think four people on the subcommittee are going to.... I can pretty much predict how the votes are going to go.

We'd better resolve this issue about when we start this now and in this committee, which is the full committee, because it's going to end up here anyway.

The Chair: Thank you very much, Mr. Perkins.

I have no other speakers on the amendment proposed by Mr. Perkins, so I will call a vote.

(Amendment negatived: nays 6; yeas 5)

The Chair: We're back to the main motion. I had on my list Monsieur Garon and then Mr. Turnbull.

• (0935)

[Translation]

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

I've already spoken to the motion, so I won't repeat myself. It's an important issue. It's actually an important set of issues. Regardless of what my colleague Mr. Perkins says, I'm in favour of the motion. I think we should start this study soon. We've discussed it, and I think Mr. Masse understands that very well.

Having said that, I'd like to move a new amendment. The following would be added after item (f):

(g) Interchange fee practices and their impact on the viability of merchants and the prices charged to consumers.

The Chair: Thank you, Mr. Garon.

Has your amendment been sent to the clerk?

Mr. Jean-Denis Garon: I did it verbally.

The Chair: Could you repeat the wording, please?

Mr. Jean-Denis Garon: I'll read it again slowly:

(g) Interchange fee practices and their impact on the viability of merchants and the prices charged to consumers.

May I add something?

The Chair: Yes, certainly.

Mr. Jean-Denis Garon: I think it's fairly consensual. In between pre-budget consultations, the Retail Council of Canada told us about this issue.

The regulation of interchange fees falls under federal jurisdiction. These are the fees that the credit card companies charge merchants for the transactions they make. Obviously, this has an impact on the viability of small businesses. These fees are often very inconsistent and unfair. In addition, they are passed on to consumers, including those who do not use their credit cards, because these fees are part of the overall cost to businesses.

I know that Mr. Masse is very sensitive to this issue. In addition, Mr. G  n  reux alluded to it earlier. I think this part will fit very well into the text of the motion.

The Chair: Is there any discussion on the amendment proposed by Mr. Garon?

Is there unanimous consent to add proposed item (g)?

(Amendment agreed to)

The Chair: So we're back to the main motion as just amended.

Mr. Turnbull, you have the floor.

[English]

Mr. Ryan Turnbull: I have nothing further to say. Let's go to a vote.

The Chair: Okay.

On the motion as amended, I don't think there is a need for a vote. I see there is unanimous consent among committee members.

(Motion as amended agreed to [See Minutes of Proceedings])

[Translation]

The Chair: Thank you, Mr. Masse.

Mr. G  n  reux, you have the floor.

Mr. Bernard G  n  reux: Mr. Chair, I too would like to move a motion, notice of which was provided by Mr. Perkins on September 13:

That the committee invite the Minister of Innovation, Science and Industry to appear before the committee for no less than two hours, within 14 days of the adoption of this motion, in relation to his priorities for the return of Parliament and his mandate.

We know that the minister hasn't come to see us for some time. In addition, all kinds of things happened during the summer. We need only think of all the investments the government has made in the battery industry, Northvolt being a significant part of that. In light of the current difficulties, it might be interesting to have an update from the minister on his overall mandate, as well as on his expectations regarding Bill C-27.

Earlier, Mr. Masse said that one option to consider might be to split up Bill C-27 and send part of it to the Senate for consideration as quickly as possible, to move things forward. Everyone agrees that it's important a bill gets passed on both privacy and artificial intelligence. So we'd like to know how the minister can help us move this very important bill forward.

The Chair: Thank you, Mr. G  n  reux.

[English]

There seems to be a bit of an issue.

I'm informed by the clerk that, technically, the one who gave notice of the motion should be moving the motion. However, I'm willing to just—

• (0940)

Mr. Rick Perkins: I'll move it, and...what he said.

The Chair: Okay. It's been moved by Mr. Perkins and eloquently supported by Mr. G  n  reux.

[Translation]

I now give the floor to Mr. Garon.

Mr. Jean-Denis Garon: Indeed, as my colleague Mr. G  n  reux said, I think the minister probably needs to recharge his batteries. I think an appearance before the committee might be a good opportunity for him to do so.

There are also a number of issues we want to discuss with him, such as Bill C-27. In this regard, the minister has a parliamentary secretary who is doing an excellent job, but at this point, given the significant blockages we're experiencing, it might be appropriate to discuss this with the minister as well.

As a result, I'm going to vote in favour of this motion.

The Chair: Thank you, Mr. Garon.

Mr. Turnbull, you have the floor.

[English]

Mr. Ryan Turnbull: We're certainly more than willing to have the minister be invited to appear. My only issue is that he may not be able to appear within the 14 days specified in the motion.

We can amend. I would propose an amendment to this that removes "within 14 days following the adoption of this motion."

Then I think we would be able to get unanimous consent to support it, or full support.

The Chair: Okay.

There is an amendment by Mr. Turnbull to remove "within 14 days".

I have Mr. Perkins and then MP Rempel Garner.

Mr. Rick Perkins: Thank you, Mr. Chair.

Obviously, the concern is always that, if it's open-ended, it will be some time in the distant future. The minister travels a lot, I know, but I'm sure he can find it within his schedule to appear on his mandate within the next 14 days. I see him in the House. Given the state of Parliament and where we are with votes, I suspect he'll be a little closer to home for the next little while than he has been, perhaps, in the past. I think we should continue with the 14 days on the understanding that, if he needs 15 or 16 days, we're flexible on that. It gives a statement of intent about when we can do it. We're flexible if he requires another couple of days past that.

Therefore, I would oppose the amendment on the understanding that this committee has always been flexible in looking at these things when we put a deadline on things.

The Chair: Thank you, MP Perkins.

I have MP Rempel Garner.

Hon. Michelle Rempel Garner: Just to try to pull these conversations together, Mr. Garon had talked about how there's probably time for the minister to come here to talk about the state of the bill. I think Mr. Masse had alluded to this in previous discussions as well. There are clearly flaws. There are clearly impasses. There are other issues to discuss.

I've had colleagues from the Liberals today say that we need to move forward with this bill. If we're going to move forward with the bill, then we probably need the minister here. In order to bring the bill forward in a productive way, I think we should have the minister here within the next couple of weeks.

I would just implore colleagues to support that amendment. I see the minister in the House regularly, on a daily basis. I'm sure he can find an hour for the Standing Committee on Industry. That seems reasonable given the important piece of legislation that's in front of it and other matters.

I would ask colleagues to support that amendment. Thank you.

The Chair: I'm sure, MP Rempel Garner, you don't mean to say that you support Mr. Turnbull's amendment to remove the "within 14 days".

Hon. Michelle Rempel Garner: No, I support the original. I did say I support the original motion.

I know Mr. Turnbull likes to dunk on me from time to time—or attempts to. I will do my best to prevent that.

The Chair: At this committee, we're very collegial. Under my stewardship, I hope that's so.

Mr. Masse, the floor is yours.

Mr. Brian Masse: I do have a suggestion.

I understand the difficulty with the parliamentary secretary not having access to the schedule. We want to get this going. I would just say that we will defer this vote, at this point in time, for a week and have you come back to us with a date from the minister. It gives you a full week.

You've been able to deliver on that in the past in terms of giving us a schedule. I have a feeling the minister is going to have to be here a lot more often than in the past. My preference would be to avoid having to do a vote right now and leave it in your hands to come back to us. If we don't have a date coming forth, then we could deal with the motion.

I just think that would be an easy way to go forward.

• (0945)

The Chair: However, there is a motion on the floor. It can't be withdrawn at this point unless I have unanimous consent.

Truth be told, from my experience with the minister, as chair of the industry committee, it hasn't been so hard to get him to come to committee. He actually likes it. It's hard to get him out of the room once he's done.

Some hon. members: Oh, oh!

The Chair: I don't think that will be much of an issue.

We're still on the amendment for "within 14 days".

Mr. Perkins.

Mr. Rick Perkins: This is more of just a technical question to MP Masse's point in addition to what you said, Mr. Chair. I don't think we can get the minister unless we formally invite him. I don't think we can just quietly go to him and say, "Hey, would you like to come?" I think we need to have an invitation.

I think we should stick to voting on this, so we have the formal invitation. He'll find the time in the next two to three weeks, I'm sure, if he's around.

The Chair: Okay. On the amendment, it's still to remove the "within 14 days". Are we going to vote on that?

I hear "within 14 days" and then Mr. Perkins says within two or three weeks. I understand we all want to invite the minister. You're willing to give me some flexibility, so I don't think there's much more time to be....

Mr. Turnbull.

Mr. Ryan Turnbull: Perhaps we should adjourn debate on this now and then see if we can just invite the minister, as Mr. Masse suggested, and get him scheduled. Then if that doesn't happen, we can move back to this motion, obviously, and have a vote on it.

I'll move to adjourn debate on this particular matter. That way we can see, as Mr. Masse suggested, whether you can just work with us to find a time that the minister can appear and come back to the committee with a date and time that's already been scheduled.

The Chair: That sounds reasonable to me, but do you want it to be put to a vote?

Let's have a vote on the motion by Mr. Turnbull to adjourn debate.

(Motion negated: nays 6, yeas 5)

The Chair: We're still debating the motion. The amendment is still on the floor and is removing "within 14 days".

I have no more speakers, so I will put the amendment to a vote.

(Amendment negated: nays 6; yeas 5)

The Chair: Okay. We're back to the motion as originally proposed by Mr. Perkins.

I have no more speakers, but I understand from the debate we've had that there is general consent, unanimous consent, on this motion. I see heads nodding.

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

The Chair: Now we should be back to Bill C-27, but I see Mr. Perkins and Mr. Turnbull.

I saw Mr. Perkins first.

Mr. Perkins, the floor is yours.

Mr. Rick Perkins: Thank you, Mr. Chair.

I gave this notice several days ago of this motion for another study:

Given that a former federal public servant at Innovation, Science and Economic Development Canada (ISED) pled guilty to criminal breach of trust for directing 72 sole-source contracts worth \$231,663 to a company he owned, the committee hold two meetings on this topic, and invite the minister, RCMP and ISED officials to better understand this fraudulent billing scheme that took place under this Liberal government.

As you may be aware—I'm sure you are—this former public servant funnelled taxpayer money to companies he owned through a procurement process that clearly is faulty at ISED. I think it's an indication that we don't know, as MP Rempel Garner said earlier, what is happening to the spending controls at this department. This is perhaps the bare surface of the iceberg.

We've seen the big iceberg of the billion-dollar Liberal green slush fund, which, as the Auditor General indicated, had \$390 million that was either conflicted or misappropriately spent by Liberal-appointed board directors. Now we have the department that was meant to oversee that not even able to manage basic procurement processes to ensure they're not being abused by their own employees. According to the RCMP and international internal accounting record-keeping practices, that's what led to it. What wouldn't have led to it was stopping it in the first place, when they had a procurement process in place in the department that allowed this kind of abuse.

I think this is an urgent matter. This department is one of the biggest-spending departments in the government. It has many programs, some of which have very loose terms—I would put it that way—like the strategic innovation fund, SIF, which is a nondescript multi-billion dollar fund that's used to fund anything the government wants. It doesn't really have any parameters other than “hey, let's reach in and pull out a ton more money for this government priority.” It seems to be a mystery out there, other than that they have rounds of funding, any company can apply and there doesn't seem to be any consistent terms or records.

There appear to be very lax standards by the CFO of ISSED, and by the now former deputy minister of ISSED. They've changed the deputy minister. I'm sure it had nothing to do with SDTC and taking the fall for the inadequacies of the minister, who has been in place for 40 months and can't seem to get his hands on understanding where the money that his department is responsible for is going.

It's incumbent upon us as a committee, as a parliamentary body, to provide that scrutiny on the expenditure of these critical tax dollars at a time when the government is running up a \$50-billion deficit and says they can't find any savings. Maybe they should find savings by actually having proper accounting standards within their own departments. A couple of meetings on this right now I think are timely, given that the department is, I'm sure, intent over the next few months, as we head into 2025 with a shaky Parliament, on spending a little more money for some reason. We need to make sure it's not being spent in ways that either particular individuals within the public service or those the Liberals have appointed to things are going to abuse.

Thank you, Mr. Chair.

● (0950)

The Chair: Thank you, Mr. Perkins.

Mr. Patzer.

Mr. Jeremy Patzer: It's quite remarkable when you look at timelines. We look at the more recent scandals that have come through the SDTC in the hundreds of millions of dollars.

You go back to this one here, and the criminal conduct that we're looking at was between 2016 and 2018. This was obviously in the earlier days of the current government's administration. Just look at the way things have progressed.

This was a source of contracts of about \$230,000, something like that. To me, that's a lot of money. To the taxpayers that's a lot of money. Then you look at how grand the scandals and the grifting have become when you start looking at the hundreds of millions of dollars that are being misappropriated through SDTC. It's absolutely remarkable just how brazen the insiders and folks well-connected to the Liberal government have become.

I think studying this one would be very important because I think it will give us a good snapshot of just how this has all gotten out of hand so quickly, because this was early in this government's administration. I think it's going to show us just exactly the way the snowball has really gained momentum, has gained size. When you look at just how many different ways the taxpayer is being fleeced these days, I think this is a good way to show how that started and

how that began and how that overall sense of entitlement, I would say, seems to have permeated throughout the public service with Liberal insiders.

This is another urgent matter. We heard today that there are all sorts of urgent matters because there is no end to it with this government. I would implore colleagues to take serious consideration of this one. I think we should get on to this one as quickly as we can because, as we've heard, we're at a bit of an impasse here now with Bill C-27, with the Liberals filibustering for several meetings on the current provision that we are at on the meeting.

It's helpful that for once somebody has been criminally charged. He actually pleaded guilty, which is good, but I think we still need to figure out how this happened, why there was not accountability within the ministry. There are a lot of angles we can take on this to try to figure out how this is happening and being allowed to happen. It continues to happen in greater amounts to this day.

I look forward to us hopefully getting onto this study and making sure that taxpayers know that we take seriously the stewardship of the money the government takes from them.

● (0955)

The Chair: Thank you.

I have Mr. Garon and then Mr. Turnbull.

[Translation]

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

I would like to thank my colleague Mr. Perkins for moving the motion. Indeed, when it comes to public funds management or supply management, for example, facts like these are always troubling.

Since it's directly related to the subject, I'd like to take this opportunity to remind you that the House unanimously passed Bill C-290, which deals with whistle-blowers and will facilitate the process of reporting acts like these. The bill is currently before the Senate. We hope to get everyone's co-operation to adopt it and thereby reduce the incidence of wrongdoing as much as possible. We'd prefer that these incidents not happen, rather than having to discuss them at committee.

Having said that, personally, I'm not a lawyer, God forbid. You may be the authority on this.

Voices: Oh, oh!

Mr. Jean-Denis Garon: My first objective was to make you laugh, so it has been achieved. My second objective is to get an answer.

When a person pleads guilty, there's a judgment, in which the facts are set out. I understand that the courts will give us the answers we need.

That said, I agree with one part of the motion, and that is the part about the minister's visit. We can ask him questions about that. Ultimately, the minister is responsible for what happens in his department. He has an obligation to assume his responsibilities and explain his vision to us. I think that's probably a good way to go at the meeting with the minister. He'll probably be happy to answer our questions, explain what's been done and tell us about any corrective measures that have been taken. After the minister's visit, we'll be able to make an appropriate judgment and, if necessary, reconsider things.

The Chair: Thank you very much.

[English]

Colleagues, just before I yield the floor to MP Turnbull, we have the option of going to 10:30, if we want, because we did start at 8:30; I'm sorry about that. Otherwise, we can end at 10:15, because you might have prior commitments.

Mr. Ryan Turnbull: I have a prior commitment.

The Chair: I see general agreement around the table. We'll end at 10:15, then.

Go ahead, MP Turnbull.

Mr. Ryan Turnbull: Monsieur Garon made some good points today. In this particular case I agree with him, actually, that these questions could be posed to the minister when the minister appears.

Mr. Patzer said he seeks accountability. In this particular case I think that, through an internal accounting and record-keeping practices change, the department caught this individual, who was then dismissed from employment in February 2019. The matter was then referred to the RCMP for investigation. The RCMP investigated and laid charges on August 29—I believe the individual in question received a 24-month conditional sentence for the breach of trust charge—and PSPC revoked and suspended the security status of the subcontractors and referred the cases to the RCMP, which is now investigating. PSPC is also moving forward on recovering the illegitimate payments, on behalf of the Government of Canada, to protect taxpayers' money. The individual pleaded guilty on September 5, so there has been accountability. Is that not right? That is accountability.

There's no organization in the country that can prevent, in any form, individuals trying to game the system. If an individual does that undetected for a long period of time I could say, yes, that there aren't the right systems in place. However, if this individual was detected and then was referred to the police, let go from his position, charged by the RCMP, pleaded guilty and funds were recovered, to me that's actually a case of which we should be saying the system worked to find that person.

Yes, we can certainly say, "How could we prevent that from happening again?" I think that's a worthy question to ask the minister—and I think that's very fair—but in terms of saying that there was no accountability, I think that's just blatantly false in this particular matter because, clearly, there was accountability. It's unfortunate that individuals, like this individual, did what they did, but they were held accountable for their actions. As long as the funds were recovered, I think I would be pretty satisfied, as a taxpayer, that those funds were recovered.

That's what I have to say. I'm against the study, but not against, obviously, any individuals on the committee asking the minister questions about this when he comes. I think it's more than fair to do so.

• (1000)

[Translation]

The Chair: Thank you, Mr. Turnbull.

Mr. Arya, the floor is yours.

[English]

Mr. Chandra Arya: I agree with Mr. Garon's suggestion that this is something we can ask the minister. When I first read about this case in the media, one thing I was not very happy about was that it was just a slap on the wrist with no jail time. That was my first concern. That's my first thought.

Second, I have a question myself. For public service employees, I don't think there's any requirement for them to disclose the companies they own, the business they are in, like parliamentarians have to do with the Ethics Commissioner. I think that, if there's not, it's time for that to be instituted so that some of the straightforward cases like this can be nipped in the bud before they happen.

I agree with Mr. Garon that this is something that merits a question to the minister but not a full study.

[Translation]

The Chair: Thank you, Mr. Arya.

Mr. Masse, you have the floor.

[English]

Mr. Brian Masse: I'm really sympathetic to this for a different reason from what has been expressed up to this moment. I would rather see the minister answer it first, but I'm hoping....

If it's not brought back, I'll bring it back because I see this also through a different lens. This is outsourcing that shouldn't have happened. We have a public service, and what I would like to dive into a little deeper is why all these contracts were single-sourced and can't go to the public service, and how we've gutted the public service's capabilities. We hire outside the box of the public service so many times, with the least accountability. That, to me, is more germane to this. It sounds like we've captured some of what's taken place here.

The minister can respond when the minister comes here—

[Translation]

The Chair: Hold on a second, Mr. Masse. I think Mr. Garon is telling me that there's no interpretation.

[English]

I'll speak in English to see if the translation is coming through.

It's back. I'm sorry about that.

Mr. Brian Masse: Thank you.

Mr. Garon is probably saying that I speak in gibberish. We're all good.

I'll be quick though to finish up. To me, right now it's about timing. I would rather see the minister respond to this. I'd be interested in looking at this with the mover later on to see how we can expand this a little bit more. What I want to chase down is why we're outsourcing so much. Why are there 72 sole-sourced contracts. How does that happen, and how often is that happening?

Also, what has been gutted in our system that we have to be so dependent upon contracts like that? To me it's about that issue as much as it is about the particulars here. For those reasons I'd like to see this put off until we can get the minister to come here and answer some questions.

To be fair to my colleague who moved this, we're telling him he has to use some of his questioning time to ask the minister about that. I also concede that in that way we are actually putting a burden on my colleague with respect to this motion. I think we should recognize that and try to find a solution to that. I think the motion is fair, and it can be done when the minister's here, but at the same time it is going to take a little bit out of his time while he asks about it. However, I still think that's the better of the options that are in front of us right now.

• (1005)

The Chair: Thank you, MP Masse.

I have MP Patzer.

Mr. Jeremy Patzer: I just want to respond to the accountability piece here. As I was saying, there are 72 instances of breaches here. I know that this guy paid the money back, which taxpayers will be happy about, but taxpayers are not happy about \$330 million that's been misappropriated through the green slush fund. They're not happy about the millions and millions of dollars that Kristian Firth got through GC Strategies. They are not happy about the contracting practices that have gone on with McKinsey. They are not happy with the arrive scam debacle that continues to be an ongoing issue. When we talk about accountability, it's not just a one-off in one instance here.

The fact that there is accountability.... This is still a big scandal, but it's a small-scale scandal compared to the things we're currently dealing with and the way this government has mishandled taxpayer money and allowed it to be funnelled out. Navdeep Bains was the minister at the time of this. He was also the minister when a lot of the misappropriation of the green slush fund happened. It would almost be worth inviting him back to committee again to have another go at him around this stuff.

The air of entitlement or the idea that money can just be thrown about wherever or be taken by people hasn't changed. There's been nothing done to ensure that these kinds of fraud and behaviour don't happen and that the breach of trust doesn't continue to happen. That's the problem. That's where the lack of accountability lies.

Yes, this individual thankfully was investigated by the RCMP and criminally charged, but there are way bigger instances out there that I hope will be investigated and for which charges will be laid,

much as was done with this fellow. The accountability doesn't stop with this guy. There's a lot more that needs to happen when we talk about accountability, and that's what I'm getting at here. There is a whole entire string of events that have happened since this. This is just the beginning, and it's gotten bigger and more grand as time has gone on. When you look at the hundreds of millions, probably into the billions, of dollars that taxpayers have been billed by people in the last 10 years because of this government, that's where the problem lies. That's where the accountability needs to come into place, and that's where the people of Canada are getting sick and tired of seeing money going out the door repeatedly over and over in an ill-gotten manner.

To Mr. Masse's point on the 72 sole-sourced contracts, those were before the public service doubled. We're still seeing that same kind of outsourcing, but if we've doubled the public service, have we not also increased the capacity to do some of this? We're still seeing those practices when you see the billions of dollars in consulting that happens regularly under this government. They spent money on hiring a consultant to figure out how to do less consulting. It's just mind-blowing what's going on here, and this is just the beginning of it.

This is a good study for us to do to dig into the beginning of the culture that has been allowed to permeate throughout what will soon be 10 years of this government. That's where the issue lies and that's where the accountability piece needs to go. This can't just be a one-off. This is just the beginning, and I hope that members on that side would also agree that there needs to be a higher level of accountability for the people who have been robbing the taxpayer blind while this government has allowed them to do so. That's where I hope this can go.

• (1010)

The Chair: Thank you Mr. Patzer.

Mr. Perkins.

Mr. Rick Perkins: Thank you, Mr. Chair.

There have been some interesting suggestions.

The committee's not going to tie me down if the minister deems to show himself here. There are a lot of things to ask him questions about. I hope he would come for the two hours. As the chair said, it's hard to get him out of here. I hope he'll come for two or three hours, so we have the time to go through this. If he comes for only the hour—the government seems to try to limit the exposure of its ministers—then one five-minute round is not going to allow me or other members to ask what we need to ask of him.

On this one, I'm certainly open to the broader issue that MP Masse mentioned about looking at the broader procurement issue. Obviously, there's a systemic problem throughout the government when a public servant can sole-source contracts to himself or when an ADM can sit at every board meeting in the green slush fund, where they vote for their own personal interests' money 82% of the time, according to the Auditor General. That's not bad legal advice; that's a culture of conflict of interest. It's a culture of entitlement in the billion-dollar green slush fund.

I'll have you know, that fund has spent \$22 billion since it began. It was established by Paul Martin. It's the \$2 billion in the last few years under this government that has been abused by the Liberal appointees. Nobody seemed to care about the accountability of it in the government—among government officials or in the Liberal government. They'll look at this thing and dismiss it: "Well, it's just a small amount of money again."

We heard that with the one about Futurpreneur: "Well, it's only \$35 million or \$45 million. That's all."

They spent \$15 million on potted plants for an Oscar party, so who cares about how \$200,000 got abused and sent 72 times to an employee?

MP Patzer was very clear. We won't go on. We have not proposed to prosecute other abuses of expenditures here because they're being done well in ethics in dealing with this government. It's persistent, whether it's the procurement problems that led to the arrive scam and to Firth and his company, GC Strategies, being able to basically fill their pockets without doing any work.... It was a company of two that got hundreds of millions of dollars in government contracts to then subcontract.

Public servants were involved in that too. There were lavish single-malt scotch tastings, people being bought off and no government control. There was no government control at the green slush fund and no government control at GC Strategies.

Let's not forget the most recent one. Here we have the special adviser—the next leader of the Liberal Party. He won't be the next prime minister unless the Prime Minister resigns because he's too afraid to call a carbon tax election.

Carbon tax Carney, who chairs Brookfield, is trying to get \$10 billion from the federal government. Brookfield will get a 3% commission on that. It sure pays to be a connected Liberal and to be the real minister of finance, while conveniently avoiding conflicts of interest by saying that he's employed by the Liberal Party, not by the government, but he gets access to all the government information.

Not being willing to look at this in any timely way on its own and relegating this procurement issue in the ISED department to just asking a couple of questions of the minister is typical of trying to dismiss and sweep the corruption under the carpet, which we see so frequently with the Liberal Party.

The Chair: Your timing is perfect, Mr. Perkins.

It is 10:15. I understand from members that it is the will of the committee to adjourn at 10:15, so we'll pick this up next meeting.

Have a great day. The meeting is adjourned.

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