



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

44th PARLIAMENT, 1st SESSION

Standing Committee on Finance

EVIDENCE

NUMBER 121

Monday, November 20, 2023

Chair: Mr. Peter Fonseca



Standing Committee on Finance

Monday, November 20, 2023

• (1550)

[English]

The Chair (Mr. Peter Fonseca (Mississauga East—Cooksville, Lib.)): Welcome to meeting number 121 of the House of Commons Standing Committee on Finance.

The committee is considering matters related to committee business and, more specifically, the motion of PS Rachel Bendayan, which was previously stood on Thursday, November 9, 2023.

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

I'd like to make a few comments for the benefit of the members.

Please wait until I've recognized you by name before speaking. For those participating by video conference, click on the microphone icon to activate your mic, and please mute yourself when you're not speaking. For interpretation for those on Zoom, you have the choice, at the bottom of your screen of either the floor, English or French. For those in the room, you can use the earpiece and select the desired channel.

Although this room is equipped with a powerful audio system, feedback events can occur. These can be extremely harmful to interpreters, causing serious injuries. The most common cause of sound feedback is an earpiece worn too close to a microphone. We therefore ask all participants to exercise a high degree of caution when handling the earpieces, especially when your 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 in, and to avoid manipulating the earbuds by placing them on the table, away from the microphone, when they are not in use.

I remind you that 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, and we appreciate your patience and understanding in this regard.

We have PS Bendayan who would like to speak, and then MP Lawrence.

Go ahead, PS Bendayan.

Ms. Rachel Bendayan (Outremont, Lib.): Thank you, Mr. Chair.

Mr. Chair, I appreciate the introduction you provided at the beginning of the meeting, but for the sake of procedure, I move that the committee resume debate on my motion on the Canada pension plan, a motion that I first moved formally on November 6, 2023.

By way of background, I do think it is relevant to remind the Canadians listening, and even those in this room, that I put this motion on notice way back on November 2. I moved it on November 6, at which point we did have the beginning of a filibuster. I moved it again on November 9, which was followed by more than two and a half hours of a Conservative filibustering to avoid getting to a vote on this motion.

I certainly hope that now, after several weeks, members have come to the committee with either proposals for amendments or the intention to vote one way or another on this important motion, so that we can get back to the housing study that had commenced and was a productive use of our time with witnesses.

I certainly hope to come back to that as soon as possible, Mr. Chair.

The Chair: Thank you, PS Bendayan.

I have MP Lawrence, and MP Blaikie after that.

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

With your indulgence, I would just like to congratulate all of the members and witnesses whom we heard on our week of travelling from coast to coast. I thought there were great questions and even better answers from many of our witnesses. I had the pleasure of being there for Quebec City, Toronto and Winnipeg. I'm sure all stops were great.

As I said earlier, I just want to make sure my comments are anchored in the motion. I'll just read the first line of the motion:

Celebrates the Canada Pension Plan as the foundation of a secure and dignified retirement for tens of millions of Canadians and a pillar of Canada's economy;

My remarks will focus mainly on Canada's economy per the motion.

We are of course, in an extremely difficult economic time, really with extremes that we haven't seen since the Great Depression. Philip Cross, of course, the noted academic and statistician has said that we have the worse GDP since the Great Depression. We're actually contracting. I believe it's per person GDP. Those numbers are obscured a little bit.

For those Canadians listening at home, they may be confused when they hear the Liberals say, we had an increase in GDP. Our increase in population is obscuring the actual economic numbers because while the absolute numbers are higher, the actual per Canadian numbers are lower. This government is in some respects successfully obscuring the truth. But you know what, Canadians feel it. The people of Northumberland—Peterborough South are very much aware of the economic times.

We see other indicators such as food banks being at record levels. I believe it's two million Canadians per month who visit food banks. I heard a statistic just this morning that fully a third of food bank attendees, customers—I guess "clients" may be the best way to refer to them—are new. These are folks who have never been to a food bank before. I heard a great interview this morning of one of the individuals who is in charge of a food bank.

You can imagine the energy, exhaustion and the stress it would take for someone who had never been to a food bank and probably never thought they would ever go to a food bank. Yet this government, instead of focusing on these very critical issues, is obsessed with scoring political points, to sow division. We all know from the first Prime Minister Trudeau of policies that, if not a willful, are certainly negligent, and of efforts that have alienated large portions of our country. Traditionally that might be viewed as western Canada, but I can tell you that in rural Ontario it's the same thing.

The folks in my riding, in part of rural Canada, very much feel like they are alienated and aren't thought about or cared about by this government. You see that even more so in the carve-out from the carbon tax. Yes, I'm glad that the Prime Minister got the memo from the Atlantic members of caucus who said that they can't campaign on this. We can't go back. We can't face our residents with a carbon tax at \$80 a tonne.

I'll just remind people on the record as well, because there was some confusion—I'm sure it was honest confusion—on the road when I said carbon taxes had quadrupled. In 2019, the carbon tax was \$20 per tonne. It is now \$80. Four times \$20 is \$80. Sorry, it will be in the spring of 2024. I should correct that. We have the quadrupling of the carbon tax and in many cases a very meagre rebate coming back the other way.

• (1555)

We get this exemption, this carve-out, this acknowledgement that in fact the carbon tax is leading to an affordability crisis, as we heard from Tiff Macklem. He shared with us that 16% of inflation is actually directly because of the carbon tax and that 33% of inflation over target is directly because of the carbon tax. Those are all numbers.

I'm sure this is honest confusion, but I have heard many Liberal and even NDP members in the House, and even in this very committee, get very confused on that point and say things like it's only 1.5%. That's just not true. That's not what the governor said. The governor said, and he confirmed it, that it was actually 60 full basis points, which is 16% of inflation.

There is no doubt that by having that exemption, that carve-out only for Atlantic Canada.... I should be fair, though. I want to be completely transparent and make sure that we have all the facts. It

does apply to other people across the country who heat their homes with oil. The reality is that the majority of people who heat their homes with oil are out on the east coast, which is where the Prime Minister's caucus was very upset. It's going to make many Canadians feel left out in the cold, literally and figuratively.

It's the logic, Mr. Chair, that really.... I don't understand it. I hear Minister Wilkinson say, you don't understand. Fuel oil is really bad for the environment, so we have to take the carbon tax off it. But then that same guy will say, you don't understand, gasoline is really bad for the environment so we have to quadruple the carbon tax. There's a complete gap of logic.

Every time I hear this debate, not even as a partisan or as a Conservative but as someone who studied philosophy at university, I don't understand the logic of it. Either the carbon tax leads to less of something, and so we should put it particularly heavily on bad things, or it doesn't, and then we should remove it all and, instead, allow Canadians to have the resources they need to make the decisions they need to. Actually, that brings me to Bill C-234.

As some of you might be aware, I originated Bill C-206—it's a private member's bill—back in 2019. That was the predecessor to Bill C-234, which was to remove the carbon tax from propane and natural gas for farmers. This would affect farmers from coast to coast.

• (1600)

Ms. Rachel Bendayan: Mr. Chair, I have a point of order based on relevance. The Conservative member is talking about a bill that is currently before the Senate and that has absolutely nothing to do with the motion on the floor at this committee.

The Chair: MP Lawrence, you were talking about the economy. Perhaps you could get back to the economy and to PS Bendayan's motion on the CPP.

Mr. Philip Lawrence: Thank you very much. I'll anchor my comments to make sure that the connection is clear.

The carbon tax is having a huge impact on the economy, and we actually heard that testimony. You don't have to take my word for it, Mr. Chair. You can take Tiff Macklem's word for it. The number one problem with the economy—which I think is universally agreed upon by Bill Morneau, John Manley and Minister Freeland—is inflation.

We heard testimony from the Governor of the Bank of Canada that 16% of that inflation or 33% above target is directly related to the carbon tax, so one really can't talk about the economy without talking about the carbon tax.

I know that might offend the sensibilities of some Liberals because this is the signature piece that has really—it hasn't really accomplished anything on the environment. In fact, all it's doing is actually, as I had the opportunity to talk about a little bit, pushing Canadian companies to either leave fully or to put their manufacturing offshore so that they don't have to pay a carbon tax.

In places like Guangdong province or in West Virginia, where they may rely heavily on coal, they don't have to pay the carbon tax, which means that instead of having clean Canadian natural gas powering industry relatively efficiently, we have the same products being made in Guangdong province, in West Virginia and elsewhere in the world where they power with coal.

I would much rather have the hydroelectric dam in Niagara Falls powering and creating manufacturing in Ontario as opposed to having coal in the outskirts of Beijing and around other industrial areas where they don't have the same clean tech that we do here in Canada.

Getting back to the bill I was talking about, which was Bill C-206, agriculture is a primary part of the economy, and I think one of the most critical parts of the economy. We want to talk a little bit about how carbon tax interrelates with agriculture, both of which are critical to the economy.

I had the great pleasure of introducing Bill C-206 in Parliament in 2019, which was a bill to exempt natural gas and propane from the carbon tax regime for farmers. As I said, it would affect farmers from coast to coast to coast, but particularly those who are drying grain. This was on the heels of—excuse the language; it's the term they use in agriculture circles—“the harvest from hell”. It was a very wet harvest, which created a very moist grain and corn. Individuals had to pay tens of thousands of dollars in carbon tax. That continues to this day, and that was at \$20 per tonne. As I said, it's been quadrupled now to \$80 per tonne. We heard great testimony on the road. I hope that members of the government, particularly, were listening to CAPP and other expert witnesses.

We took that all the way to the Senate, Mr. Chair. We got it all the way there, and unfortunately, Prime Minister Trudeau called his unnecessary \$600 million election, so it stalled there in the Senate.

To my great relief and admiration, my great colleague Mr. Ben Lobb brought it back in the form of Bill C-234. I might say that Mr. Lobb actually improved the bill to include barn heating amongst other small but important amendments that he made to that bill.

We're here now again. It's back in the Senate. Unfortunately, the Liberal government in the so-called independent Senate, and I do say “so-called”, is utilizing pressure on the senators it controls.

They can call them Liberals. They can call them whatever they want to call them. They listen to their master in Prime Minister Trudeau, and they are currently stalling that bill.

One of the reasons I think they might be stalling it is that the environment minister, Mr. Guilbeault, has said that if there's one more

carve-out, he will resign as environment minister. That carve-out, I believe, is coming.

• (1605)

We have the support there, so I would call on the Prime Minister to.... If he has to choose between his environment minister and Canadian agriculture, the choice is easy. You go with Canadian agriculture. I'm sure Mr. Guilbeault, despite his criminal record, is eminently employable. I believe he'll be just fine, going forward.

The question is on the carbon tax. We should have farmers, and will likely have farmers, as exemptive, as long as the Liberal senators don't hold it up too much.

By the way, to anyone listening, please write your Liberal MP—

Ms. Rachel Bendayan: Mr. Chair, I have a point of order.

I am renewing my point of order on the subject of relevance. With much respect, my colleague has not respected your direction, Mr. Chair.

The Chair: Again, MP Lawrence, please stick to the motion:

1. Celebrates the Canada Pension Plan as the foundation of a secure and dignified retirement for tens of millions of Canadians and a pillar of Canada's economy;
2. Recognizes the important contribution of the Quebec Pension Plan which was established independently at the same time as the Canada Pension Plan; and,
3. Stands with the majority of Albertans who are opposed to Premier Danielle Smith's dangerous plan to withdraw from the Canada Pension Plan that threaten the pensions of millions of seniors and hardworking Canadians from coast to coast.

Let's focus on that.

Mr. Adam Chambers (Simcoe North, CPC): On the same point of order, Mr. Chair—

The Chair: Go ahead on the point of order.

Mr. Adam Chambers: Thank you, Mr. Chair.

I believe the member was getting there. With respect, agriculture would be a strong pillar of Canada's economy—

The Chair: That's not a point of order.

The member can speak, but I would ask the member to focus on the motion.

Go ahead, MP Lawrence.

Mr. Philip Lawrence: Thank you, Mr. Chair.

I think it actually is self-evident that the carbon tax is affecting farmers, and agriculture is a big part of the economy. If this member is saying somehow that agriculture is not part of the Canadian economy, I wish he would just come out and say that, because my farmers certainly feel differently than that.

Perhaps, Mr. Chair, I might speculate that maybe their lack of respect for farmers is leading to the extreme food insecurity that millions of Canadians are facing right now. I firmly disagree with the member that agriculture is not.... I believe agriculture is part of the economy, and I'm going to continue to talk about it. It says it right here—"a pillar of Canada's economy"—so I'll continue to talk about it.

Talking about agriculture this year, the testimony we heard to this very finance committee in Winnipeg, from agriculture groups and farmers themselves, was no doubt.... They agreed that probably the best solution is not any more carve-outs, but to cancel the carbon tax once and for all. When you think about it, is there any other button this government could hit that would reduce inflation by 16% tomorrow, and from being 33% above target? What other policy lever would be that effective in fighting inflation? Honestly, I mean this. When I no longer have the floor, what's their answer to reducing inflation? I have a policy right now that will reduce the rate of inflation by 16% and 33%.

Although I agree with most of Mr. Macklem's testimony on the impact of carbon tax on inflation, it should be pointed out that he just talked about the direct impact, and he was only talking about fuel. That's not even the full impact on inflation; it's actually just part of it. The other thing he said.... I know members across the aisle, whom I respect, have said, "Well, yes, Phil, but it's only for one year"—and it's true that he did say that. But the reality is the carbon tax is set to increase all the way to 2030, to \$170 per tonne, which means it will have an impact on inflation every year until 2030. So, it doesn't stop this year. The impact on inflation will continue to go forward, because when you cancel the carbon tax, you eliminate not only the carbon tax now, but the future increases as well. That's a question I'm looking forward to putting to Governor Macklem going forward, because it is clear, basic logic on that.

When you look at the overall divisive policies of this government and the carbon tax carve-out, what you see is that the carbon tax is getting more and more holes in it. In fact, it's almost untenable going forward, because you have the heating oil exemption; you'll have the farmer exemption, hopefully, soon; and then there are other exemptions that are not in there, which I don't understand quite why. No one has been affected by the affordability crisis more than persons with disabilities. Why should there not be a carbon tax exemption for persons with disabilities?

On that, despite the fact that we're 1,000 days from the introduction of legislation with respect to the Canada disability benefit, and it's been over one year since the enabling legislation, we still don't have it funded. This government has to be fair to persons with disabilities, and we heard great testimony on that, with respect. We are now "double punishing" persons with disabilities, who unfortunately, and to the great criticism of our society, are often at the lowest

quintile of economic performance. This is not a reflection on them; it's a reflection on us as politicians.

I'm hoping that the fall economic statement finally funds this benefit, which I believe had unanimous support in the House of Commons. But now, in addition to that, we're going to charge individuals a carbon tax, which is very difficult.

● (1610)

Canadians who are most economically vulnerable in general are often hurt disproportionately by regressive taxes like the GST and the carbon tax. I had the opportunity to talk to a poverty advocate. He said that, in his experience, only 4% of those who are most financially vulnerable, those at the bottom of the economic spectrum, file their income taxes. For those individuals making an income of over \$20,000 to \$25,000, they are paying taxes, and it's a net economic loss. For those unfortunately not reaching that threshold, or even sometimes higher, they are in receipt of net benefits.

For example, if individuals who have had difficult economic times, for whatever reason, do not file their income tax returns, which according to that poverty advocate is 96% of them, they don't get the carbon tax rebate. However, the reality is, on the meagre earnings they carve out—and I'm sure they are doing their best to make more but for whatever reason, obstacles and barriers are in their way that I'm sure are beyond their control—they have to pay carbon tax. If they are paying rent, they are either paying it directly or paying it indirectly through heating costs. They are probably using some type of transportation that likely requires some type of fossil fuel, and once again, they are paying for that in dollars.

We had further testimony from the City of London as well, and they talked about how difficult it was. That, Mr. Chair, was some of the more startling testimony about the number of individuals who lost their lives on the city streets in London. It was deeply moving for myself and, I'm sure, for the other members. They agreed that one thing we could do as parliamentarians would be to reduce the cost of heating. Many of the organizations that provide solace, or care, or respite to individuals who find themselves unhomed have to pay the carbon tax. That is at the cost of providing more benefits to individuals who are in the most difficult circumstances we could imagine. Instead of buying extra winter coats, they are having to pay for the carbon tax.

It's incredibly difficult for me to understand why a government that has mired our country in a housing crisis, where mortgages are up two or three times, where rent is up two times, and that's if you can find a place.... In some communities in my riding, like Cobourg and Port Hope, they are facing vacancy rates of less than 1%, so even if you have the \$2,000 or \$2,500 a month to pay for housing, it just doesn't exist. I just cannot understand why the government continues to go in the direction of making life more difficult.

Quite frankly, the root of a lot of those issues is our productivity crisis. Canada, unfortunately, is ranked near the bottom of the OECD with respect to productivity. I hope, in the fall economic statement, they are looking through a lens of productivity. If I were advising the Minister of Finance—maybe she's listening, but I don't know—I would put every single economic policy through a productivity lens. In some cases, there might be things that outrank productivity, but, for everything this government does, they should look at the productivity of it, because even inflation is affected by productivity.

• (1615)

Of course, we've heard a lot from the Governor of the Bank of Canada Tiff Macklem, who talked about inflation and the effect of demand on inflation. However, there are two sides to it. There are two sides to the ledger. There's both demand and supply. What the Governor of the Bank of Canada is attempting to do is reduce demand. He's trying to get fewer dollars chasing goods. He's doing that mainly by talking about monetary policy, reducing the money supply and increasing interest rates. That reduces the money. He's even, unprecedentedly.... I have to admit, I was a little taken aback at the finance committee that he was so forthright. Good on him for calling for the federal government, which was spending at a growth rate of 3.5%, to bring it down to under 2%. Otherwise, it would be at cross-purposes or unhelpful to his efforts.

There's the other side. There's the demand side. Slowing demand is painful. Slowing demand increases interest rates, which makes mortgages more expensive. It also causes unemployment and puts you on that path towards recession and maybe even “stagflation”.

Now, there's another way. There's another side of the ledger. We call that “supply”. The study of that is called “supply-side economics”. If we can increase the number of goods, society becomes more prosperous. It doesn't come with the pain that reducing demand does. In fact, it's the exact opposite. If you increase supply, you increase economic opportunities for everyone. You increase prosperity. You increase the wealth of the nation. You increase the size of the pie. What I firmly believe this government needs to do, not just to combat inflation now....

We could be in for, as Tiff Macklem and other economists have commented, structural high inflation, meaning we're simply not producing enough goods to meet the demand we have, especially with the large population growth we have. Rather than tamping down demand by saying, “Canadians need to do with less and be happy about it”—which seems to be the calling words of the other side—I believe Canadians can produce more, make more and be more prosperous.

When we increase economic growth—it's been proven over and over again, from JFK to Brian Mulroney—we help the most vulner-

able. It's when we get that economic squeeze in supply.... It's not the wealthy in our society. It's not the millionaires who suffer. They'll be just fine. When you're making a million bucks a year and lose 10% of your income, it's probably not a good time. I've never earned a million dollars, but it's probably not a good time. However, if you're making \$10,000 a year and lose 10% of your income, you're probably not going to eat some days. It's the most vulnerable who get crushed.

Actually, once again, Governor Macklem came out and pretty much said this. Governor Macklem called inflation “a tax that disproportionately affects the most vulnerable members of society.” Once again, I was surprised by Governor Macklem's candour on the topic. I look forward to having him back here again so he can amplify these comments, because inflation is an incredibly corrosive force on our economy. It waters down the wealth of Canadians.

• (1620)

I understand that the governor has to do what he has to do right now to reduce inflation, which is increase interest rates. His job is going to be made harder, meaning he'll have to increase interest rates more if this government can't get their spending under control. In fact, Scotiabank said, in a recent report, that actually a full \$700 of the average mortgage is the direct result of this government's profligate spending. In that same report, I believe, they said that investment in housing is down 14%, meaning that we don't have more houses coming online.

We are welcoming newcomers, which is fantastic and great, but we owe it to them as well as to individuals who were born in Canada, to enable them to afford housing. If we can't deliver the housing for newcomers and all Canadians, that's devastating. Not being able to afford a house isn't just that you don't get a lawn; oftentimes people choose not to have families at that point because they just don't have any place to put their children. We are causing all sorts of social and economic pain by not having the appropriate housing plan in place.

Our leader Pierre Poilievre has come up with a common-sense housing plan to reduce taxes, to reduce red tape and to incentivize municipalities to get more housing starts out the door, but right now we're going the wrong way. In fact, in testimony before this very finance committee, the CMHC said that, no, the current policies will not bridge the housing gap, which means we have another nail in the structural inflation coffin.

Our productivity issues are reducing our supply of pretty much everything and now we have housing.... We are unable to increase the number of houses that we need, which would increase housing going forward.

Then on top of that, we're also limiting the ability to make use of our own natural resources. Of course, a large portion of inflation in CPI is actually fuels, such as gasoline, diesel. Because we are limiting our ability to be self-sufficient—even though we have clean, great Canadian natural gas, Canadian energy—the impact of that is we will be increasingly dependent on other countries, meaning we will be dependent on world markets with respect to future fuel prices, which will leave us exposed to a shock in energy prices. This government, in many ways, is creating the perfect storm for structural high inflation.

We need to have a common-sense plan to get this economy back on the rails. Our leader has said very clearly that CPP is something that we believe should continue to be national in scope—with, of course, the noted exemption of Quebec. We would encourage Albertans and Alberta to stay in CPP, but we do have trouble with the language, particularly the third line of Ms. Bendant's third line in there, third paragraph.

I would like to move an amendment at this point to delete that and replace it with the following, “The Liberal government's policies such as the carbon tax and Bill C-69 are lead to greater division in our country.”

• (1625)

The Chair: Is that an amendment?

Mr. Philip Lawrence: It's an amendment, yes.

The Chair: Is there debate on this? Is there no debate?

Mr. Philip Lawrence: I will put myself on the list.

The Chair: Is that for debate on this amendment?

Mr. Philip Lawrence: Yes, it is. Thank you—

The Chair: You're speaking to your amendment.

Mr. Philip Lawrence: Yes, exactly.

I think it's important to note that this Liberal government has continued to put forward policies that divide our great country. Whether it be the carbon tax that I've talked about and will continue to talk about, Bill C-69, which is referred to as the “no more pipelines” bill, or Bill C-48.

Abraham Lincoln famously said that a house divided cannot stand. We need to have a country that is working together. We need from every corner, from Nova Scotia to British Columbia, everyone rowing in the same direction and working together to make this the great country that we know it should and can be.

When we look across our country, we see individuals increasingly feeling as though they are being left out by this government, whether you are a logger in British Columbia or you're working in the oil fields in Alberta.

• (1630)

Mr. Daniel Blaikie (Elmwood—Transcona, NDP): Was that your timer?

Mr. Philip Lawrence: It was, exactly.

That's to tell me to get started.

That's the one point.

Mr. Daniel Blaikie: That's your preamble done.

Mr. Philip Lawrence: Exactly, I'm going to focus on the meat of my comments now.

Mr. Daniel Blaikie: Don't set a bar you can't meet. Manage your expectations.

Some hon. members: Oh, oh!

Mr. Philip Lawrence: Thank you, thank you.

I do enjoy my friends in the NDP and their always interesting comments.

Yes, we're talking about division and the way these policies are sowing division. We have the carbon tax exemption, which is the latest example of Liberals' playing one side of the country against another.

I'm going to take a little bit of a break because I want to hear from one of our Atlantic members with respect to how his constituents feel about division in this country and whether it's on the rise or otherwise.

The Chair: We'll go to MP Ellis on the amendment.

Do you want to speak to the amendment?

Mr. Daniel Blaikie: I'm sorry; I thought it was on this.

The Chair: Okay, you were. I didn't realize that.

He had raised his hand, MP Blaikie. I wasn't sure if that was...

Mr. Philip Lawrence: If you want to go first, Daniel, that's okay.

Mr. Stephen Ellis (Cumberland—Colchester, CPC): He can go first if he'd like. I'm just visiting here.

The Chair: We have MP Blaikie, then MP Ellis on the amendment.

Mr. Daniel Blaikie: I will try to be as relevant to the amendment as my colleague just was to the motion—maybe more so. We'll see.

Look, I think it's important to state that I'm quite satisfied with the motion as it stood. I don't see any particular need to amend the motion, particularly not in the way that my colleague has proposed.

If I understand correctly, the reason why we're not on the housing study is that my Conservative colleagues take exception to the phrase "Premier Danielle Smith's dangerous plan". I think it is pretty clear, if you look at some of the public domain polling, that a majority of Albertans are very seriously concerned about the prospect of leaving the Canada pension plan.

I think it's pretty clear, if you've read the coverage of this particular proposal by various media outlets, that it's something the Alberta government dreamt up in order to try to create some political leverage. I think it is dangerous to stake the pension futures of Canadian workers across the country on a political gambit to try to wrest things out of Ottawa. I think a government that is trying to act in the interests of its people doesn't politicize their pensions in that way.

The Canada pension plan has an excellent track record of, frankly, great returns. I think there are lots of people who would like to see, in their personal investment portfolio, returns of the kind that the CPP has seen. I think they've averaged about 10% over the last 10 years—of course, it's been a very tumultuous 10 years. Until interest rates went up it was pretty hard to get a 10% return on much of anything. There are always debates about what the Canada pension plan invests in, and how much it invests, and all the rest. I don't think there should be any debate about the efficacy of the CPP in securing a good return for Canadian pensioners.

I don't take exception to this. What I would say to my colleagues is that not long ago we passed a motion objecting to the HSBC-RBC merger. We did that because even though there were some folks.... If memory serves, I don't think the Liberals voted on that particular proposal. They didn't oppose it, but they didn't support it either. I think what's notable about that, notwithstanding the merits of abstention—I won't speak to that at the moment—was that we got to make a decision as a committee. I get that there are some folks around the table who want to defend Danielle Smith more than they want to study housing. That's not the point of view of everyone around the committee table. Maybe we'll find out that it is—I don't know. The point is that we'll know when we have the vote.

I don't think that suspending the work that this committee was managing to do in a constructive way on the housing file.... Something that we haven't seen enough of is constructive, productive work. This is in order to provide political cover for Danielle Smith, who, as I say, is doing something that is dangerous, risky and in my opinion not motivated by the right reasons. I think that is a mistake.

I'd be very glad to see us come to a vote. As I say, when it came to the RBC-HSBC merger, it wasn't that we didn't have a consensus...and that's not the way that we operate in Parliament, in any event.... You often hear Conservatives talk about the wonder of majority democracy and 50% plus one, and all of that, but 50% plus one only matters if you get to have a vote. Now, when they don't like it they say you need to have a consensus. When they do like it, then 50% plus one will do. Which is it? Is it 50% plus one, or is consensus-based decision-making?

If the Conservatives want consensus-based decision-making to be the way we do things on Parliament Hill, surely they'll have to carry a very different attitude and posture into committee meetings and the House of Commons than they have been, for as long as I

can remember. I would say their posture is not one that promotes consensus decision-making. I've been part of organizations that operate on a consensus-based model, and the discussions around the table look very different.

• (1635)

If the commitment is to 50% plus one, then so be it. I'm not advocating for a change to consensus-based decision-making. I'm just saying if you have and you support a 50% plus one model, the only way that is functional is if you allow for votes to happen, and what the Conservatives are doing is essentially imposing a consensus-based decision-making model on the committee by refusing to allow for a vote when they don't agree with the motion.

I am to take from this that the only way we're going to have votes around here is if the Conservatives already like what the motion has to say.

As a New Democrat, I know very well what it means to lose votes and, nevertheless, be committed to an institution in which I don't always win based on the rules—but I don't take my ball and go home. I don't refuse having business happen simply because I don't like all of the business that's being conducted. I focus on the next battle.

People are free to take whatever position they want around the table. What I don't like is a position that says, unless we like what's in the motion, there won't be any votes. And I will say, for as much as I have disagreements with my Liberal colleagues from time to time, what I'm reading in the tea leaves is that they weren't thrilled about the RBC-HSBC merger motion at committee. I don't know; I'll leave that for them to say. They didn't vote against it. They didn't vote for it, but they did allow the vote to happen, and I don't see that we need to sit here much longer, provided that we can allow a vote to happen.

Then we will know the will of the committee, as we came to know the will of the committee on the RBC-HSBC merger, and we will move on from there. The reason we're not moving on is that the Conservatives are doing Danielle Smith's dirty work at this table because they don't like the idea that a committee of the House of Commons would criticize her.

I don't think that's the threshold here. We're allowed to have votes on these kinds of things, or at least we should be.

If need be, I can say more about the amendment but certainly on the main motion, I'm happy to proceed to a vote. I think it is fine as it stands. I don't think the amendment improves the motion in any way, nor do I think it helps us get closer to a consensus. If that's indeed what the Conservatives are looking for, I don't see this amendment as having contributed to that at all.

I do know that when the motion was first moved there was some talk about trying to find an amendment and come closer to a consensus. I've been willing to listen with an open ear on that. This amendment has not been part of those conversations, and it is clearly designed not to bring the committee closer to any kind of consensus.

There is a little bit of disappointment on that front, to be sure, that protecting Danielle Smith's political hide is going to be more important to federal Conservatives around this table than approaching consensus, but I'll leave it now to my Conservative colleagues to carry on talking.

Thank you.

• (1640)

The Chair: Thank you, MP Blaikie.

MP Ellis.

Mr. Stephen Ellis: Thank you very much, Chair.

Thanks, everyone, for allowing me to be here and speak on this important motion.

We know very clearly that the motion my colleague moved is really about division and, as he mentioned, Cumberland—Colchester is in Atlantic Canada and has been significantly affected by the divisive carbon tax and the negative impact it's had on the people I represent. Certainly, it is a time when we have had more outcry from citizens on one policy than anything else, mostly because, of course, they cannot afford to heat their homes or house themselves and feed themselves, and this is incredibly distressing.

I was a family physician for 26 years, and certainly some people questioned my sanity for leaving that and coming here as a politician, leaving a well-respected profession to come here to do something quite different. That said, having had very deep relationships with many people over a quarter of a century plus, you begin to realize the pain Atlantic Canadians are feeling at the current time is disproportionate to any other time. Certainly, in my adult life, never before do I remember people going in droves to the food bank. Indeed, the food bank in my particular riding, the food bank in Truro, had to reach out to the county to ask them to pay their mortgage, first of all, because their mortgage rates were incredibly high—which we know is driven by the reckless spending of the NDP-Liberal coalition government—but also because the demand at the food bank was more than ever, such that they couldn't meet the demand while meeting the payments on their mortgage.

When you begin to look at those realities of life and the fact that one dear little old lady called... I spoke with her and she said the following. In fact, there are two stories that I think are very, very important in telling about the division we're seeing in this country. This one lady called and said she got up in the morning—she lived in a mobile home—she turned on the heat so it would heat up, she

got something to eat, and she then went back to bed with her clothes on and pulled the covers up until suppertime when things got cold again. She then turned on the furnace again, warmed up the house, had something to eat and then went back to bed. That was how she spent her days last winter over and over and over again. When you begin to understand that's how she spent her days, it becomes very unfulfilling.

I think the other thing another lady made very clear was a concept that she called “ungrocery”, which, to me, was something that's not a real word. That being said, it was incredibly disheartening to hear her story that she said she would get her grocery cart, go around the supermarket, pick out the things she wanted, realize she could not afford them and then do the opposite, taking things out of her cart such that she would have a bill at the end of the day she could afford. When you begin to look at those things, it becomes very, very difficult in the country to understand the division this NDP-Liberal coalition has created.

The other thing when we talk about division is that we understand that in rural Atlantic Canada many people still live in single-family houses and heat their homes with oil. That becomes a difficult situation. We know that the cost of home heating fuel has skyrocketed under this NDP-Liberal coalition, but the sad thing that goes along with it that has helped create this division is the fact that a company called Sustainable Marine Energy had a tidal power project, part of which was based in the great riding of Cumberland—Colchester, but because the Department of Fisheries and Oceans, run by the NDP-Liberal coalition, refused to provide them direction on how to go forward they had to abandon it.

The difficulty, of course, with that is in the Bay of Fundy we have the highest tides in the world, the most potential, and the potential there would suggest there is a possibility that when harnessed the tidal power in the Bay of Fundy would actually be able to power all of Atlantic Canada, provide every person there with the energy they need at a reasonable cost. Sustainable Marine Energy was the only company in the history of attempting to harness tidal power to have the ability to actually put electricity back into the grid.

• (1645)

When the NDP-Liberal coalition government refused to provide forward direction, I took the opportunity to speak to the director of Sustainable Marine. It was really quite fascinating. He was very excited. His company developed a new style of ship platform that was able to place its tidal power harnessing equipment on top of the water. We had an incredible discussion.

The people from FORCE were there, which is the federal government arm of monitoring with respect to tidal power projects. Really, of course, the concern people may have had was how many fish were actually harmed by the process of harnessing tidal power. They had underwater listening devices and video devices, and the only event that was close to being harmful was that a fish swam through the turbines once. It wasn't injured. It wasn't hit. It wasn't affected in any way, shape or form. Those comments were echoed by the federal government monitoring arm, FORCE, as well. It was very clear that the method proposed by Sustainable Marine was not harming fish at the particular site.

When we look at this, we have a federal government that is harming the ability of Atlantic Canadians to provide energy into the grid, to actually provide enough energy, as I said, for the entirety of the Atlantic provinces in a sustainable manner, which would free them from the need to buy it elsewhere of course.

When we talk about emissions, it always fascinates me. When we think about tidal energy, there are no emissions—zero. How much better could it get than that? You don't harm the local fish environment, and you have zero emissions, with a possibility to provide enough energy for all of Atlantic Canada. The only thing standing in the way is the Department of Fisheries and Oceans refusing to provide guidance to allow Sustainable Marine to move forward. It had one platform in the water, which again was the only project to ever supply energy back into the grid.

The meeting also included one other company, because people, of course, will say that somebody else will do it. I asked the one other company if it actually had a project proposal. It didn't, but it had an idea. I asked if it had any investors. It didn't. It didn't have a project in the water. It had no money, and it wasn't putting power in the grid. The other company said that was correct.

However, for the one company that is putting power in the grid, what are we doing? We are telling it to go home. Not “we” on this side of the House. Let's be clear on that. The NDP-Liberal coalition and the Department of Fisheries and Oceans are saying, “take your ball and your bat, and go home”.

What did Sustainable Marine do? It took it upon itself to remove all its equipment from that site. It not only did that, but also spent an extra quarter of a million dollars to send divers to the site to ensure that not one piece of plastic, chain, or any other remnant of their project was left to contaminate, so to speak, the site it was using for its project.

The only good news is that when I spoke to—

Ms. Rachel Bendayan: Mr. Chair, I have a point of order.

The Chair: There is a point of order.

Ms. Rachel Bendayan: Thank you, Mr. Chair.

The point of order is on relevance. I very much appreciate the guest appearance by my Conservative colleague opposite. I was intent on listening to him until the point where it seemed to devolve into the details of a very specific story that not only has nothing to do with the motion on the Canada pension plan, but also has nothing to do with the amendment now on the table—at least to my mind. Perhaps the member could come back to the issue at hand.

• (1650)

The Chair: MP Ellis, please focus, like I said, on the motion and the motion as amended.

Mr. Stephen Ellis: Absolutely, Chair. We're talking about division, and I think it's important that folks understand the carve-outs that have happened with respect to the carbon tax around this country. That has created significant division, and the division, of course, is related directly to energy security. Of course, now the tidal power project has been cancelled by the lack of direction provided by the Department of Fisheries and Oceans. It was a significant glimmer of hope for Atlantic Canadians to allow them and us—I'll include myself there—to become energy-independent. This is a significant division-creating area for all of us in Atlantic Canada, based on the policies of this NDP-Liberal coalition government.

When I asked Sustainable Marine whether they would consider coming back, how this gentleman worded it was, “You know, if you threw me a lifeline, I would probably climb up the rope.” That says a lot for the gentleman and for Sustainable Marine to be looking at how to harness tidal power as an energy source, which would be a tremendous feat.

As I said, the largest tides in the world are in the Bay of Fundy. If we could possibly do that, which they were well on their way to doing, then that would change the landscape. We wouldn't need to be talking about the divisive policies of the NDP-Liberal government here in Ottawa, because Atlantic Canadians would not be requiring carve-outs, because they continue to need to use home heating fuel as a fuel source. As I said, this certainly causes significant difficulties for the two elderly ladies whom I discussed previously.

One other thing, of course, that has caused significant problems for Atlantic Canadians is that, historically, they would rely meagre pensions, the OAS—and we're talking about the Canada pension plan—but they also rely on equity built up in their homes after many years. In Nova Scotia and the other Atlantic provinces, people tend not to move around a whole lot. They would own their own homes for a considerable length of time. Now when we begin to talk to young people in Cumberland—Colchester, we understand very clearly that the cost of a home has doubled, the cost of a mortgage has gone up 150% and, of course, the cost of rent has doubled.

We're beginning to see that. People have not only energy insecurity now, because we know their ability, as I discussed over the last several minutes, to pay their energy bills has gone down, and their energy bills have gone up; and we also know their ability to buy a house is now being lost. The next generation coming along have significant despair.

It's interesting. My colleague from South Shore—St. Margarets came up with a great new word that this government, the NDP-Liberal coalition, is selling to people, and it's called “hopium”. They are wanting people to have hope from their opioid-laced policies. I won't divert myself into the opioid crisis, but for many of their other policies they're selling this haze-inducing utopia that just does not exist for the average person out there.

Certainly those of us on this side of the discussion are clearly getting incredible numbers of people who are losing hope, because of the divisive nature of this NDP-Liberal coalition. I know very clearly that my colleagues on the other side are getting it as well. I talked to many of them after we came back in September on how their summer was. When they were out door-knocking, the disdain with which they were greeted at the door really led them down this road of division, of needing to carve-out a carbon tax relief for Atlantic Canadians.

• (1655)

We know that when they were out door-knocking and talking about their “hopium” policies, people were not buying that any more. People really understood very clearly the policy of continuing to spend \$600 billion of inflationary spending, as my great colleague spoke about, and supply-and-demand economics. We know very clearly that those “hopium” types of policies are things that Canadians from coast to coast have been able to see through and understand. This kind of foolish spending is no longer something that they believe in.

What they believe in is common sense. They know very clearly that things like tidal power, like being able to afford a home, to feed yourself, and to keep a roof over your head are very important to Canadians. What they understand very clearly is that they want the chance to do that.

They want a chance to buy their own home so that they could get back to what would normally happen to Atlantic Canadians, before the highest inflation we've seen in 40 years. Their ability to buy a house would appreciate modestly in value over the many years that they would actually own the home. Then if they were owning that home—and of course, as their lives became shorter and shorter—they would know that not only would they have perhaps a small pension, if they were fortunate, but they would have equity in their home, which would then allow them to live through the latter years of their lives in relative comfort.

We know that, as the NDP and Liberals have gone around knocking on doors this summer, they know that the “hopium” they were selling to Canadians just doesn't exist. Canadians are not buying that, and they know very clearly that the crisis that now exists is creating a division across this country.

The other thing, of course, that is causing division and distrust in the NDP-Liberal coalition is related to Bill C-234, which my colleague talked about, being in the Senate now. We know very clearly that Canadian farmers....

I think it's important and germane that we understand how that supply chain works. When you tax the farmer who grows the food and you tax the trucker who delivers the food, then the person, the consumer at the final end, of course, is going to be paying more and

more. That's common sense that anybody could understand. As a friend of mine once said, “Businesses don't pay more tax. They pass those taxes on to consumers.” When you tax the farmer and you tax the person who delivers it, then the person who buys it at the end of that chain, of course, is going to pay more for that product.

There's no expectation—well, perhaps there is on the part of this NDP-Liberal coalition—that the farmer would absorb all of those costs. We know, when we talked to our agriculture critic, that the costs for farmers and the requirement to heat their barns and dry grain have gone up precipitously over the last eight years, making it almost untenable.

We know that, very clearly, Canada really should be a powerhouse in our ability to feed the world. Very sadly, the disrespect that the NDP-Liberal coalition has shown to farmers is not allowing Canadian farmers to do that. When we have an ability to do that—

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

Mr. Daniel Blaikie: On a point of order, I believe he's talking about the bill that would provide a carbon tax exemption for farmers who are drying grain using fossil fuels. He may know that New Democrats supported that legislation, and that's why it's in the Senate, because New Democrats voted for it. He keeps talking about an NDP-Liberal coalition not supporting things that the NDP has supported.

I'd remind him, actually, that we recently—

The Chair: MP Blaikie, that's not a point of order.

MP Ellis, you have the floor.

Mr. Stephen Ellis: That's not really a point of order. Thank you very much.

It's interesting, but really, as we all know—

The Chair: However, MP Ellis, I do ask you to focus on the motion and the amendment that has been brought forward by MP Lawrence.

I'll read the motion one more time for you.

• (1700)

Mr. Stephen Ellis: Sure.

The Chair: The motion reads:

That the Chair of the committee immediately report to the House, that the committee:

1. Celebrates the Canada Pension Plan as the foundation of a secure and dignified retirement for tens of millions of Canadians and a pillar of Canada's economy;
2. Recognizes the important contribution of the Quebec Pension Plan which was established independently at the same time as the Canada Pension Plan; and,
3. Stands with the majority of Albertans who are opposed to Premier Danielle Smith's dangerous plan to withdraw from the Canada Pension Plan that threaten the pensions of millions of seniors and hardworking Canadians from coast to coast.

That's what we have, MP Ellis.

Mr. Stephen Ellis: Thank you very much, Chair.

I don't know if you read the proposed amendment by my colleague.

The Chair: There is a proposed amendment. It was brought in to.... If you'd like to, you can.

Mr. Stephen Ellis: I'm good. I know what it says. It just was clear that the amendment related to division, and that's exactly what I was speaking to—the significant division that sadly now exists across this great country related to the policies that the NDP-Liberal government has created. These policies are perhaps not specifically related to Bill C-234, but the difficulty with Bill C-234, of course, is that it's stalled now in the Senate thanks to the Prime Minister's Office trying to stall it there. That's crystal clear in my mind, again, creating more division throughout this country.

Certainly, that is something that we don't need. We know that my colleague talked about productivity and the difficulties that exist there. As I said very clearly in wrapping up, Chair, the difficulties that exist in Atlantic Canada with respect to the affordability crisis and the ability for people to feed themselves, keep a roof over their heads and to heat their homes in the coming winter is a position that is absolutely untenable.

People do not want to simply exist. They would like to thrive, and I truly believe that Canadians have the ability to do so, which is being usurped by the NDP-Liberal coalition. Perhaps, as my colleague would say, it is not specifically related to the NDP part of Bill C-234, but it certainly relates to their support of other government incredibly expensive and not spendthrift policies.

Chair, having had the ability to speak a little bit about Atlantic Canada, I want to make it clear.... It's interesting that my colleagues talk about our wanting to prop up Danielle Smith. I'm obviously not from Alberta. I've never met Danielle Smith and certainly have no requirement to prop up Danielle Smith's government. I think that she's more than capable of doing that herself.

That being said, I do think it's important that people really continue to understand that the job of His Majesty's loyal opposition is to hold the government to account, and when we see things that are not appropriate for all of Canada and are causing division, then I think that it continues to be the job of the loyal opposition to call those out.

That is the style of government that we have. I think everybody around this table knows that. I believe Mr. Blaikie knows that very clearly—the Westminster style of government—and certainly that is something that we, as Conservatives, will continue to support.

I would have to say that the division sowed is troubling to me, and, on behalf of Atlantic Canadians, it is troubling to all of us.

I thank you, Chair. I will cede the floor.

The Chair: Thank you, MP Ellis.

I have MP Chambers, and then I have a list with MP Lawrence after that.

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

You always have a difficult job trying to keep everybody on point. I appreciate the—

The Chair: MP Chambers, on that, you are up next on the main motion.

Mr. Adam Chambers: Thank you very much, so I'll get another opportunity.

This is on the amendment.

I appreciate the comments by my NDP colleague, Mr. Blaikie. I always find that I have to do a little bit of self-reflection every time he speaks. I think he makes some fairly good points about opportunities. We don't always have the opportunity to make consensus choices. Certainly there are examples in which motions are passed at the committee that not everybody agrees with, whether they abstain or what have you.

The challenge I have with this motion is that there is actually an opportunity to have every party at the committee send a message, to the Government of Alberta and Albertans, that reiterates the importance of the CPP, that Canadians benefit from the CPP and that Albertans can be encouraged to stay within the CPP. There is all-party support for that motion. There is not all-party support to make the motion politically advantageous and for the government to use a province to help them in their failing poll numbers.

We could get out of this room today if we actually just dialed down the motion a bit, and I could guarantee you that there would be a news article written about all parties supporting the CPP. I can tell you that there probably won't be a news article written about a highly politically motivated motion that's passed with non-consensus votes.

The bigger point is that there is an opportunity, as the leader of the official opposition has put forward language that supports the CPP. If the other parties aren't interested in considering that language, which was circulated well in advance.... In fact, immediately upon the motion's being moved to debate, the Conservatives worked on and provided sample language that would take the political language out of the third point, including standing with Canadians who wish to protect the CPP and encouraging Albertans to remain in the CPP so that it can be secured for Albertans and all Canadians—with, of course, apologies to the good people of Quebec, who have their own pension plan.

We can pass that today, but the government has decided that it wants to make an example out of Premier Danielle Smith because they're failing in the polls. They'd rather fight her than fight the Leader of the Opposition.

The odd irony in all of this is that this is actually derailing the government's own legislative agenda. There are two bills that have to come before this committee to be passed before we break for the holidays, and it's actually the government that's chosen to move this motion instead. The government's choosing to move a politically motivated motion at committee instead of allowing its legislative agenda to go forward, which seems pretty bizarre to me. They're choosing to pick a fight with Danielle Smith rather than getting certain bills passed through this committee.

What's going to end up happening is that we're going to rush. We'll have very few meetings on the fall economic statement when it gets here. We'll have few meetings on Bill C-56 when it gets here. We won't do our diligence as a committee because the government's interested in picking a fight with Danielle Smith.

I'm not a great historian of parliamentary precedent and motions that have been reported to the House, but it seems a little odd that a committee wants to single out a particular province. Personally, if it said British Columbia, with an NDP premier, or now an NDP premier in Winnipeg, I still don't think that would be appropriate.

• (1705)

There are questions in question period every day about Danielle Smith's CPP plan. Some members can be encouraged to run for provincial Parliament, but the motion as it's written allows the chair to report to the House. That means concurrence can be moved on that motion, which will spark a debate, and members of Parliament can get up and make any comments they like about Premier Danielle Smith and Alberta's CPP.

We have the opportunity—

• (1710)

Ms. Rachel Bendayan: Mr. Chair, on a point of order, I was just waiting for the clarification, but it hasn't come. Perhaps, through you, Mr. Chair, I can just ask if the member is moving an amendment, while he's speaking to an amendment of one of his Conservative colleagues, because he seems to have read something out that he likes very much.

Is that an amendment that the member is moving?

The Chair: We are on an amendment.

Mr. Adam Chambers: We're on an amendment already.

Mr. Chair, thank you very much. I appreciate the question. I was just indicating that there are other less political amendments that I'm not moving.

The Chair: PS Bendayan is asking if this is a subamendment.

Mr. Adam Chambers: No, Mr. Chair.

Ms. Rachel Bendayan: He doesn't actually like it, then.

Mr. Adam Chambers: Mr. Chair, the language was circulated to all of the relevant individuals immediately upon the government member moving the motion. We can end up playing politics with this all night. It's actually the government's legislative agenda that's being put at risk.

By the way, the Minister of Finance has requested that we begin the review of the proceeds of crime and money laundering act, which is statutorily obligated to occur before the end of this calendar year. That's one meeting. We only have six meetings left. We're supposed to do Bill C-56 and the fall economic statement.

I'm a bit puzzled why the government has decided to move this motion now and not accept any friendly amendments that have been recommended until now.

By the way, we're also supposed to hear from the Minister of Finance. Now, I think the minister has given us a date—December 7. I assume it will be a combination of Bill C-56, the fall economic statement, plus inflation and housing. The minister only likes to show up to committee when there's legislation to pass. There's either that theory, which is reasonable, or the other theory, which is that the Prime Minister's Office doesn't allow her to come, because

she's actually too good at committee and she overshines the Prime Minister.

We went through this last spring. To remind people, it's actually the Prime Minister's Office that doesn't want the Minister of Finance here, because she's actually doing a better job than the Prime Minister on some things. We'll only get her for an hour, and she might say that she's going to be very generous and give us an extra 20 minutes. The reason why this committee's dysfunctional is because the Minister of Finance actually hasn't agreed to any invitation to this committee outside appearances that she decides to make to pass legislation.

If we want reasons for which Conservatives are making a point about this motion, then I'll sum them up in a few points. The first is that we have an opportunity as a committee to actually have a consensus and tell Albertans that we, as an entire committee, feel that the Canada pension plan is important. The second is that we are going to harm ourselves in our ability to pass legislation through the committee. I can't believe I'm making recommendations to the government about how they can pass legislation quicker through the committee. This is what's going to end up happening.

The government's decided to move a politically motivated motion to distract from its failing results in the polls. They think that Premier Danielle Smith is better fodder for the Prime Minister than the leader of the official opposition. It's unfortunate that we can't get a consensus on the committee to send a message to the Alberta government and Albertans about the importance of the CPP.

I will take Mr. Blaikie's recommendations and intervention to heart and reflect upon whether as a matter of principle I'll continue to hold up the passage of a politically motivated motion, or whether there may be an opportunity just to abstain. At this juncture, it defies logic why we're here arguing about a politically motivated motion, when there's so much work the committee needs to do. We could pass it pretty quickly otherwise. If the government members are signalling that they're open to a friendly amendment, I think we could probably wrap it up pretty quickly. That's not the message that we've been given.

• (1715)

We only have six meetings left. We're going to take one, I believe, for a ministerial appearance.

We're supposed to take one for a statutory review of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act. By the way, if we don't do that, the government is going to get a bad mark from the Financial Action Task Force, which is reviewing Canada's approach to money laundering. I don't really think we want a black X; I don't think that the government wants a black X.

It seems to me that the government doesn't have a ton of leverage to decide to put this politically motivated motion through the committee. I guess they should have thought about that before they decided to bring the motion.

In addition, the motion doesn't recognize that, by design, the CPP has with it withdrawal criteria for provinces if they decide they want to set up their own plan. I don't think that's a great idea, but we could hear from the Bloc Québécois about the QPP. It has actually functioned fairly well, I think, for Quebeckers.

It's within each provincial government's right to ask whether it's getting value for money for its own taxpayers and its residents in the CPP. There is a mechanism by which a province can exercise that ability and have a discussion.

I don't actually believe that the methodology is on such sound footing as to provide the result in terms of the assets that would be given to Alberta should it withdraw. But the truth is, that's for Albertans to think about and discuss internally. We could send them a message, as a committee, that is unanimous, or we can let a politically motivated motion pass the committee and not get much traction or attention because it's politically motivated.

Call me an idealist. I just happen to think there's an opportunity to do something here where we're all on the same page. I recognize that it may not be where everybody is at the moment, but I still hold out hope.

I suppose if Mr. Blaikie's intervention is the signal that we can't get there, then I'll certainly have to reflect on the path forward. But I do think it would be something if the committee actually said that we all support the CPP.

Whatever member wants to move concurrence in the House and talk until their heart's content about the political decisions of a particular premier in order to score local political points at home, that's up to that member. I just don't think the committee is a perfect place to single out a provincial premier.

I stand to be corrected by the historians on what previous committees have done in this respect, but I'll remind members that just as the winds of change may sweep through Wellington Street and Langevin Block—yes, that's right, I still call it "Langevin Block"—the winds of change can sweep through provincial legislative buildings, as it has in Manitoba. We now have an NDP government in Manitoba. We have an NDP government in British Columbia.

I don't really want to create a precedent for the future where committees will single out various premiers, when a particular party is failing in the polls, in order to score political points to distract from a narrative.

• (1720)

We have an opportunity to send a message as a committee. If we're now being told that no one wants to take that opportunity, we're prepared to talk it out.

The government is just wasting its own time at this point. I hope it's clear—we're going to burn through this meeting, and we're going to burn through Thursday's meeting. We won't be getting any legislation passed here. It will require a direction from the House. We will shortchange stakeholders who have serious concerns about the fall economic statement. As we understand, there will be some tax measures put in that legislation that deserve to be scrutinized. There are lots of stakeholder concerns about Bill C-56, which we're not going to spend a lot of time on anyway.

Frankly, maybe we could make a deal and maybe the motion could be passed. If no one wants to take the nice approach and pass a unanimous motion, but their government is intent on having the political fight, maybe we could make a deal where the Minister of Finance would actually show up at the committee. I could be persuaded to abstain on a vote on the CPP if the Minister of Finance is going to actually appear on any one of the number of studies we have open, other than just showing up, as is the tradition, to pass legislation through committee.

Mr. Chair, I hope I've given my colleagues something to think about. If they are open to hearing, formally, that amendment, to reduce the political tension and get a nice moment where we all lock arms and send a message to the great people of Alberta about the Canada pension plan, I'd be open to moving that at the appropriate time.

However, Mr. Chair, as I say, call me an idealist, but I think we're going to miss a sincere opportunity to do some nation building and unifying for once, and instead continue down the path of sowing the seeds of division.

With that, Mr. Chair, I'll cede the floor.

The Chair: Thank you, MP Chambers.

We have MP Lawrence, please.

Mr. Philip Lawrence: Is there anyone after me, Mr. Chair?

The Chair: No, I don't think so.

Mr. Philip Lawrence: Okay. I'll cede my time to Mr. Deltell, and I'll go on this after.

The Chair: Okay. We have MP Deltell.

[*Translation*]

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Thank you, Mr. Chair.

I'm delighted to be participating in this debate at the finance committee. It's very kind of you to have me. I recognize a face from the environment and sustainable development committee. Greetings to him, and I want to publicly invite him to go for a spin, should he feel so inclined. Thank you.

[*English*]

Mr. Chair, I want to address some concerns about this issue, because we're talking about respect for the Constitution, and also respect for the will of each and every province. I think it's quite important, when we live in a confederation—this is what Canada is all about—that we respect the fact that, yes, some provinces can have their own agenda.

[Translation]

We do indeed have the Canada pension plan, but we also have the Quebec pension plan, which has a long history. It was established in the mid-1960s, following frank, honest, effective and successful negotiations, setting Quebec apart from the rest of Canada. It doesn't mean that people are happier or less happy, but it does mean that people have taken full responsibility for their choices and decisions, and we know how that's turned out. Soon, the plan will have been around for 60 years, and things seem to be going well. The original motion refers to the committee recognizing, "the important contribution of the Quebec Pension Plan which was established independently at the same time as the Canada Pension Plan". If things weren't going well, we would know, but they are, so that's good.

From our standpoint, it's important to respect the will of the provinces in certain areas of jurisdiction. That means having frank, constructive and fruitful discussions to create a win-win situation for Canadians. All of us here want to make everyday life better for Canadians. No one is here to create problems. We have opposing views on how to go about it, which, of course, is the whole basis of politics. We have differing views, but when ideas clash, good things come. That's how it should be, and we need to respect that.

These last eight years, we have seen this government's insatiable appetite to encroach on provincial jurisdiction. We saw examples of that recently in Supreme Court and other rulings on the federal government's ambitions in environmental matters. It's not for nothing that I brought this up earlier. I am on the environment and sustainable development committee. I am the official opposition's critic for the environment and climate change, so I am particularly attuned to the issue. This case sets the example. We can do things the right way, and we can respect one another's decisions and areas of jurisdiction. However, that wasn't the case when it came to the environment, in many respects.

I can hear my fellow members rushing to point out that the Supreme Court gave the federal government the right to legislate in relation to carbon pricing. The challenge to the Liberals' carbon tax went all the way to the Supreme Court, which ruled that the government had the authority to implement the tax. Just because the Supreme Court says you can do something doesn't mean you should. What happened next? The government's approach clearly did not have the intended result.

Need I remind my fellow members that, after eight years of this Liberal government lecturing the entire planet, Canada was ranked 58th out of 63 countries for its efforts to tackle climate change? That is a far cry from the Liberal rhetoric, which is all about preaching endlessly. That score did not come from the official opposition, the Conservatives, or some institute. It came from the UN, which nearly a year ago, ranked Canada 58th out of 63 countries, following eight years of Liberal rule. Clearly, the Liberals' policy is not having the intended results.

The reason I bring it up is Bill C-69, which a number of provinces took issue with, including Quebec. It contains provisions that are almost insulting to the collective memory of Quebeckers, with the federal government giving itself somewhat of a veto power over Quebec's hydroelectric projects.

• (1725)

Whenever I talk about it, I feel as though I'm divulging a secret that has unfortunately been kept for far too long. People are shocked when they find out. They wonder, "What's this all about?" Rivers are the site of hydroelectric projects, and rivers are under provincial—not federal—jurisdiction. What, then, is this power the federal government has given itself?

Section 7 of the Act created under Bill C-69 contains very specific provisions that allow the environment minister to subject major hydroelectricity projects to environmental assessments, should he be so inclined. Those projects are none of his business, though.

Quebec is quite fortunate to have everything it needs, geographically speaking, to unlock enormous green energy potential through hydroelectricity. We are obviously very happy about that. Shortly, I will go over some of the landmark moments culminating in Quebec's energy self-sufficiency and talk about how people in the forties and fifties had the vision needed to turn Quebec into a hydroelectricity powerhouse. That can be said of the seventies as well. We saw that same vision come to fruition recently, when the current premier inaugurated the Romaine hydroelectric complex, alongside the Honourable Jean Charest, Quebec's premier from 2003 to 2012 and the person who green-lit the project.

Through Bill C-69, the federal government gave itself the power to subject hydroelectric projects to federal environmental assessments.

Let me say this. Like an adult, Quebec carries out its own environmental assessments, and the system works. Of course, people will remember how certain assessments were carried out hurriedly. Everyone in Quebec obviously remembers when the Parti Québécois government unfortunately bypassed the environmental review process for the most polluting project in Quebec's history, the McInnis cement plant in Gaspé. The then environment minister gave the go-ahead to the most polluting project in history.

That was a sad day, indeed. Need I point out who the environment minister at the time was? No other than the current member for Chambly, the leader of the Bloc Québécois. Dear friends, now when you hear the leader of the Bloc Québécois preaching about the environment to everyone who doesn't think like he does, remind him that he was the most polluting environment minister in Quebec's history.

All that to say, Quebec is capable of carrying out its own environmental assessments of hydroelectric projects. Why, then, did the federal government empower itself to redo what Quebec has already done? Going through the process a second time is absolutely pointless. It goes much further than that. As far as we're concerned, the environmental experts who analyze—

• (1730)

Mr. Gabriel Ste-Marie (Joliette, BQ): I have a point of order, Mr. Chair.

[English]

The Chair: Yes, on a point of order, MP Ste-Marie.

[Translation]

Mr. Gabriel Ste-Marie: I think the honourable member misled the committee when he was talking about Mr. Blanchet.

When Mr. Blanchet was environment minister, the project that was announced didn't look anything like the project that was launched under the Liberal government in Quebec City. What the member said is incorrect, just like the disinformation in the Conservative Party's ads on social media.

Thank you, Mr. Chair.

[English]

The Chair: It's not a point of order, but if MP Deltell would like to clarify [Inaudible—Editor].

[Translation]

Mr. Gérard Deltell: Mr. Chair, I would remind the honourable member for Joliette that, unfortunately, his leader was the environment minister when those decisions were made.

On a similar point, I want to highlight that barely a few weeks ago, the members of his party were very excited in the House at the mention of Anticosti Island being named a UNESCO world heritage site. The honourable member was delighted. He may not recall, however, that the current leader of his party was prepared to allow exploratory oil drilling on Anticosti Island when he was environment minister. That, too, reflects poorly on the member.

Mr. Gabriel Ste-Marie: I have a point of order, Mr. Chair.

[English]

The Chair: We have a point of order.

[Translation]

Mr. Gabriel Ste-Marie: Again, the honourable member enjoys misleading the committee. What the previous Quebec government sought out to do was provide an overview of the situation—not to pursue industrial development of the resources, but to document the existing resources. That's not at all the same thing.

Thank you.

[English]

The Chair: *Merci*, MP Ste-Marie.

Mr. Philip Lawrence: I have a point of order.

The Chair: It's not a point of order, but I'll ask MP Deltell if he would like to clarify.

It's up to you.

On a point of order, MP Lawrence.

Mr. Philip Lawrence: Thank you.

[Translation]

That is not a point of order.

[English]

The Chair: That's correct.

It's up to MP Deltell if he'd like to clarify.

[Translation]

Mr. Gérard Deltell: Mr. Chair, the reality is the reality. If the government didn't plan to develop the resources, why exactly did it carry out an assessment? That's what I want to know.

Now, let's get back to a very important point, the fact that this government empowered itself to do what the provinces were already doing. It's duplicating the process that is already taking place. As far as we're concerned—this is the point I was making, and the member for Joliette will no doubt agree—the experts at the Bureau d'audiences publiques sur l'environnement du Québec are just as skilled as the environmental experts in Ottawa. They are experts, so why do the work twice, if not to delay projects?

Goodness knows that, as we speak, we need green energy and we need hydroelectric projects. The matter is currently being debated in Quebec society, and that's a good thing. Although I stay out of matters that fall under provincial jurisdiction, I must say that I would welcome Quebec building more hydroelectric dams and enhancing its incredible hydroelectric capacity. The very nature of our territory—our geography, our waters—gives us the good fortune of having rivers that fuel this tremendous energy, and so much the better.

Why, then, is Ottawa getting mixed up in things that are none of its business? Unless we build a dam on the St. Lawrence Seaway, it doesn't concern Ottawa—not that I think there would ever be a dam on the St. Lawrence Seaway, anyway. I'm sure the member for Joliette would agree.

We see the federal government's insatiable appetite to interfere in matters that are none of its business. From where we stand, being in a confederation means respecting every province's desires and aspirations for development, in keeping with the Canadian Constitution—and that's how it should be.

Bear in mind that in the forties and fifties, when Quebec undertook large-scale studies and projects to develop its hydroelectric capacity, Ottawa got involved. We have to recognize that, at the time, the provincial authorities were also—

• (1735)

Ms. Rachel Bendayan: I have a point of order.

Mr. Gérard Deltell: —competent and strong, ensuring that things were done the right way.

Ms. Rachel Bendayan: I have a point of order, Mr. Chair. While this back and forth between the Bloc Québécois member and the Conservative member is fascinating, as is the review of Quebec's hydroelectric history, I think the discussion has veered away from the Conservative amendment on the table and the original motion, which—may I remind the committee—pertains to pensions.

Also, I want to take this opportunity to reach out to my Conservative friends. I understood from Mr. Chambers' comments that if the minister agreed to appear before the committee as part of a separate study, not a study on the bill, we could move to a vote and the Conservative members would abstain. I was sure I heard Mr. Chambers make that offer.

I checked on my end, and I have confirmation that the minister will appear before the committee to answer questions in connection with a study, not the bill, on December 7.

Thank you.

[*English*]

The Chair: Ms. Bendayan, that is not a point of order.

MP Deltell, please.

[*Translation*]

Mr. Gérard Deltell: Thank you, Mr. Chair.

I want to thank the member for Outremont for her comments. She is well aware that I have the utmost respect and esteem for her. It always surprises me that certain members of her party are ministers and yet she is not. Obviously, that reflects on the Prime Minister's judgment, but that's another story.

The member for Outremont's motion says, word for word, that the committee "recognizes the important contribution of the Quebec Pension Plan which was established independently at the same time as the Canada Pension Plan". It illustrates that a province is able to do one thing and the federal government, another. That is not what the federal government is in the habit of doing, however. Let's take a closer look. Some will argue that things are fine and Ottawa minds its own business, but I don't think so.

Luckily, in the forties and fifties, Quebec wanted to fully develop its hydroelectric potential, and that led to the province becoming a green energy powerhouse.

I will never apologize for being the environment and climate change critic or sharing with my fellow committee members the historical events that turned Quebec into what is now an energy powerhouse. Hydroelectricity is a powerful green energy not just for Quebec, but also for Canada as a whole. It came about because people made important decisions.

In 1944, the Liberal government announced the creation of Hydro-Québec and nationalized the Montreal Light, Heat and Power Company. The Beauharnois power plant already existed, but through expansion, its energy production tripled in the forties and fifties.

Great projects followed, projects that seem to have gotten lost in the collective history of Quebeckers, unfortunately. They were nevertheless present, as the full potential of the Bersimis river was realized. The project was extraordinary, literally blazing new trails. To give you a sense of the area, you go up the north shore till you get to about Forestville. You go about 100 kilometres inland, and there, in the middle of the forest, you'll see the Bersimis river. Two super-powerful hydroelectric dams were built in 1953 and 1956, and 70 years later, they are still in operation. A vision for the future was

laid out in the 1970s, and this potential was fully realized under the leadership of Hydro-Québec, a Crown corporation.

At the same time, the North Shore was also home to a thorough assessment of the extraordinary potential of the Outardes and Manicouagan rivers, which run alongside one another. At the time, the assessment revealed that the rivers could accommodate seven hydroelectric dams. After recalculation, it was determined that six dams would ultimately be built. If anyone ever tells you that they've been to the Manic-4 dam, they are lying, because no such dam was ever built. Manic-1, Manic-2, Manic-3, Manic-5, Outardes-1 and Outardes-2 were built. That hydroelectric potential was realized in the fifties. Studies were carried out, and construction of the iconic Manic-5 dam was green-lit in 1958. It remains one of the greatest achievements in the minds of Quebeckers. It is a source of great pride for the nation, in particular, and rightfully so.

The same can be said of other initiatives to assess hydroelectric potential and build plants, including the one on Highway 50, the Carillon generating station, inaugurated in 1962 by René Lévesque, then minister of hydraulic resources. There's actually a great picture of René Lévesque with his son that was taken by photographer Antoine Desilets, the father of Luc Desilets, the member for Rivière-des-Mille-Îles, if memory serves me correctly. I have to give him a shout-out.

Quebec was able to develop its hydroelectric potential in the forties and fifties, and again, in the seventies with the great James Bay hydroelectric project. Let's not forget it was the subject of quite the debate at the time, with some arguing that the development wasn't necessarily a good idea and that it was better to pursue nuclear energy. That argument, which is perfectly legitimate, was put forward at the time.

Some rather peculiar statements by today's standards were made then. One commentator said it wasn't necessarily smart to erect a dam on every single Catholic French-Canadian river. The person who made that statement—which I repeated off the top of my head, but you get the gist—was no other than Jacques Parizeau, who, as we know, was very helpful to Quebec in other ways.

The reason I bring this up today is to remind members that when provincial jurisdiction is respected, great and wonderful things happen.

● (1740)

Hydroelectricity is a good example of that, but unfortunately, this federal Liberal government wants to encroach on areas that are not under its jurisdiction. We saw that in the case of hydroelectricity in Quebec. As the environment critic, I am extremely proud to talk about this enormous green energy potential. We also see that in today's motion, which recognizes the important contribution of the Quebec pension plan as well as the Canada pension plan.

At the time, there were discussions, debates and a bit of a tug-of-war, if you will. That is perfectly legitimate and entirely normal in a democracy. It worked out, as we see, because the will of the provinces was respected. The federal government needs to do its job, which is bringing people together and acting within its jurisdiction. If the provinces happen to have their own projects, the federal government needs to respect that. That's what happened in the case of the pension plans and hydroelectricity. With this government, though, we see a constant appetite to erode the current sector. That causes tension with the provinces but doesn't move anything forward.

I will leave it there. I wanted to share a different take on this debate. The principle is the same: the country is much better off when provincial jurisdiction is respected.

Thank you.

The Chair: Are you done, Mr. Deltell?

Mr. Gérard Deltell: I may want to quickly read an article. In English, the headline more or less reads as follows: Drilling on Anticosti Island a good thing, says Minister Blanchet. The article was written by Paul Journet, an eminent journalist whose reputation is unassailable.

You look a little confused, Mr. Chair, so I can tell this is your first exposure to Mr. Journet. However, I do know that others here are familiar with him, including the member for Outremont, who knows him quite well. I do too, since he is an old colleague from my days as a reporter at the National Assembly of Quebec.

In a June 8, 2013 article in *La Presse*, Paul Journet wrote something along these lines:

The regulations to protect water during drilling activities won't necessarily prevent oil exploration on Anticosti Island, and that's a good thing, according to environment minister Yves-François Blanchet.

He is, of course, referring to the current leader of the Bloc Québécois.

• (1745)

Mr. Gabriel Ste-Marie: I have a point of order, Mr. Chair.

The Chair: Go ahead, Mr. Ste-Marie.

Mr. Gabriel Ste-Marie: I want to remind the honourable members of the committee that the government of the day's goal was to map the existing resources by way of drilling. It wanted to quantify how much was there in order to frame the debate. Mr. Blanchet, the environment minister at the time, wanted to find out whether there were indeed resources. His thinking was that the quantity of resources wasn't significant, which could put an end to the debate.

The real purpose was exploratory drilling. As for how distinguished journalist Paul Journet was able to report the comments—

[*English*]

The Chair: Thank you, MP Ste-Marie.

It's not a point of order. We give a lot of latitude, but maybe MP Deltell would like to clarify that.

MP Deltell.

Mr. Philip Lawrence: I have a point of order.

[*Translation*]

Mr. Gérard Deltell: May I remind the member that the article's headline proclaimed that, according to Minister Blanchet, drilling on Anticosti Island was a good thing?

[*English*]

The Chair: Okay, MP Deltell.

I have nobody left on my list.

MP Lawrence.

Mr. Philip Lawrence: My apologies, Mr. Chair, but I did mention when I ceded the time that I'd like to go on.

The Chair: I'm sorry. I had you before MP Deltell, and then I didn't realize that you were coming on again.

Mr. Philip Lawrence: It's all good. We're all friends here at the finance committee.

The Chair: Go ahead, Mr. Lawrence.

Mr. Philip Lawrence: We've had lots of substance here, but I wanted to add a little more substance. I have some materials that I think are critical to add to the debate.

I'll start out with a respected reporter, John Ibbitson. I won't read his entire article, though it probably merits doing so. For the sake of brevity, I'll just read parts of it.

He starts by saying that Prime Minister Trudeau could point to some “accomplishments”, and then says, “every prime minister's highest priority should be to leave the federation stronger, or at least not weaker, than [he] found it.” It says, “By that measure”—and these are Mr. Ibbitson's words, not mine—“Mr. Trudeau's tenure has been a failure.” He continues, “Alberta Premier Danielle Smith, whose United Conservative Party was elected on a platform of challenging Ottawa, is threatening to pull the province out of the Canada Pension Plan. While we can debate whether the LifeWorks assessment of how much of the CPP's assets Alberta would be entitled to—or that of [the] University of Calgary economist Trevor Tombe, or some other formula—the fact remains that the pension plan in particular, and Canadian unity in general, would be [weaker] were the province to leave.”

The article goes on to say, “It's not surprising, then, that Mr. Trudeau would come to the defence of the CPP. What is surprising is [his] depth of...hostility.”

The article states that Prime Minister Trudeau wrote to Ms. Smith and said, “I have instructed my cabinet and officials to take all necessary steps to ensure Albertans—and Canadians—are fully aware of the risks of your plan, and to do everything possible to ensure the CPP remains intact”.

That's interesting. The article goes on to quote Mr. Trudeau as saying, “We will not stand by as anyone seeks to weaken pensions and reduce the retirement income of Canadians.” Ms. Smith, in turn, dismissed the Prime Minister's warning as “overwrought.”

It states, “Employment Minister and Edmonton MP Randy Boissonnault further manifested Ottawa's get-tough approach [on] Sunday, when he warned on CTV's *Question Period* that if Albertans leave...CPP, 'it's a one-way ticket.'”

Mr. Ibbitson's article goes on to say, “There is no need...to panic. We are a long way from Alberta pulling out of the CPP. The province's former treasurer, Jim Dinning, is [a] leading public [consultant], which may or may not lead Ms. Smith to call a referendum on the issue. Federal Conservative Leader Pierre Poilievre has urged Albertans not to leave the plan, while sympathizing with their frustration.”

It goes on to say, “But it's worth pausing to reflect on the damage Mr. Trudeau has inflicted on Canadian unity after eight years in power.”

I hesitate because I don't want to overstate this, but it's been a pattern of the Prime Minister that when this nation is at its most vulnerable, instead of being a great unifier, he becomes the great divider, whether that's with respect to personal health independence or, in this case, with respect to the CPP. The Prime Minister has the choice to be either a statesman or a politician, and clearly he's chosen the latter. He has once again put his own personal interests above those of our country.

This is the most damning of criticism of any leader because for any leader to even be in the ballpark of successful, they must put their country first, as many prime ministers in the past have, even ahead of their own political ambitions and even over the ambitions of their parties. This is clearly not the case.

That's what's really troubling about what this motion is all about. My colleague Mr. Chambers said that we could walk out today with a unifying motion that the NDP, the Liberal Party and the Conservatives could all agree to, which would encourage Albertans to stay as part of the CPP.

• (1750)

Instead, the Liberal Party has chosen to amplify this Prime Minister's message of division. This should cause self-reflection, I would think, by everyone at this committee, not the least of whom is the NDP member who, instead of being a force for collaboration and unity, is instead encouraging amplifying division.

I will continue to read:

Progressive centralizers in Laurentian Canada tell each other that Ottawa must act on this or that “in the national interest.” But the national interest is emphatically not served if their actions anger large swaths of the country.

When the Liberals won their majority government in October, 2015, they had a golden opportunity to reverse decades of Liberal unpopularity in the West. The Grits had taken 17 seats in British Columbia, seven in Manitoba, four in Alberta and one in Saskatchewan. They were well placed to grow that vote with policies that consulted rather than dictated, that recognized the importance of the resource-based Western economy and that respected the distinct societies of the Prairies and B.C.

Mr. Trudeau inherited a federation at peace. In Quebec, the Parti Québécois was out of government and in decline, and the federal Bloc Québécois was decimated, having taken only 10 seats in the 2015 election. Things were quieter on the federal-provincial front than at any time since the 1950s. Surely this was a time to strengthen national bonds – between English and French, between the Heartland and the West.

Eight years later, the Bloc is resurgent, with 32 of Quebec's 78 seats. Coalition Avenir Québec Premier François Legault is stoking French-English tensions, most recently by almost doubling out-of-province tuition for students attending English universities.

And Alberta is perhaps even more estranged. If the government did hold a referendum on withdrawing from the CPP, it would in reality be a referendum on increased sovereignty for the province.

Meanwhile, and not coincidentally, polls suggest the Conservatives would trounce the Liberals if an election were held today.

I'm honestly not concerned with the politics of the day. Polls will come and go. Liberal governments will come and go, Conservative governments will come and go, and maybe one day an NDP government will come and go. However, we have, as members of Parliament, a sacrosanct responsibility to our country, which I firmly believe is the greatest country in all the world, to do everything in our power to put it first.

Our country is starting to fray, not at the edges, but at the main seams that hold us together. The Prime Minister could have handled this very differently, but that cat is out of the bag, so there's nothing we can do there. However, this finance committee can still do the right thing. Instead of going for political points, maybe for a story here or there, I don't know, it might even help the Liberal Party. I don't know. I don't think it would, but maybe their calculus in the PMO is that it somehow helps them.

We've got to have our eye on the long game on national unity. There simply are not many objectives that are more important than national unity. The scars this government has been creating with respect to division will long outlast this government.

Honestly, in all candour, I have respect for my colleagues across the way. I got to know them a little bit on the trip and I know them to be intelligent, respectful, good people. I would just tell them to talk to the PMO and say, this is an opportunity, I think, even to win politically, to look like the bigger party in a unifying way, but know that this is creating damage. To get a story here or there, continuing to inflict pain and to create division among our country, just isn't worth it, guys.

• (1755)

I'll continue on here. Mr. Ibbitson continues:

What went wrong? In a word: bossiness. The Liberals imposed conditions on the provinces before granting health funding. They imposed a carbon tax on provinces that didn't meet carbon-reduction targets. Bill C-69 imposed such intrusive conditions on resource development that the Supreme Court ruled the law unconstitutional.

The Liberals decided that national priorities justified using...spending power to dictate terms to the provinces. They were willing to let the Prairie oil-and-gas sector suffer in order to meet [their] carbon reduction targets. The result: increasing resentment toward Ottawa across the country. This is Canada today, on Justin Trudeau's watch.

Once again, I know that we all have pressures, and the pressure to win on the latest face-off or the latest scrimmage is powerful, as is getting that great social media clip where you're taking a shot at the Conservatives, and you feel good in the moment. To somehow spike the ball on Danielle Smith is perhaps because, as my colleague said, they see that as a richer target, or a better foil than our official Leader of the Opposition.

These jobs that we have are serious. They come with incredible consequences. We have a choice every day in every action we take. Either we can be a voice of reasonability, a unifying voice, a voice for a better Canada or we can go for the cheap political points.

The Chair: MP Lawrence, we will be suspending now for about an hour.

• (1755) _____ (Pause) _____

• (1900)

The Chair: We are back.

My list reads that we left off with MP Lawrence.

MP Lawrence, you have the floor, and you're speaking to the amendment to the motion.

Mr. Philip Lawrence: Just because we are coming back from a break, would you mind, Mr. Chair, reading the proposed motion with the amendment?

The Chair: It reads:

That the Chair of the Committee immediately report to the House that the committee:

- 1) Celebrates the Canada Pension Plan as a foundation of a secure and dignified retirement for tens of millions of Canadians and a pillar of Canada's economy;
- 2) Recognizes the important contribution of the Quebec Pension Plan which was established independently at the same as the Canada Pension Plan; and,
- 3) Stands with the majority of Albertans who are opposed to Premier Danielle Smith's dangerous plan to withdraw from the Canada Pension Plan that threaten the pensions of millions of seniors and hardworking Canadians from coast to coast.

The amendment reads:

That point 3 of the motion be deleted and substituted by:

This Liberal government's policies such as the carbon tax and Bill C-69 are leading to greater division in our country.

That is the motion and the amendment.

Mr. Philip Lawrence: Thank you very much.

I appreciate that, Mr. Chair, to set the stage, as it were.

I'd like to welcome my colleague Mr. Kurek, who is joining us today. I believe Mr. Genuis will be joining us as well in a little bit.

As I left off, a politician often has the choice—and a leader, a prime minister, even more so—between being a statesman and being a politician. A statesman will always do what's in the best interests of the nation. A politician will sometimes take the opportunity to score political points. I think we've seen what course Prime Minister Trudeau has taken. As a member of Parliament, but more importantly as a Canadian, I do find that very disappointing.

It is, of course, a legacy. As Mr. Ibbitson said in his article, in 2015 the Liberals actually came in with some representation from

the west, but that's been quickly being eliminated. In politics, things can change in the blink of an eye, but as of now it appears as though if the election were held today, there would be very, very limited representation from the Liberal Party and it's not healthy.

We really want to have at least two national parties that can speak for the entire country. I suppose the Prime Minister has calculated that there's some type of electoral victory he can gain by disenfranchising Alberta, by picking a fight with the premier and by treating Albertans unequally when it comes to the carbon tax exemption. I can't for the life of me honestly understand even the politics of how they're going to gain any popularity from picking a fight with the premier.

Even in this committee, unfortunately, members have chosen to pick a fight. Conservatives are very agreeable, actually, to having an amended motion that would say something to the effect that we would encourage Albertans to stay in the CPP, but instead, they've chosen politically charged language naming their premier specifically and sort of creating a political firestorm. Maybe they want to have stories written about it. I can't guess why, but all it will do to Albertans, I'm sure, is infuriate them that once again the Liberal government is choosing not to acknowledge them.

It's been going on for about, what, 50 years, Damien, that Alberta's...? It goes back to the first Trudeau and the national energy plan. I know I said that and I know it's a swear word to my two Albertans here, but—

Mr. Damien Kurek: There are three.

Mr. Philip Lawrence: There are three. I'm sorry. Why don't you jump in here? It's good to see you, my friend.

It truly is challenging.

I actually want to go back to provide some foundation. My team found a great article written around the time of the inception of the Canada pension plan. I'll read some of it and make some comments as I go:

A major landmark in the development of Canada's social security system was reached in April 1965, when the new Canada Pension Plan was enacted. The law establishes, for the first time, a contributory system of earnings-related old-age, disability, and survivor insurance benefits in Canada. It was assented to on April 3, 1965, and...proclaimed on May 5. The collection of contributions under the new program will commence in January 1966, and retirement benefits will first become payable in January 1967.

The effect of this new legislation is, in general, to superimpose a system of contributory wage-related retirement pensions on top of [an] existing system of universal flat-rate old-age pensions, which is retained and, in fact, expanded. The new retirement pensions will be equal to about 25 percent of earnings at the end of an initial transitional period of 10 years.

• (1905)

In addition, contributory disability and survivor pensions are introduced; such pensions have previously been provided in Canada only to needy persons on an assistance basis.

All the new insurance benefits will be financed from contributions paid by insured persons and employers. The new Canadian social insurance program is similar in significant respects to the Federal old-age, survivors, and disability insurance (OASDI) program of the United States. There are, however, a number of important and interesting differences between the two systems. Some of the similarities and differences are pointed out in the course of the discussion below.

Previous Legislation.

Canada has had Federal legislation dealing with old-age assistance since 1927. Similar legislation providing assistance for blind persons was adopted in 1937 and revised in 1951, and assistance to permanently and totally disabled persons was first provided in 1955. These assistance programs are similar in many ways to those in the United States. They are, in effect, cooperative Federal-Provincial programs, under which the Canadian Government makes grants to the Provinces covering a part of the cost of the Provincial programs. These programs were established and are administered by each Province separately.

At present the Federal Government pays 50 percent of the payments up to \$75 a month to persons with limited means aged 65-69. It also shares in the cost of payments of up to the same amount under the programs for permanently and totally disabled persons and blind persons who pass a means test. In addition, the individual Provinces often make supplementary payments under their general assistance programs, the costs of which are shared by the Federal Government under the Unemployment Assistance Act of 1956. All of these assistance expenditures are financed from general revenues of the Federal and Provincial governments.

The Provinces, for a number of decades, have also been providing assistance pensions to needy widowed mothers. The Federal Government does not participate in the cost of these pensions, but proposals to do so have been made under the Canada Assistance Plan now being developed. The new assistance plan, which would consolidate and improve existing programs, has already been the subject of formal Federal-Provincial discussions.

That's interesting. Even in 1965, they saw the merit of having discussions with the provinces, not dictating to the provinces. There was a collaborative or co-operative approach. The article continues:

The Old Age Security Act, passed in 1951, established a national system of universal flat-rate old-age pensions, administered entirely by the Federal Government. Before the 1965 legislation, this program provided for payment of a flat pension to every person who reached age 70 and who satisfied certain minimum requirements regarding length of residence in Canada. The amount of the old-age pension was originally fixed at \$40 a month.

I did have discussions with interpreters that sometimes they found it hard when members were reading text. I'm aware I'm reading text. Am I doing all right, interpreters? Am I good, yes? Do I need to slow down? Are we good? Maybe thumbs up, yes? I want to make sure we're okay. If I need to slow down, let me know. Again, the article continues:

The program of universal old-age pensions is financed out of a special old-age security fund set up in the general consolidated revenue fund of the Federal Government. The old-age fund receives its income from the earmarked yields of three taxes—a 4-percent tax on taxable income up to \$3,000 a year for all individuals; a 3-percent tax on all corporate income subject to the corporate income tax; and a 3-percent tax on manufacturers' sales.

● (1910)

I assume my NDP colleague would like that. Manufacturing sales have been replaced by the GST. It's amazing it's still around, because the Liberals said that they were going to get rid of it. It continues:

The universal flat-pension program provided for by the Old Age Security Act will continue in force concurrently with the social insurance program enacted in 1965. The basic nature of the flat pension remains essentially unchanged, but certain modifications have been made in the age at which it is payable, in its adjustment to price changes, and in its residence requirements.

The subtitle is:

LEGISLATIVE HISTORY OF CANADA PENSION PLAN

The Canadian Government had been studying the possibility of introducing a contributory pension insurance program for a number of years. In 1950 a Joint Committee of the Senate and the House of Commons on old-age security was formed to review the existing old-age pension program, which operated with a means test and was subject to widespread criticism. After hearing testimony on a contributory and earnings-related insurance program, the Committee unanimously recommended a universal flat-rate pension beginning at age 70, as well as a Federal-Provincial old-age assistance program for persons aged 65-69 with limited means. The Old Age Security Act and the Old Age Assistance Act of 1951, both of which became effective in January 1952, followed closely the Committee's recommendations.

The Federal Government in 1958 engaged Dr. R. M. Clark "to conduct an inquiry into facts relating to old-age security systems in effect in Canada and the United States." His report—*Economic Security for the Aged in the United States and Canada*—contained no recommendations. It was presented to the Government early in 1959.

In July 1963 the Government submitted a resolution in the House of Commons and issued a supporting statement indicating its intention of enacting a contributory pension plan. The plan originally provided only for retirement pensions and pensions for aged survivors, in recognition of doubts that had been expressed about the constitutional competence of the Federal Government, under the British North America Act, to provide disability benefits and benefits for survivors under age 65. The plan thus limited was incorporated in a bill (C-75) that was given first reading in March 1964.

The Province of Ontario meanwhile had adopted a law in April 1963 requiring every private employer in the Province who employed 15 or more workers to maintain for them a pension with certain vesting provisions. (Under amendments adopted in 1964, maintenance of such a plan is no longer mandatory.) The Province was also studying the possibility of establishing a public pension for Ontario.

The Province of Quebec began developing a pension plan in August 1963, and in April 1964 it announced the details of its own pension insurance program.

So you see, provinces starting their own pension plan is neither new or novel. In fact, this is a dialogue that's been going on for over 60 years. The article continues:

Other Provinces also evidenced considerable interest in pensions—a subject of concern to them not only for itself but because of its implications for savings and capital accumulation.

The various developments at both the Federal and Provincial levels made necessary extensive consultation, therefore, between the Federal Government and the Provincial governments on the subject of pension planning. Four formal Federal-Provincial conferences were held during 1963 and 1964 at which the subject was discussed, including the proposals made by the Federal Government.

● (1915)

In June 1964, agreement was reached with the Provinces for amendment of section 94-A of the British North America Act to empower both the Canadian Parliament and the Provincial legislatures to enact legislation concerning survivor and disability [benefits] as well as... The Canadian Constitution now authorizes the Federal Parliament to legislate concerning all three types of pensions, but it also provides that Federal legislation shall not affect the operation of any present or future Provincial legislation dealing with pensions.

On the...Federal-Provincial negotiations...the Department of National Health and Welfare of the Federal Government in August 1964...a White Paper—The Canada Pension Plan. This document outlined and explained the pension insurance program that the Government was advancing.

The substance of the White Paper proposals was incorporated in a bill (C-136), which was introduced in the House of Commons for first reading on November 9, 1964. After second reading on November 18, the bill was referred to a Joint Committee of the Senate and the House of Commons. The Committee recommended certain substantive changes, as well as a number of technical changes. The Government approved and took action on most of these recommendations. The revised Canada Pension Plan...was subsequently passed in the House of Commons on March 29...on April 2. It received Royal Assent on April 3, 1965.

I'm starting with the history here. You can see that, in the formation of the CPP, it was not simply a federal government dictating to the provinces. In fact, it was occurring organically across the nation in various provinces, including Ontario and Quebec. Once again, it wasn't just the federal government dictating to the provinces, "This is how we're going to go." A spirit of collaboration and co-operation built the CPP into being the trusted source of retirement income Canadians can rely on. The Prime Minister's divisive rhetoric on this is quite a departure from the history of the CPP.

I stand ready to continue, but I understand that my colleagues also want to talk. I often tell my son when he's playing minor hockey that it's important to pass the puck to make sure that other people have their opportunity to shine as well.

With that, I cede my time, but I would like to be put back on the list, Mr. Chair.

• (1920)

The Chair: Thank you, MP Lawrence.

I have MP Majumdar, MP Kurek, MP Blaikie and MP Lawrence.

Mr. Shivaloy Majumdar (Calgary Heritage, CPC) Chair, it's a real honour to be able to join you and all of the members of this committee here. It's nice to meet many of them for the first time. As the rookie in Parliament, it's a real special place, to be in the company of so many tenured people.

Today is a really important debate in the finance committee. It's affecting my own province of Alberta, which is a part of the country that was a big part of the solution in recovering from the 2008-09 global financial crisis. It's a part of the country that fuels, feeds and supports our national economy as the backbone of our success as a country. That can only happen if it has a partner in a federal government that understands how national unity works and is an ally to our energy sector, to the energy workers and to the people who do great work every single day across a range of issues.

As I think about what we're here to debate, after eight years of Justin Trudeau, provinces have actually never been as divided. This government inherited a legacy of national unity and of a country confident about its future. It has found a way to pit one group against another and traffic in identities, with one region against another. Provinces are planning to just not collect the carbon tax because of their prime minister's unfair application of a temporary pause. His Liberals voted just against a common sense, fair motion to extend this temporary pause to all Canadians.

I have constituents who I now represent who called and told me that they might be losing their house at the end of this year. Their costs are going through the roof; their mortgage is out of control. They have three children they're trying to feed and put through school. They asked why only one part of the country gets relief

from this painful carbon tax. Why, in our own backyard in Calgary, do we not feel like we are eligible for that kind of relief?

Provinces have also taken the federal government all the way to the Supreme Court to fight their unfair energy policies. They are at the natural resources committee now trying to ram through another bill that is bad for Alberta, which is Bill C-50, the unjust transition bill.

With this bill, I think there's some expertise we could reflect on that is non-partisan and comes from a place of love for country and the unity we represent. I'd love to take a minute here, with your permission, Chair, to explain some of the thinking that came to us as early as last year.

One of the greatest scholars in this country is a woman named Heather Exner-Pirot. She's at the Macdonald-Laurier Institute. She's a senior fellow there who leads on Arctic, energy and critical minerals. She's one of the most important thinkers of our time. I can say she's a dear friend and former colleague of mine.

Back in May, 2022, she published a really important article entitled "Ottawa's 'just transition' needs to be challenged for encouraging fantasy around oil and gas". I think that says something. It's about a government that divides Canadians on the basis of region and traffics in fantasies that undermine a wellspring of support for this country.

Our energy industry has the capacity to lower international emissions if we could only get other countries off dirty coal. Our energy has the ability to partner with first nations in true economic reconciliation in this country. Our energy sector would have the capacity to fund whatever entitlements the Prime Minister and his NDP-Liberal partner, Mr. Singh, would invent next. It would rebuild our armed forces. It would defeat Russia, Iran and China in their ambitions to have hegemony around the world.

I think her article is quite apt and worth paying attention to. Let me share it with colleagues around the table at this point. She writes:

A fantasy has emerged in Canada called a "just transition." In this paradigm, the transition from dirty fossil fuels to clean, renewable energy in the form of solar panels and windmills will create a prosperous, low-carbon future with a thriving green economy. Taking action now will make our economy stronger and more competitive.

The catch is that workers and communities who depend on the oil and gas sector will be disadvantaged. The "just transition" ensures no one is left behind, with workers given the supports to succeed in other, more sustainable, fields. So committed is the federal government to this version of reality, that it is planning to introduce legislation in its name, to codify its "people-centred just transition principles."

We've heard "peoplekind" before. Maybe that's not her intention or what the intention was in the preamble for this legislation.

• (1925)

She continues:

The first and most obvious challenge to this premise is that there isn't much of a transition yet. Global demand for oil and gas is as high as it has ever been. Whether you think this is good or bad, it is a fact. Years of underinvestment in production, now topped with sanctions on Russia, mean that prices for LNG and refined products are at record levels. Energy experts think crude oil will soon hit \$180 a barrel or higher. Even if demand does eventually match up with supply, it still makes sense for the western world to maintain some production of its own, instead of relying on OPEC and Russia. Canada, by far the world's biggest oil exporter that is a democracy, should be the last man standing.

Furthermore:

It seems almost farcical to dedicate legislative effort and taxpayer dollars to training programs for unemployable oilpatch workers, or to help oil and gas regions become economically viable. Canada has never exported more crude and bitumen than it does now, buoyed by the recent completion of the Line 3 pipeline, the reversal of the Capline pipeline, and global markets taking whatever we could muster. But labour, especially experienced labour, is a constraining factor, and is hampering growth, even with wages at three times or more the Canadian average.

These are high-quality jobs that Heather is describing, with people wearing boots, vests and hard hats and getting things done for this country. She adds:

The joke is they need to start retraining coders to become drillers.

This is an argument she's making pitched to modern reality:

Critics might concede that, yes, although there is a temporary reprieve in demand, in order to save the planet we need a transition, the sooner the better. The idea seems to be that we can, or should, stop using petroleum products, and any oilsands project or pipeline we build now is destined to become a stranded asset. This is the fantasy that "just transition" encourages. But it needs to be challenged.

Thank God Heather is doing that challenge here, in stating:

The average Canadian thinks of petroleum use in terms of pumping gas into their vehicle, and therefore subscribes to the fallacy that when we all drive electric vehicles, the need for fossil fuels will disappear. But there are infinite uses for hydrocarbons. They are an incredibly flexible, available, and useful molecule, and even when we stop using them for combustion

Mr. Yvan Baker (Etobicoke Centre, Lib.): I have point of order, Chair.

The Standing Orders require that during the debate all members speak to the topic at hand. The topic at hand is the motion and the amendment to the motion. I don't see the relevance of what the member is speaking to as to the amendment.

The Chair: On the point of order, yes, could we just speak to the relevance of the motion or the amendment, please.

Mr. Jasraj Singh Hallan (Calgary Forest Lawn, CPC): I have a point of order, Chair.

The Chair: On a point of order, Mr Hallan.

Mr. Jasraj Singh Hallan: I think it's very relevant given that we are talking about the amendment that this Liberal government's policies such as the carbon tax and Bill C-69.... When we say "This Liberal government's policies" in the amendment, I think it encapsulates everything my friend and colleague is so eloquently talking about. Even inside the amendment it says that these kinds of policies are leading to greater division in our country. He's making a case for how divided Canada is after eight years of this Prime Minister. I think it's very relevant.

The Chair: On the same point of order, MP Blaikie.

Mr. Daniel Blaikie: I do agree. I think a number of these things are covered in the amendment. However, I do find passing strange that Conservatives at this table have spent more time talking about the elver eel population in Atlantic Canada than they were prepared to spend talking about the CPP before they moved an amendment so they could talk about something else. I'm just saying this.

• (1930)

The Chair: We'll go back to MP Majumdar.

On a point of order, MP Genuis.

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Thank you.

I was about to raise a question of privilege that my point of order wasn't being recognized. I know how much members at this committee have expressed their appreciation for those types of points in the past.

It is great to be here with colleagues.

On a point of order, I think you'd find unanimous consent to commend the member for Calgary Heritage for his excellent remarks so far.

He's certainly doing a much better job representing the people of Calgary than the chair of the natural resources committee, who was repeatedly trying to shut down the interventions of Conservative members who were simply trying to defend our beloved province.

I think the member is speaking to the unity that used to exist in this country, the unity that sadly no longer exists after eight years of this Prime Minister, who is no longer worth the cost.

Ms. Rachel Bendayan: On a point of order, Mr. Chair, I think it's quite clear that Mr. Genuis is not raising a point of order. As much as I have heard about this fantastic filibuster that the Conservatives are engaged in at the natural resources committee, this is the finance committee, and before the finance committee at the moment is a motion on the Canada pension plan.

The Chair: We're talking about the motion, yes, but we are going to go back to MP Majumdar.

The floor is yours, MP Majumdar.

Mr. Shuvaloy Majumdar: I appreciate the guidance that I'm getting from colleagues around the table. It shows you, Mr. Chair, that they underestimate the essential use that Canadian energy has to the national unity of Canadians, the health of their retirement and their savings, and how misguided their amendment to the motion has been. It's something that I think is absolutely relevant to get into, in terms of understanding the power of our energy sector and the ways it can be used to ensure the pensions of all Canadians.

If we had national unity around these issues, then this wouldn't even be an issue to begin with. If Albertans felt that their energy sector was taken seriously, unlike now, in which it's being denigrated by members across the way... It is unsurprising, frankly. This has been their MO for quite some time—eight long years, I've been advised. That is how long they've been against our energy sector.

I am grateful to have the opportunity to introduce Dr. Exner-Pirot's work and her findings about how our fossil fuels and their molecules are “incredibly flexible, available, and useful...even when we stop using them for combustion, demand for them for other uses — plastic, textiles, rubber, packaging, detergents fertilizer — will continue to grow.” This is a bedrock of our national economic life and what feeds our pensions.

“They are also essential in the production of solar panels, wind turbine blades, batteries and thermal insulation” in our energy ingenuity, which is certainly something that Conservatives stand to support in promoting every aspect of our economic life.

Dr. Exner-Pirot continues, “Likewise, oilsands bitumen components like asphaltenes and resins are used in many products that light crude cannot provide, and can be developed into advanced material such as carbon fibre, which in turn could displace carbon-intensive steel.”

We're talking about the component parts of Canadian energy, the manufacturing process that feeds our pensions and in which our national unity needs to be upheld.

She says:

The more immediate question, however, is if we will stop using hydrocarbons for fuel. Here, the pragmatist must concede that the problem with fossil fuels is not the fuel per se, but the emissions. It is going to be far cheaper and faster to invest hundreds of billions of dollars into carbon capture, than it will be to replace tens of trillions of dollars worth of fossil fuel infrastructure with brand new energy systems.

LNG can already be produced and burned with very low emissions, and blue hydrogen (derived from natural gas) does even better. Japan and other countries that are pragmatic in their energy deliberations are already preparing for that version of the future.

Fossil fuels have been demonized...

“Demonized”, she writes. Demonized, she said, because she knows that this is part of the record of division that the Trudeau Liberals are imposing across this country.

She continues:

and so it has become popular to want to eliminate them, alongside Big Oil, as part of a just transition. That is not practical, in fact it's impossible. The smarter strategy—which Canada should be leading instead of sabotaging

—that's to the point of national unity—

is one that focuses relentlessly on eliminating the emissions caused by burning hydrocarbons, and using them for clean energy and materials instead.

That is the plan that Dr. Exner-Pirot suggested would strengthen our national unity in a time of great division. But this was a year ago. This was before Germany and Japan came to Canada, as a united country, and said “Listen, we need your energy. We want to create revenues for your country in a way that actually helps lower emissions around the world, helps your people be prosperous, helps to deflate the support that dictator oil has been leveraging around

the world.” That is certainly something critical to the motion at hand.

I think even further about the kind of opportunity we have, as a country, were we an energy superpower. In fact, Heather Exner-Pirot published a piece in October of this year, just a month ago, where she said, “Canada could have been an energy superpower. Instead we became a bystander”.

This record of division has resulted in a country that has been weakened in its influence around the world. Liberals pretend that a trade agreement is the only antidote to solving the war in Ukraine when, frankly, our gas displacing Russian gas in Europe would defeat the Russians in one fell swoop.

So let's describe the kind of power that Canada could have as a united country. We could have been an energy superpower because the “Government”—the summary says—“has imposed a series of regulatory burdens on the energy industry, creating confusion, inefficiency and expense”.

● (1935)

This is the kind of division we see in the country. Allow me to venture deeper into this, because I think it's an argument worth reflecting on very carefully. This is the stuff that fuels our pensions. This is the stuff that fuels the retirement of every Canadian:

Oil arguably remains the most important commodity in the world today. It paved the way for the industrialization and globalization trends of the post-World War II era, a period that saw the fastest human population growth and largest reduction in extreme poverty ever. Its energy density, transportability, storability, and availability have made oil the world's greatest source of energy, used in every corner of the globe.

There are geopolitical implications inherent in a commodity of such significance and volume. The contemporary histories of Russia, Iran, Venezuela...Iraq [and others] are intertwined with their roles as major oil producers, roles [that] they have used to advance their (often illiberal) interests on the world stage. It is fair to ask why Canada has never seen fit to advance its own values and interests through its vast energy reserves. It is easy to conclude that its reluctance to do so has been a major policy failure.

I will comment here. It's a major policy failure with impact on our pensions and on our economic life, and a major policy failure with impacts on our national unity. Team Canada is certainly not team Canada. It's divided Canada. It's broken Canada. Yet this is despite the fact that, as Heather writes:

Canada has been blessed with the world's third largest reserves of oil, the vast majority of which are in the oil sands of northern Alberta

—my home province and Garnett's backyard—

although there is ample conventional oil across Western Canada and offshore Newfoundland and Labrador as well. The oil sands contain 1.8 trillion barrels of oil, of which just under 10 percent, or 165 billion barrels, are technically and economically recoverable with today's technology. Canada currently extracts over 1 billion barrels of that oil each year.

Just as an aside, when Germany came to Canada, they asked for our natural gas. Had we made that deal with them, the revenue to Canada—Dr. Christian Leuprecht and I have written about this—would be the sum total of \$65 billion a day. In its entirety, that revenue to the Canadian treasury alone would be three times the national budget. It would help us pay down our debt. That one deal with Germany would have done so much good in this world.

Let's continue with Dr. Exner-Pirot's commentary here:

The technology necessary to turn the oil sands into bitumen that could then be exported profitably really took off in the early 2000s. Buoyed by optimism of its potential, then Prime Minister Stephen Harper pronounced in July 2006 that Canada would soon be an “energy superproducer.” A surge of investment came to the oil sands during the commodity supercycle of 2000-2014, which saw oil peak at a price of \$147/barrel in 2008. For a few good years, average oil prices sat just below \$100 a barrel. Alberta was booming until it crashed.

Two things happened that made Harper's prediction fall apart. The first was the shale revolution—the combination of hydraulic fracturing and horizontal drilling that made oil from the vast shale reserves in the [U.S.] economical to recover. Until then, the US had been the world's biggest energy importer. In 2008 it was producing just 5 million barrels of crude oil a day, and had to import 10 million barrels a day to meet its ravenous need. Shale changed that, and the US is now the world's biggest oil producer, expecting to hit a production level of 12.4 million barrels a day in 2023.

The United States is now a competitor to Canada in energy production and, in this, it is a vital interest of ours to unlock that potential for our pensions, for our people, for our workers and for our country in every aspect of our national life.

Heather continues:

For producers extracting oil from the oil sands, the shale revolution was a terrible outcome. Just as new major oil sands projects were coming online and were producing a couple of million barrels a day, our only oil customer was becoming energy self-sufficient.

- (1940)

Because the [U.S.] was such a reliable and thirsty oil consumer, it never made sense for Canada to export its oil to any other nation, and the country never built the pipeline or export terminal infrastructure to do so. Our southern neighbour wanted all we produced. But the cheap shale oil that flooded North America in the 2010s made that dependence a huge mistake as other markets would have proven to be more profitable.

If shale oil took a hatchet to the Canadian oil industry, the election of the Liberals in 2015 brought on its death by a thousand cuts. For the last eight years, federal policies have incrementally and cumulatively damaged the domestic oil and gas sector. With the benefit of hindsight in 2023, it is obvious that this has had major consequences for global energy security, as well as opportunity costs for Canadian foreign policy.

This is a country that, when united, could be performing way above where we are today. She continues:

Once the shale revolution began in earnest, the urgency in the sector to be able to export oil to any other market than the United States led to proposals for the Northern Gateway, Energy East, and TMX pipelines. Opposition from Quebec and BC killed Energy East and Northern Gateway, respectively. The saga of TMX may finally end this year, as it is expected to go into service in late 2023, billions of dollars over cost and years overdue thanks to regulatory and jurisdictional hurdles.

Because Canada has been stuck selling all of its oil to the United States, it does so at a huge discount, known as a differential. That discount hit a staggering US\$46 per barrel difference in October 2018, when [West Texas Intermediate] oil was selling for \$57 a barrel, but we could only get \$11 for [Western Canada Select]. The lack of pipelines and the resulting differential created losses to the Canadian economy of \$117 billion between 2011 and 2018, according to Frank McKenna, former Liberal New Brunswick Premier and Ambassador to the United States, and now Deputy Chairman of TD Bank.

As an aside, these are people who understand how our economic life is managed and how our people can retire safely. Furthermore, she adds:

The story is not dissimilar with liquefied natural gas (LNG). While both the [U.S.] and Canada had virtually no LNG export capacity in 2015, the United States has since grown to be the world's biggest LNG exporter, helping Europe divest itself of its reliance on Russian gas and making tens of billions of dollars in the process. Canada still exports none, with regulatory uncertainty and slow timelines killing investor interest. In fact, the United States imports Canadian natural gas—which it buys for the lowest prices in the world due to that differential problem—and then resells it to our allies for a premium.

We're being taken by the nose, because the Prime Minister is more interested in dividing Canadians rather than uniting us around our mutual success. Moreover, Heather notes:

Canada's inability to build pipelines and export capacity is a major problem on its own. But the federal government has also imposed a series of regulatory burdens and hurdles on the industry, one on top of the other, creating confusion, inefficiency, and expense. It has become known in Alberta as a “stacked pancake” approach.

Let's now get into the anatomy of how the Prime Minister has divided Canadians and is undermining the unity of the country when it comes to our CPP or any other proposition that we have for the world. She states:

The first major burden was Bill C-48, the tanker moratorium.

Do you remember that one?

In case anyone considered reviving the Northern Gateway project, the Liberal government banned oil tankers from loading anywhere between the northernmost point of Vancouver Island to the BC-Alaska border. That left a pathway only for TMX, which goes through Vancouver, amidst fierce local opposition. I have explained it to my American colleagues this way: imagine if Texas was landlocked, and all its oil exports had to go west through California, but the federal government banned oil tankers from loading anywhere on the Californian coast except through ports in San Francisco. That is what C-48 did in Canada.

It's a brilliant analogy. Furthermore, she continues:

Added to Bill C-48 was Bill C-69, known colloquially as the “no new pipelines” bill and now passed as the Impact Assessment Act, which has successfully deterred investment in the sector. It imposes new and often opaque regulatory requirements, such as having to conduct a gender-based analysis before proceeding with new projects to determine how different genders will experience them: “a way of thinking, as opposed to a unique set of prescribed methods,” according to the federal government. It also provides for a veto from the Environment and Climate Change Canada Minister—currently, Steven Guilbeault—on any new *in situ* oil sands projects or interprovincial or international pipelines, regardless of the regulatory agency's recommendation.

- (1945)

This is the division incarnate that Prime Minister Trudeau has deployed against Alberta's energy sector, against Albertans and against the national unity that compels our CPP.

Heather continues:

The Alberta Court of Appeal has determined that the act is unconstitutional, and eight other provinces are joining in its challenge.

This is the image of a divided country.

But so far it is the law of the land, and

—for very good reason—

investors are allergic to it.

Federal carbon pricing, and Alberta's federally compatible alternative for large emitters, the TIER (Technology Innovation and Emissions Reduction) Regulation, was added next, though this regulation makes sense for advancing climate goals. It is the main driver for encouraging emission reductions, and includes charges for excess emissions as well as credits for achieving emissions below benchmark. It may be costly for producers, but from an economic perspective, of all the climate policies carbon pricing is the most efficient.

Industry has committed to their shareholders that they will reduce emissions; their social license and their investment attractiveness depends to some degree on it. The major oil sands companies have put forth a credible plan to achieve net zero emissions by 2050. One conventional operation in Alberta is already net zero thanks to its use of carbon capture technology. Having a predictable and recognized price on carbon is also providing incentives to a sophisticated carbon tech industry in Canada, which can make money by finding smart ways to sequester and use carbon.

Isn't it amazing that the energy sector that helps our country recover from economic calamity and from postpandemic planning is also the same sector that's leading innovation and energy transition technology? It's this ingenuity that needs to be unlocked that Heather describes so perfectly here.

She continues:

In theory, carbon pricing should succeed in reducing emissions in the most efficient way possible. Yet the federal government keeps adding more policies on top of carbon pricing. The Canadian Clean Fuel Standard, introduced in 2022, mandates that fuel suppliers must lower the "lifecycle intensity" of their fuels, for example by blending them with biofuels, or investing in hydrogen, renewables, and carbon capture. This standard dictates particular policy solutions, causes the consumer price of fuels to increase, facilitates greater reliance on imports of biofuels, and conflicts with some provincial policies.

Again, a policy of the federal government is pursuing division at every turn across this entire country.

Heather adds:

It also puts new demands on North American refinery capacity, which is already highly constrained.

The newest but perhaps most damaging proposal is for an emissions cap, which seeks to reduce emissions solely from the oil and gas sector by 42 percent by 2030.

Listen. This is an all-out attack on common sense.

Moreover, Heather, says:

This target far exceeds what is possible with carbon capture in that time frame, and can only be achieved through a dramatic reduction in production. The emissions cap is an existential threat to Canada's oil and gas industry, and it comes at a time when our allies are trying, and failing, to wean themselves off of Russian oil. The economic damage to the Canadian economy is hard to overestimate.

In fact, I would contend that what Dr. Exner-Pirot is describing here is how Justin Trudeau is helping Vladimir Putin fund his war machine against Ukrainians, and it's unconscionable that members across the way would just allow that to happen. At the end of the day, we cannot allow the Canadian Prime Minister to be a partner of Vladimir Putin in how he has been murdering and butchering innocent Ukrainians. This is something that you'd think members across the way would care about, but they're not even paying attention to what we're saying here in this moment.

Heather notes:

Oil demand is growing, and even in the most optimistic forecasts it will continue to grow for another decade before plateauing. Our European and Asian allies are already dangerously reliant on Russia and Middle Eastern states for their oil.

American shale production is peaking, and will soon start to decline. Low investment levels in global oil exploration and production, due in part to ESG (environmental, social, and governance) and climate policies, are paving the way for shortages by mid-decade.

An energy crisis is looming. Canada is not too late to be the energy superproducer the democratic world needs in order to prosper and be secure. We need more critical minerals, hydrogen, hydro, and nuclear power. But it is essential that we export globally significant levels of oil and LNG as well, using carbon capture, utilization, and storage...wherever possible.

● (1950)

Heather concludes:

Meeting this goal will require a very different approach than the one currently taken by the federal government: it must be an approach that encourages growth and exports even as emissions are reduced. What the government has done instead is deter investment, dampen competitiveness, and hand market share to Russia and OPEC.

This is the devastating cost that the division of Justin Trudeau and his NDP-Liberals had on our Canadian national unity. This is the type of indictment of the kind of leadership that has created problems that we didn't need to deal with had there been in the Alberta energy sector a partner in the national government.

It was partner that was part of team Canada, part of defeating Russia's war in Ukraine, part of lowering emissions internationally, part of economic reconciliation with our first nations, and part of a healthy and vibrant pension life for our people. It was to provide stability and security of a social safety net for the most vulnerable, and part of being allied with workers, so they can get shovels in the ground—

Ms. Rachel Bendayan: On a point of order, Mr. Chair, I believe my colleague opposite read into the record content that supported the price on pollution, for which I thank him.

Can we get back to the content of the motion that is before us, Mr. Chair?

My point of order is on relevance.

The Chair: Thank you, PS Bendayan.

We'll focus on the motion, and the amendment.

Mr. Shuvaloy Majumdar: I appreciate the opportunity to have shared Dr. Exner-Pirot's perspective on a range of topics to show that sometimes we can agree with the majority of views. She's an independent researcher and has some thoughtful arguments. I'm proud to know her. She also described the abuse of the price on pollution and the measures imposed in addition to the carbon tax, now subjectively applied across this country in a way that divides Canadians even more deeply. I think her point was especially bang on in that regard.

I appreciate the opportunity to join my colleagues for a bit of time to speak to the virtues of the Alberta and Canadian energy sectors as part of our national unity, and as part of a major contribution to our national pensions. It's important to have national unity around the question of unleashing the energy sector, because it's not just about Alberta; it's about the prosperity of every Canadian.

At this time, I'd like to cede my time to my colleague, Mr. Kurek, and then re-add my name to the list, please.

The Chair: Next, we have MP Kurek, MP Blaikie, and MP Genuis.

Mr. Damien Kurek: Thank you very much, Mr. Chair.

I just want to commend my new colleague from Calgary Heritage for his excellent contribution to this conversation. I'd like to thank him and just highlight to the good people of Calgary Heritage that they elected a fine man to succeed in a constituency, Mr. Chair, that has had some fine individuals, including Mr. Bob Benzen, whom I had the pleasure of working with on the environment committee for a period of time, and also Mr. Stephen Harper, the former prime minister and somebody who understood something that I'm going to talk about here, something that will be, I think, very complementary to the points that my colleague here has shared: what national unity is, how it needs to be shepherded well and how policy decisions made in our nation's capital can have a devastating effect on that.

Certainly, Shuv, you have big shoes to fill. However, I certainly appreciate your contributions here to this discussion, and I think that they highlight how important it is to the substance of what we're talking about here.

We have a motion that seems to have been brought forward for little other reason than to further divide Canadians. The Conservatives have brought forward what I think is a very common-sense amendment that would highlight the fact that the government is doing just that. It is playing the games of fear and division. It is pitting region against region. Mr. Chair, as I expand on this just slightly, the key point that needs to be made here is that it goes back to the very foundations of what our country is.

If I could go back to the founding document now known as the Constitution Act, 1867—what was initially known as the British North America Act—it laid out or developed a framework that is very relevant to the discussions that we have daily in this place.

Over the many clauses of the BNA Act—or Constitution Act, 1867—we have this tension that was intentionally developed. We had an understanding that what were then quite divided colonies in what is now Canada—initially four, the recent addition after that, of course, being Prince Edward Island and then further provinces joined the federation after that.... A series of colonial governments brought forward a wide range of diverse concerns.

Now, the idea of a unified state was not new in the lead-up to 1867. It had been tried a number of times. There was a whole host of different mechanisms and things that had been brought forward and tested out, so to speak, Mr. Chair, that had various levels of success. In the lead-up to 1867, there was the acknowledgement amongst a very diverse range of ideas brought around the table to those whom we know are the fathers of confederation—and to the

many others who participated in that process, many of whom are lost to history, including indigenous voices, women who were key and central players in that.... The process of getting to the point where we had, ultimately, the BNA Act that created the foundation of our country was an understanding of something that is incredibly relevant to what we're discussing here today, and it is that we have to have that ability to respect different regions of our country, that we will have different ideas, different belief systems, different languages. There will be a series of differences that would be easy to point to as dividing factors in what created problems with the various iterations of trying to unite the colonies that make up what we now know as Canada here today.

• (1955)

What was acknowledged was that we could have the ability to respect diverse voices around the metaphorical table while ensuring that there was a strong governmental structure. I can only imagine, Mr. Chair, what many of those conversations would have looked like around those meetings in which they would have been hashing out the ideas that have led to the country that we now know and love today as Canada. Those would have decided what areas would be under federal jurisdiction and what areas would be under provincial jurisdiction, with the understanding of where cities and municipalities and counties would play a role in that and they would have developed that structure to ensure that it responded to the dynamics that the world faced at the time, which was very notable.

In fact, it is said that one of the reasons Ottawa was chosen as the capital for the new country of Canada was the military and strategic importance of its being situated on the dividing line between what were then Upper and Lower Canada, the French and the English, the Catholics and the Protestants. It was a strategic place, but it also had military merit: It was a former barracks on top of a hill with a good view.

At the time, the Americans faced a host of domestic challenges and they were very much focused inward on them. During those days and especially in the years leading up to 1867, there was a fear. I say fear because I think that accurately articulates that there was a possibility that the Americans at the time might have looked outward to expand their empire, and the result was this understanding that we had to have a strong federation, with the idea of a federation being strategic.

I can only imagine the many conversations among the Fathers of Confederation. They would have looked at contemporary examples at that point in time, which would have included the United States republic as a constitutional republic, and the way democracy played in that. Of course, we take a lot—in fact, the opening words of the British North America Act speak very much about its being a government modelled in principle after that of the United Kingdom, but understanding that there were differences because our country was vast.

Geographically it is vast. The divisions that exist are significant and they have been significant since long before our nation was a country. But as the tension was found to determine what would be an appropriate balance of power between provinces and a federal government, the national state, and what that would look like, not only in the context of the initial four colonies that became early Canada but also in the context of understanding that there was potential to see Canada grow and expand—and understanding in fact the Latin motto for our country, the rough English translation of which is “from sea to sea”—and understanding that there was that desire, that dream to unify a vast space of land that, although so very diverse, could be unified together.

Those battles were fought, and then that continued. Mr. Chair, I won't go into the many hard-fought and the more peaceful examples, but, of course, it hasn't always been peaceful. We had elements of revolution. I'm sure there are many Canadians watching, Mr. Chair, who would think back to their social studies curriculum or history curriculum, depending on the province, and they would think of Louis Riel and the battles that took place around 1886. In fact, Louis Riel's name is on one of the bronze plaques showing elected members of Parliament, although he never had the chance to take his seat. How he was able to sign the scrolls is quite a story, actually. His name is on one of those bronze plaques that we all have the honour of having our name on, something in which we join with these icons of Canadian history, that being one of so many examples.

- (2000)

In my home province of Alberta, there were intense negotiations and certainly a host of varying opinions. In fact, we quite often will hear the story of the proposal for a province of Buffalo. “Buffalo” echoes the historical large mammal somewhat. For those around this room who may not be familiar, it's like a cow but much bigger and with horns. It's a wild animal that defined much of the landscape. There was this idea that there could be this united province of Buffalo.

In fact, Mr. Chair, I found it very interesting, when earlier this year I posted a picture of a historical cairn that is located in my constituency. It's actually on a corner of what used to be a number of administrative districts in what was then known as the “north-west territories”. The conversation that ensued and the people reaching out having seen this post on Facebook and Instagram was fascinating. It was quite incredible to be able to dive into some of the elements of that history.

In 1905, when Alberta and Saskatchewan were added to the federation, it was with a great deal of optimism. I've had the chance to be involved in politics for a little while now and one thing I like to do when looking back at historical events is to look at the newspaper headlines of the time. Having read the headlines of the newspapers for both the province of Alberta and the province of Saskatchewan... In fact, they were not daily newspapers. In some cases it was actually a few days after these provinces became a part of the federation that an incredible amount of optimism was felt. There was the understanding and the ability to see growth as a united country, even though we were very different.

Mr. Chair, that has not always been an easy process. I'll get into the reason I wanted to briefly take us through this history. It's because it leads towards something that was a hard lesson learned, Mr. Chair.

In 1905, when the provinces of Alberta and Saskatchewan were added to the federation, the optimism associated with that was tempered somewhat over the coming decades. It was learned that although the Fathers of Confederation had worked diligently to determine the balance and tension that exists to ensure that while we have a strong federal government, there would be respect for our regional governments—or provincial governments, as they are known in Canada—there was a missing element to that when the Laurier government brought forward the amendment to the Constitution that added Alberta and Saskatchewan. It excluded the administration of natural resources, which is why this is such a relevant part of this conversation.

A host of reasons were discussed at the time. One can look back from the perspective of the 21st century here in 2023 and determine whether or not it was politics or whether it was because it was a Liberal prime minister. Certainly I've heard that from many constituents, who look back at the Liberals governing our country and the attacks on the west that have taken place that seem to define much of Liberal governments.

Some reasons were articulated, but the provinces did not have the ability to manage their own resources. That was added a couple of decades later. In fact, I think it was two and half decades after that when there was this understanding that the provinces should be treated equally.

To the many who I'm sure are watching this, there were very few exceptions. One exception was representation in the Senate and the other was the specific note in the Charter of Rights and Freedoms, which is of course the Constitution Act of 1982. Otherwise, all provinces in this country are treated the same. That's part of the strength here and what is building the foundation for what I trust will be a point that truly moves the needle on ending the division that Justin Trudeau and his Liberal governments have perpetrated upon our country.

- (2005)

The provinces of Alberta and Saskatchewan pushed to ensure that they could in fact have that equal status. Then we fast forward half a century or so, Mr. Chair, to the constitutional negotiations and what ultimately ended up being the repatriation of the Constitution and the passing of the Constitution Act, 1982, which renamed the British North America Act to the Constitution Act, 1867. There are a host of other constitution acts as well, although they're not as well known, because they have to deal with either the entry of a province to the federation or a host of other amendments that have taken place from time to time.

Mr. Chair, this is to highlight how important the lead-up to 1982 was. The premier of Alberta at the time, Peter Lougheed, spent a great deal of time in negotiations. This is where we have this tension that exists. Again, this was at the conclusion of Pierre Elliott Trudeau's time as prime minister—although he did lose and spent I think it was about 15 months on a short hiatus when Joe Clark's Progressive Conservatives had won a minority government. Ultimately, they lost in a confidence vote when they recalled Parliament. Then, of course John Turner was the successor to Pierre Elliott Trudeau.

Many Canadians have not had the opportunity...and I would suggest it's something that is very valuable and speaks to the larger context of why so many Albertans were terrified of the thought of having another Trudeau in office. It's because when Pierre Elliott Trudeau first started the conversation, it's not that it was a new conversation. It had various iterations, looking back at some past news articles about what that did look like from time to time. When those conversations started, what was imagined by the machinations of Pierre Elliott Trudeau to what ended up being the negotiated agreement that resulted in the Constitution Act, 1982, was very different. It is quite stark, actually. I didn't have a chance to bring with me some of those documents. Let me just enlighten members of the committee a little bit on this, specifically Liberal members, because this is their party's legacy. It would have radically reshaped our country in a way that would make it virtually unrecognizable.

Now, I certainly have very little respect for Pierre Elliott Trudeau. I'll get into some of the more contemporary reasons for that here in a few moments.

One of the noteworthy figures in that negotiation was then Alberta premier Peter Lougheed. I happen to know some of his family members. I've heard some of the stories about their uncle and the process that was the constitutional negotiations. It is a fascinating thing to be able to look back and to understand the hard-fought way in which the balance of power among the different levels of government in our country was maintained. I certainly credit Peter Lougheed for working so diligently to ensure that could take place. That laid the foundation for much of the prosperity that Alberta and all of Canada has seen over the last four decades or so.

Mr. Chair, it was those negotiations that had started...and there was a significant push-back from provinces, political activists, academics and constitutional lawyers.

I had the opportunity to spend some time at my alma mater after winning a scholarship named after the late Mel Smith, who was one of those figures involved in some of those constitutional negotiations.

I can tell you, Chair, it is fascinating. It is a drive through history that provides such extraordinary context. It makes me, quite frankly, proud to be Canadian and truly honoured to be a part of the political process. It speaks to the way that we've come to agreement in this country. It doesn't always mean that we agree, but it means that we're willing to sit down, negotiate, come to an understanding and figure out something that works for everybody. Whether that be prior to 1867, and the tension that existed in trying to figure out what would be federal responsibility and what would be provincial responsibility, or what they should even call the country, was all

part of those negotiations that came forward and trying to figure out exactly what things would look like.

● (2010)

Of course, we have the history of treaties, and, Mr. Chair, I could go on at length, and I'll spare the committee this, but it is fascinating to look into some of the—in some cases—pre-Confederation history of where the treaties with indigenous people come from and the processes through which those were brought about. What's very interesting, Mr. Chair, is that actually adds to the strength of what our country is. We've seen this ability to take differences and be able to have those tough conversations to figure things out.

It doesn't mean that it's always been done well, don't mistake that for one second, but, certainly, when it comes to.... In fact, there's another historical cairn—and you'll forgive me, Mr. Chair, if I'm very proud of the area I represent—where there's this area, and it's on a lake known as Sounding Lake in the eastern part of my constituency, and it's in what is Treaty No. 6 territory. In I believe it was 1884—although don't quote me on that date—it was around that time in the 1880s when the plains were vast and outside of a few settlers and the indigenous peoples, there was not a lot there.

In fact, I had read a book at one point that articulated what it would have been like if you had taken an airplane and flown over the vastness of the North American plains prior to the construction of the railways and what we know as modern settlements. It would have been vast, it would have been largely unpopulated, although, certainly, there were a host of very advanced cultures within our indigenous communities and the Métis, a very proud legacy. And the conversation around Métis and Métis communities in Alberta will accentuate the point I'm trying to make that is so closely related to the amendment at hand and the motion that's been brought forward by the Liberals. It speaks to how in the 1880s we truly saw thousands, and this historical cairn on the beautiful shores of Sounding Lake....

Sounding Lake, although it's called a lake, it's truly just a large slough and at different points of the year, depending on how much rainfall there has been, that will determine whether or not there's water. That's not a new phenomenon, at different points in history there's been water in it, and at different points in history there hasn't. That history goes back long before modern weather tracking, but includes the oral tradition of indigenous peoples who lived in the area.

In the 1880s when there was a gathering of I believe—and I'm going from memory, here—6,000 indigenous people plus a couple of thousand of those who were then known as the “white man”, but settlers who were there....

Mr. Chair, just as I was on this cairn, it's on a little bit of a knoll on the edge of what is called Sounding Lake, it was incredible to think about some of the context, which I'm endeavouring to highlight here, about what our country is and the foundations that allow us to, in the midst of a diversity of opinions and thoughts, be able to bring forward an ability to be united, and that's the point here. Mr. Chair, as we look back to a century after that point, back to the negotiations that led up to the 1982 Constitution Act, we saw that specifically, Peter Lougheed spent an inordinate amount of time and led the country in fighting to ensure that specifically resources remain the sole jurisdiction of the province. The result was after that was passed, the Constitution was brought home and, of course, there was the signing ceremony with the late Queen Elizabeth and the pomp and circumstance associated with that and the continuing development of what Canada could be, that hard-fought tension that was found between what the federal and provincial governments, different levels of government, should be.

Mr. Chair, we have to be able to look back just before 1982 and something that is incredibly important, and it is something that my constituents know very well. I will admit, this was something that happened long before I was born, in fact, I know there are a number of my colleagues here who probably were not born yet.

• (2015)

I won't suggest who probably was.

A voice: You have [*Inaudible—Editor*].

Mr. Damien Kurek: No, it's just an acknowledgement of fact.

Long before I was born, it was something that became synonymous with the frustration many Albertans face with our national government here in Ottawa. It still elicits a strong emotional response. In fact, if you go to a coffee shop in Battle River—Crowfoot—the area I am so proud to represent, with 110,000 people over about 53,000 square kilometres of beautiful east-central Alberta countryside—and mention the national energy program, Mr. Chair, there will be a strong response. People will have strong opinions. I'd like to get into the reason for that.

At the time, there was acknowledgement that Alberta was starting to see a tremendous amount of prosperity. Largely, this came about because of the discovery of conventional oil reserves. I would encourage the Liberal and NDP members specifically to take note of my talking about “conventional oil reserves”, because I'm going to make a differentiation that is absolutely key to the discussion of both the amendment at hand and the motion that is meant to divide. The discovery of conventional oil reserves meant we could find, drill for and produce oil that could be sold on the global market in a very economical way. The result was the beginning of the unprecedented prosperity brought about as a result of this. What's very interesting....

I will take a small detour here. My late grandfather Kurek, who was very proud to be one of.... This speaks to another issue I'll get to at some point, which is LNG. LNG is simply liquefied—

• (2020)

Ms. Rachel Bendayan: Mr. Chair, I hate to interrupt the member opposite, but I have a point of order.

The Chair: PS Bendayan has a point of order.

Ms. Rachel Bendayan: Thank you very much.

We have listened to pre-Confederation history and governments ranging in all shapes and sizes over the course of the 1960s and onwards. Now, I believe the member was referring to a story from his grandfather.

Mr. Chair, I invite you to bring the member back to the motion and amendment at hand. I also recall that you announced, at the beginning of this session, that we would hear from Mr. Genuis. I hope that wasn't false advertising. We are all waiting with bated breath for that further filibuster from a new member.

Mr. Chair, thank you for indulging me with yet another point of order on relevance.

The Chair: Thank you, PS Bendayan.

We have another point of order.

Mr. Garnett Genuis: Thank you, Mr. Chair.

I assure the member that anything I have to say is nowhere near as profound or significant as what Mr. Kurek has to say.

I think, with regard to the matter of order, the presumption on the other side is that arguments rooted in history are necessarily irrelevant. The member pointed out that the member was making arguments grounded in Canadian history, as if it were obvious that talking about the past is somehow irrelevant.

I think—

Ms. Rachel Bendayan: It was obvious based on the words that were spoken.

Mr. Garnett Genuis: —the underlying, fundamental philosophical differences between Conservatives and Liberals is this: We think the past is something that needs to be learned from and is relevant in contemporary debate—

The Chair: MP Genuis—

Mr. Garnett Genuis: I'm just trying to finish my thought here.

The Chair: Just calm down.

Mr. Garnett Genuis: It's an exciting place, if I can—

The Chair: Listen, first off—I think I've let you know this before—we don't like crosstalk. It affects the interpreters quite a bit. It's not good for their health and safety.

Mr. Garnett Genuis: I was the one talking. That's the issue. You started it.

The Chair: There was a lot of crosstalk.

Mr. Garnett Genuis: Let me finish.

The Chair: Anyway, we are going back to....

On the same point of order, yes, go ahead, MP Blaikie.

Mr. Daniel Blaikie: I was waiting for Mr. Kurek to get to an exposition of pre-Confederation, state-run pension plans, but it never came home to roost. I sure hope he's going to find his way there, because that would establish a clear—

Mr. Garnett Genuis: On that point, Mr. Chair, I was hoping we'd hear more about Bismarck, because—

The Chair: Thank you, MP Blaikie.

MP Genuis, we're going back to MP Kurek.

Mr. Garnett Genuis: —Bismarck was the one who initiated the first—

The Chair: MP Kurek, I know you're going to do your best to tie it back to the motion—

Mr. Garnett Genuis: Bismarck would not have allowed—

• (2025)

The Chair: —and the amendment.

Mr. Garnett Genuis: —previously independent parts of the recently unified German empire to have their own—

The Chair: Go ahead, Mr. Kurek.

Mr. Damien Kurek: Thank you very much, Mr. Chair.

I do find it somewhat ironic that...

First, let me apologize to my colleague from Yellowhead. I didn't mean to insinuate anything about his age. I have no doubt there is significant wisdom with it.

Mr. Gerald Soroka (Yellowhead, CPC): [*Inaudible—Editor*]

Mr. Damien Kurek: Look, what I do find very concerning is this. I've been quite clear—I would be happy to go into more detail, but I think, for the sake of brevity, I will not—as to why this is all so very relevant to the conversation at hand. That's specifically to the amendment, but also to the larger motion, where we see that this Prime Minister, under his Liberal government.... The parliamentary secretary has moved this motion, which is interesting to begin with, because that's very different from how Justin Trudeau promised he would run things in Parliament when he was first elected. I'll get into more detail on his understanding of, or his politicalization of, the way in which Parliament works. I'll certainly get into that a little bit later.

Mr. Chair, I think the reason to be concerned is this. When I was talking about the history and about the conversation we are having about this motion...which is not unprecedented. It's something that we have seen built up over time. Specifically, we are talking about the son of a former prime minister.

I was talking about my late grandfather Kurek, because there's a very, very clear connection to the issue at hand. In the late 1960s, he had the opportunity to be part of the construction. Later, for most of his life, he worked for a number of different gas companies. It was one of the first large-scale natural gas production facilities in that area of the province, although not the first natural gas facility. I would highlight that Viking, Alberta, claims to have one of the first. It's quite fascinating. There's a beautiful mural, actually, on a wall there. I'd encourage members, if they're ever going

through Viking, home of the Sutter family, to stop and take a look at some of that history.

The reason it's so relevant to the issue at hand is that we started to see the responsible development of Alberta resources, which I am proud my family was part of. I talk often about the farming history I have in my family. I won't get into the specifics here as to why I'm so proud of that, because we're talking about resource development. My family's story is like that of those of so many other Albertans—getting to see the building of an industry that has led to an unprecedented level of prosperity not only for Albertans and a few families but also truly for our country. We should be proud of that prosperity.

Quite frankly, I find it incredibly disappointing that the Liberals would be somehow ashamed of the context this provides to the country that we have here today. I attempted to briefly articulate the history related to the division of different levels of government and the tension—I use the word “tension” specifically—that is meant to exist between different levels of government. It doesn't mean there needs to be agreement, but it means there needs to be that understanding that in the midst of disagreement, there can be the ability to work together.

Take the example of my family, which is like that of so many others. My late grandfather Kurek worked his entire life as a gas operator and was very, very proud of that. It led to my father having a pretty good life. It was a regular middle-class life.

I would just note something that I think is very, very interesting. When we saw the introduction of natural gas to the community of Consort, we saw a radical change take place.

• (2030)

This is especially relevant because it speaks to how, as natural resources were developed, we saw the ability to transition from things like coal to more energy-efficient, safer types of energy. Consort, because of its proximity to what is the Gooseberry Lake gas plant, which my late grandfather Kurek helped build and then operated there for much of his life, speaks to that connection to history.

Now, as we see that there are these connections to the resource sector, we saw that the elder Trudeau, Pierre Elliott Trudeau, inflicted a level of division on this country that we are still reeling from.

That is often summed up—as I've mentioned before, if you go to a coffee shop in Battle River—Crowfoot—in a palatable frustration that exists about how Alberta was disregarded, ignored and intentionally targeted by its government in Ottawa, and that's not just for individuals who are born significantly before me who experienced it and lived through it.

It was in the form of the national energy program. You saw the beginning stages of just an amazing level of prosperity that Alberta was starting to see, and the potential and the entrepreneurial spirit that defined so much of why I am so proud to be from the province of Alberta, and you saw that shut down, stamped out by a heavy-handed government in the nation's capital.

The Chair: We're suspended until Thursday.

[*The meeting was suspended at 8:32 p.m., Monday, November 20, 2023*]

[*The meeting resumed at 11:02 a.m., Thursday, November 23, 2023*]

• (8300)

The Chair: Welcome back to meeting number 121 of the House of Commons Standing Committee on Finance.

The committee is considering matters related to committee business, specifically the motion by PS Rachel Bendayan and the amendment by MP Lawrence.

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'd like to make a few comments for the benefit of the members.

Please wait until I recognize you by name before speaking. For those participating by video conference, click on the microphone icon to activate your mic, and please mute yourself when you are not speaking.

Regarding interpretation for those on Zoom, you have the choice at the bottom of your screen of either the floor, English, or French. For those in the room, you can use the earpiece, and select the desired channel.

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. We therefore ask all participants to exercise a high degree of caution when handling the earpieces, especially when your 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 in, and to avoid manipulating the earbuds by placing them on the table away from the microphone when they are not in use.

I remind members that 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, and we appreciate your patience and understanding in this regard.

On that, we last left off where MP Kurek had the floor and was speaking to the amendment. We had a speaking order of MP Blaikie, MP Genuis, MP Lawrence, MP Majumdar, and MP Soroka.

Mr. Corey Tochor (Saskatoon—University, CPC): Can I please be added to the speaking list, Chair.

The Chair: Okay.

MP Kurek.

Mr. Damien Kurek: Thanks very much, Chair.

It's good to be back before the finance committee to talk about an issue that is so important to many of my constituents, many Albertans and, of course, many Canadians.

Specifically, I'm glad to have the chance to continue to talk about how this amendment in particular, and some of the foundations surrounding the motion that Ms. Bendayan brought forward, is continuing a trend that endeavours to divide this country for the narrow political interests of a Prime Minister who seems to care about nothing more than his electoral success. He has built a political infrastructure and political movement around almost a cult of his personality that is bent on dividing our country.

Mr. Chair, if you recall, when I had the opportunity to speak to Mr. Lawrence's very common sense amendment where the intent was very clear, we were endeavouring to take out the politics of the motion to bring a resemblance of something that should be, I believe, the responsibility of so many Canadians.

Chair, if I could, I left off talking about my late grandfather Kurek, who.... It seemed to offend the Liberal members of this committee that I would dare talk about a member of my family who was the son of Polish immigrants, and left in the late 1930s a difficult situation in Poland. He was seeking opportunity and what we would say now—what many would define as—is the Canadian dream.

I talked a bit about my grandfather's involvement in the oil and gas industry, and, specifically, the construction of the Gooseberry Lake gas plant. At some point maybe—probably not before the finance committee, although we'll see what circumstances lead to—I'd be happy to talk at length about the value of Canada's energy industry. It has actually a very direct correlation with the livelihoods and pensions of Canadians, and especially a very big connection to the division perpetrated upon our country by Prime Minister Justin Trudeau and his Liberals.

Chair, the reason why I specifically brought up that story.... It's puzzling to me that it would offend the Liberals to talk about what I shared a bit—very briefly and succinctly—because, of course, Canada, and the diversity of our history is immense. However, when I started talking about the story of my late grandfather, the Liberals became almost unhinged in the offence taken—

• (8305)

Ms. Julie Dzerowicz (Davenport, Lib.): Mr. Chair, on a point of order, what the heck does this have to do with the motion? Honestly.

Some hon. members: That's debate.

Ms. Julie Dzerowicz: My parents came from another country as well.

An hon. member: That's not a point of order.

Ms. Julie Dzerowicz: What does it have to do with the motion? I'd like to know the relevance, please.

The Chair: I would ask that we be respectful of each other.

Ms. Julie Dzerowicz: It's on relevance, Mr. Chair.

I don't want to hear your story, Mr. Kurek. Let's talk about the motion, please.

The Chair: MP Dzerowicz, please, let's not have crosstalk over that.

MP Kurek, please be mindful of relevance in sticking to the motion and the proposed amendment.

Mr. Damien Kurek: Absolutely, Mr. Chair.

Again, it's almost predictable that the Liberals would be so offended by how the story of our country has been stitched together by stories like mine. I'm sure Liberal members and my colleagues have stories that make up what is the Canadian story. I'm very proud of that.

It's unbelievable that this would be so offensive to Liberal members, and specifically as it relates directly to this motion. It is—

Ms. Julie Dzerowicz: I have a point of order.

The Chair: Ms. Dzerowicz, is this a point of order on relevance?

MP Kurek, could you please focus on the amendment to the motion?

Mr. Damien Kurek: Absolutely, Chair.

Once again, I find—

Ms. Julie Dzerowicz: Mr. Chair, on a point of order, if the member doesn't have a copy of the motion at hand, do you think we can give it to him?

Mr. Damien Kurek: I have a copy, Mr. Chair.

Ms. Julie Dzerowicz: Through you, Mr. Chair, could you ask the member whether he has a copy of the motion?

Mr. Damien Kurek: That's not a point of order.

Mr. Corey Tochor: On a point of order, Mr. Chair, with all due respect, your role as chair is to mitigate the interruptions caused by unfounded points of order. I'm surprised by what I'm witnessing here at the committee.

As much as I'm subbing in today—

The Chair: Thank you, MP Tochor.

The point of order was on relevance, and that is an allowable point of order.

We are going back to relevance, MP Kurek, on the motion.

On a point of order, I see MP Hallan.

Mr. Jasraj Singh Hallan: A point of order for relevance can be brought up. The issue is that you have to make the decision on whether he is preambling to get back to that motion or not.

In my opinion, this is what he's doing. He's laying out the pain that Canadians are feeling, and you have to consider that—

• (8310)

The Chair: Thank you, MP Hallan.

Mr. Jasraj Singh Hallan: —when you're making your decision.

The Chair: We are going back to MP Kurek. I'm asking you to be relevant to the amendment to the motion.

Mr. Damien Kurek: Thanks, Mr. Chair.

I've been so rudely interrupted a couple of times now in making that very clear connection between the amendment we are discussing and the larger conversation around Ms. Bendayan's motion that is so specifically designed to not bring our country together but rather divide Canadians against each other. In this case, it's to divide Albertans against the rest of the country, to divide in every way possible.

I do find it really funny—and maybe this is because Justin Trudeau believes that Canada is a post-national state—that they don't believe in the idea of Canada. I find it really concerning, Mr. Chair, that you would have members of the Liberal Party who would be so offended by the fact that my story—as would be the case, I would expect, with every person around this table, every member of Parliament in the unique journey they take to be a part of Canada's House of Commons—speaks to what we are as Canadians.

Now the members opposite... Why this is so directly relevant to the issue at hand is that members opposite are making this a concern for our country, which is a fair comment to make. The fact that they would deny the stories of Canadians to be a part of this conversation truly is an astounding revelation of the attitude with which the Liberals approach the governing of our country.

Mr. Chair, whether it's my family and my late Grandfather Kurek, who I spoke very, very briefly about, or whether it be other members, I know quite well that my Conservative team members here, all of them, have incredible stories that lend to the idea that has built Canada, specifically the infrastructure associated with that.

Mr. Chair, when we are talking about the divisions being brought to our country by a government that is so bent on ensuring that it push forward on policies like the carbon tax that have a direct impact on the livelihoods of Canadians... Mr. Chair, I would venture back, if I could, to 2015. The conversation surrounding the carbon tax directly relates to this motion here because it's the consequences of the policies of this Liberal government and its attitude toward how it governs this country that have led to an untenable situation.

In 2015, in the conversation around the carbon tax, the then leader of the Liberal Party and now Prime Minister, Justin Trudeau, time and time again, when asked about some of the intricacies about how the carbon tax would be applied, Mr. Chair, made it clear throughout the course of that campaign, for example, that he would not impose his will, the federal government's will, on Canadians and that he would not be overstepping his bounds as Prime Minister.

Yet, we saw how, even in the early days of the Liberals' mandate post-2015, provincial governments no longer mattered. We saw that the Liberals would do anything and everything they could to trample upon provinces, to trample upon any person, any group or any jurisdiction that did not fulfill their political objective. We see that very, very clearly with the carbon tax.

Mr. Chair, if I could, I'll take you back to one of the first meetings that the then environment minister, Catherine McKenna, had with her provincial counterparts. The press release, the invitation to that meeting, very clearly said that they wanted to come together to discuss climate action and actions on the environment.

However, Mr. Chair, what was interesting.... It was actually Scott Moe, who was the environment minister for the Province of Saskatchewan at the time, who attended that meeting. When he walked into that meeting, he found something, and it was not a collaborative environment, not a minister who was willing to listen, not a government that was looking out for the best interests of the country and willing to collaborate with its jurisdictional partners.

● (8315)

For the sake of brevity, Chair, I won't go into it, although there are members here who are different from those who were here Monday night. I talked a little about some of our history. It is relevant to dive back into the history of what led to the formation of how Canada is meant to operate as country. When Premier Scott Moe, who was the then Saskatchewan environment minister, walked into that meeting, he learned quickly that it was not meant to be one of collaboration. It was not meant to be one of discussion. He walked into that meeting and found that the Liberal minister, led by the Prime Minister and those activists who seem to control the Prime Minister's Office, had been handed instructions as to what they would and would not accept. At the time, it made quite a bit of news. The then environment minister of the Province of Saskatchewan, Scott Moe, actually walked out of the meeting. When asked by the media, he ironically said something that echoes throughout our history: "Just watch me."

Mr. Philip Lawrence: I remember that.

Mr. Damien Kurek: It was quite a moment.

Chair, it was interesting that with the then environment minister—and I know the former Saskatchewan premier Brad Wall quite well—there was a willingness to develop those relationships to work together for the good of our country. Although they might have disagreed on the politics—and I can assure you that Brad Wall and Justin Trudeau do not agree on very much when it comes to politics—there was a willingness and an understanding, with Justin Trudeau having just won the election, that there was a need to work together. However, that only went in one direction.

Chair, what is so disgusting, quite frankly, is that we have seen an erosion of national unity that has taken place over the last eight or so years that Justin Trudeau has been Prime Minister. There has been an erosion of national unity, Chair, because we have seen, continually, how the Prime Minister does not care about our nation's unity, does not care about ensuring a prosperous Canada for all, but rather he's quick to hold some back so that he can pick winners and losers. The result, Mr. Chair, is a divided country.

The reason I talk about the carbon tax, and specifically the way the then leader of the Liberal Party—the third party at the time—talked about the carbon tax, is that he promised it would be a collaborative process. Yet, we saw that, the moment he was elected, it was nothing more than talk. If I could give credit to the Liberals for one thing—I apologize to my Conservative colleagues—it is that

they are good at politics. They are good at the rhetoric, good at saying the right things at the right time and good at the strategy associated with that.

Chair, the ultimate reason that is not a compliment is they are so good at politics for the purposes of attaining power that they are leaving our country divided and weaker as a result. To my friends across the table in the Liberal Party, being good at politics is not enough to be good at governing the country. You have to be willing to work together. We've seen time and time again that they are simply incapable of doing that.

Mr. Chair, the carbon tax is a good example. We had a number of provincial governments elected throughout the last eight years that specifically opposed the carbon tax. You would think that would be a valid question that a provincial government could run on, especially after I read the Supreme Court ruling on that. If I could sum it up in the fact that—

● (8320)

The Chair: We're going to suspend as the bells are ringing. As we usually do, we ask if we could continue straight through until close to the vote. Do we have unanimous consent?

Some hon. members: No.

The Chair: We need UC to continue and then just vote, and then come back after the vote.

A voice: There's no UC.

The Chair: I heard no UC for that. Okay, there's no UC.

We're suspended until after the vote.

● (1120)

(Pause)

● (1210)

● (8410)

The Chair: We're back. We've all voted, everybody. We voted the right way. We have more good news here. We have our hard-working clerk Alexandre Roger's birthday is this week.

Some hon. members: Hear, hear!

The Chair: Happy Birthday, Alexandre.

There's another opportunity for us to thank all of those who travelled to the east and west and the many cities for the PBC. We have thank Alexandre and his team and everybody who coordinated all of the logistics that made that happen, thank you.

Now we're back with MP Kurek.

Mr. Damien Kurek: Thank you very much, Mr. Chair.

Of course, it is good to be able to continue this conversation. I was a little surprised actually that the Liberals denied consent to allow this meeting to continue because I was happy to continue talking about the divisions that Liberal Prime Minister Justin Trudeau has inflicted upon our country. Chair, let me just highlight a couple of examples of this.

On the very human level, when I speak with constituents an increasingly common sentiment that I hear, and this is tragic, is that my constituents feel that Canada is broken. In many cases, Chair, they will share things with me like they're simply not sure about whether our country has a future. In fact, there are some who feel like there's no option but to see that the consequences of disunity could be absolutely devastating to the future of our country.

Chair, the reason why that's so tragic is that it could have been avoided and should be the priority of any leader and any member of a governing party. Their first priority in government should be national unity. Yet we have seen over the last eight years an intention of dividing Canadians for narrow political gain. In fact, we saw that just this past week in how the Liberals intentionally included in a free trade agreement with Ukraine a carbon tax mechanism. It's shameful that they would be so intent on division that they do this even with a country at war. To play that sort of politics is absolutely shameful. Chair, I have the court ruling here on the Impact Assessment Act, and we see that it was found to be largely unconstitutional, Bill C-69.

This should be no surprise to anybody who has listened to commentary on this subject over the last six or so years since this was introduced. Every province—in fact the only thing we see provinces united in these days it seems is that they're united against the actions of Justin Trudeau, and that's certainly not a record that one should be proud of. I talked about the carbon tax. It has intentionally divided Canadians, including I mentioned the Canada-Ukraine Free Trade Agreement. It was the Conservatives who initially negotiated that back in 2013. In fact, it was Stephen Harper who looked Vladimir Putin in the face and told him to get out of Ukraine. That's leadership, not like what we have seen by this division perpetrated by Prime Minister Justin Trudeau.

We've see the carbon tax and this recent carve-out that benefits 3% of Canadians. It continues to punish the other 97% of Canadians, including those who are struggling to pay their heating bills for propane, natural gas and other forms of energy that are still subject to that. We see that intention to divide. In conversations around equalization where there should be the willingness to have real conversations with provinces, we have not seen that under Justin Trudeau. He may talk big about a photo op, but then when it comes to what happens behind closed doors, it's division and pitting region against region. We see that with the continued conversation around the emissions cap.

Chair, I could only imagine if the Prime Minister was to pick any other part of the country and tell them that they cannot do what they are good at. Could you imagine any other sector, whether it be manufacturing or whatever the case may be, pick a part of the country and if the federal government was to swoop in and say you can't do what you're good at.... Mr. Chair, it is absolutely shameful the division that is being perpetrated on this country by Prime Minister Justin Trudeau and his Liberals.

We see that with the Keystone XL. This is the tragic irony, Chair, especially with the Keystone XL pipeline. The Alberta portion of that pipeline is in my constituency, and I saw about 2,000 jobs lost because our Liberal Prime Minister refused to work with his American counterpart because they were so blinded by ideology around the future of energy security in North America that they cancelled the pipeline at a time when Conservatives were vocally saying the entire time that energy security would be key to our world's security future. Yet, we see that the Liberals capitulated. We see that with the just transition, a policy that is designed to divide Canadians for narrow political gain. We see this with LNG.

• (8415)

Again, there were, I think, 18 projects on the books when Justin Trudeau took office. Never before in Canadian history.... Whether it be Canada's fiscal situation, whether it be with the economic opportunities, Justin Trudeau was handed a circumstance that any world leader would be jealous of, yet he squandered it away for narrow political gain.

Chair, the reason that this is so applicable to the conversation we are having today around this amendment and the motion is because the Liberals, throughout the last eight years, have led our country to a point where Canadians are pitted against one another and where there is division layered upon division. The result is that we have seen less prosperity.

The result is that we have seen political divisions that are incredibly harmful. In fact, just this past week, you had Liberals who were almost incoherent because Canadians would dare question that they were concerned about the activist environment minister—the same environment minister who was criminally charged for environmental activism—who would try to influence so-called independent senators, although they certainly showed their hand in the last week. Members of that Liberal party were so outraged that Canadians would dare to share an opinion that contradicted their official narrative. It is truly unbelievable and shameful.

Chair, many of my constituents, as I shared at the last meeting, remember Pierre Elliott Trudeau and the divisions perpetrated upon our country. In fact, I often still hear—Rick would probably remember some of those days, as I wasn't born yet—that many are not surprised that the son of Pierre Elliott Trudeau would continue along that path where he—you've heard of the Trudeau salute—would continue to divide this country for political gain.

It is unbelievable. It is unacceptable, and Canadians deserve better.

Chair, I hope for this committee that Liberal, NDP and Bloc members will take seriously this common-sense amendment to try to take some of the language of division, the politics of division, out of this motion, which has been brought forward for no other reason than to continue perpetrating that division upon Canadians, east versus west, north versus south, urban versus rural and, in this case, the rest of the country against Alberta.

I look forward to continuing the discussion on this. I hope that this committee will see that better is possible, that we can bring home a country that is once again unified. However, the history of the last eight years certainly does not give me and my constituents optimism in that regard. That is why we so desperately need a change. We need a government that is willing to put the unity of our country ahead of personal partisan political goals, and as we increasingly see with the number of scandals that seem to be making Liberal insiders rich, their personal financial interests.

Thank you very much, Chair, for this opportunity. Certainly I'd be happy to expand further on the connection between this amendment and the history that has led to the point we're at today, and I certainly will do so. As I cede my time to the next person on the list, I would ask to be put back on the list so that we can continue this conversation.

Thanks, Chair.

• (8420)

The Chair: Thank you, MP Kurek.

I've got MP Blaikie, please.

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

I'm certainly glad to have the opportunity to weigh in on the question of the Canada pension plan. I will start by talking a little bit about the plan. There has been a lot of discussion around the table so far, particularly by Conservative members, but there hasn't actually been a lot of talk about the Canada pension plan.

I think the Canada pension plan has been an excellent thing for Canadians. The only deficiency in the plan, as far as I'm concerned, is that we're not paying enough into it to get a larger benefit out of it. When the Canada pension plan was designed, it was meant to be only a third of Canadians' retirement income. It has been an incredible success in terms of what it was designed to be, which is just a third of what people would need to get by in retirement.

The other third was to be a company pension. The final third was to come from Canadians' own personal savings and investments.

We live in a Canada today where over 70% of people working at a job don't have a company pension plan of any kind, whether it's a defined contribution plan or a defined benefit plan. Right there, when we're talking about the Canada pension plan and what it was designed to be—to work in concert with a company pension and personal savings—we know that the Canada pension plan won't get people through their retirement because they don't have that other leg of the three-legged stool that was supposed to be the foundation of Canadians' retirement income.

I think that's a problem. Employers should be exhorted and pushed to bring back company pensions or we need to recognize

that the CPP now is meant to provide at least two-thirds of Canadians' retirement income. We don't have a Canada pension plan that is built to provide two-thirds of Canadians' retirement income.

I would say that the CPP was designed for a system that no longer pertains. We either need to considerably expand the Canada pension plan or develop a strategy for pushing more employers to offer their own pension plans to employees.

When we look at the third leg of the stool and at the affordability crisis we are facing today.... Frankly, from the early 1990s on, real wages have not kept pace with the pace of inflation. Even when inflation was at target, wages did not grow as quickly as the price that people were paying for housing. For as much as the housing crisis has accelerated over the past two or three years, it's a 30-year trajectory that has led us to where we are. It's on an exponential curve.

For those at home who aren't familiar with exponential curves, the further you go on the curve, the more quickly things rise. As we continue on this exponential crisis curve, it's not a surprise to see that prices are increasing more and more every year.

Canada still isn't addressing some of the fundamental causes of the housing crisis. What that means for Canadians' personal savings and their ability to buy RRSPs, to invest or to just sock away cash, is that it diminishes as the cost of groceries, food, prescription drugs and everything else goes up. That means the third leg of that stool is also in bad shape.

The good thing about the CPP is that the premiums are taken from employers. They're taken off the cheques of Canadian workers before that money enters into their accounts, so Canadians aren't forced to bid that money to increase the price of a home to get it over that of either the other Canadians' or the investor they are competing against to get a home. The money people make as part of their wage package has not contributed to inflation in housing because it's already getting socked away in a pension plan and is not available to bid on the cost of the home. That's also been a great benefit to Canadians.

The only solid leg of the retirement savings three-legged stool that's supposed to get Canadians through retirement that is in any kind of good shape is the Canadian pension plan. It is in very good shape. They are required to have regular actuarial reports that pronounce on the state of the Canada pension plan. That plan is in good shape for the next 75 years-plus.

Over the last 10 years, it's seen an average return of 10%. Many Canadians who have private investments through mutual funds and other things like that would be very happy to see a 10% return over the last 10 years.

• (8425)

That return is partly because of the size of the Canada pension plan. It means that it can play in investment space that smaller mutual funds can't, and it's also able to spread the risk over all of the Canadians who work in the labour market, which is millions of them. I don't have the exact number, but if you think of the 40 million Canadians, most of them are going to participate in the workforce at some time in their life, and they are going to pay into the CPP. That means spreading the risk across everyone in Canada, whereas normally, if you invest in a fund, you don't have that big a fund. This is going to be relevant too when we talk about Alberta deciding to have its own pension plan if, indeed, that's where the Conservative government in Alberta wants to go.

The CPP is the only part of the Canadian retirement savings edifice that's in good shape. It does that in part by sharing risk over a larger group of people. Say, you ask someone this: Would you like to be in a pension plan with 10,000 members, would you like to be in a pension plan with 100,000 members, would you like to be in a pension plan with a million members, or 40 million members? I think most Canadians are going to say, "I'd like to be in the plan with 40 million members, because, wow, is that ever going to allow me to spread the risk across lots more people." It's going to allow their pension fund to make investments that are more likely to get a return and to spread risk across the portfolio. That's one of the great benefits.

Moreover, there's another great benefit of the Canada pension plan. Because it applies to all workers no matter where they live and work in the country—with the exception of Quebec, of course, which has its own plan—it's fully portable. Now, that has been an advantage to Canadian workers, who have had to go to other provinces to secure work, but ultimately want to retire in their home province. It has also been an incredible advantage to employers who have wanted to secure labour from other parts of the country when their own province hasn't been able to meet the labour need. It has meant that people don't have to compromise on their pension in order to go to work in another part of the country.

I think the portability of the CPP as well as its ability to spread risk are two very important advantages.

There's another advantage to having the Canada pension plan that I'm going to highlight today. I talked earlier about how over 70% of Canadians working today don't have any pension plan at all, but for those who do, often and more and more as time goes on, there are defined contribution plans.

What that means is the whole risk of the pension lies on the worker. If the investments don't turn out, that means a reduced benefit for the worker, whereas in a defined benefit plan the workers are guaranteed a certain benefit that they can bank on, that they can budget with.

We know when it comes to the CPP that that defined benefits have not been growing quickly enough to make up for rising costs,

and Canadians, who are depending only on their CPP... Again, that would be true for a larger and larger share of workers who haven't had a company pension as they retire. They've struggled to be able to put money away, while they're trying to pay the rent and the groceries. But their CPP amount will be the same amount, and even though it doesn't grow fast enough, it will grow by predictable measures. That is an incredible benefit to Canadians and another reason why, in my view, we should be talking about expanding the Canada pension plan. I think it's really unfortunate that the major debate we're having about the Canada pension plan right now is about shrinking it by having the Province of Alberta exit.

I disagree strongly with Premier Smith in Alberta, who has been driving this. I think there's a lot of public opinion polling showing that this isn't actually something Albertans are calling for. This is something that the government is trying to create a desire for in the province of Alberta. I don't believe that will be good for Albertans, and I don't believe it will be good for Canadians in the rest of the country, because the CPP is an excellent plan for all the reasons I have just mentioned.

So, what are the problems with Danielle Smith's plan, or what she's proposing? Well, there's a LifeWorks report that the Alberta government commissioned a couple of years ago, but didn't release until after the election—presumably because they knew what we know, which is that the overwhelming majority of Albertans aren't interested in leaving the Canada pension plan, and for good reason. Apparently they understand something that Danielle Smith does not.

They hired LifeWorks. We know LifeWorks by another name. They reinvented themselves. It used to be Morneau Shepell. In other words, Danielle Smith hired some random Liberal to run the numbers for her. It's odd to see Conservatives, who usually really get in a tizzy any time you quote a Liberal source, unless it happens to agree with the position they have already taken... It would be very interesting to go back and see all of the things that Conservatives have had to say about Morneau Shepell, particularly those who would seek to defend Danielle Smith.

Mr. Jasraj Singh Hallan: I have a point of order, Mr. Chair.

Mr. Daniel Blaikie: Don't kid yourself, Mr. Chair. What's going on in here....

The Chair: [*Inaudible—Editor*]

• (8435)

Mr. Jasraj Singh Hallan: I'm following the lead of my colleague, Julie. I want to know if there is any relevance to what Mr. Blaikie is saying to the topic.

The Chair: MP Blaikie, be relevant to the motion and the amendment, please.

Mr. Daniel Blaikie: Sure, but I'm talking about the report that Danielle Smith commissioned about the CPP. I'm right on topic. I would love it if any Canadian listening today would lay out Mr. Kurek's remarks at committee beside mine, and see who's more relevant to the topic at hand.

I thank Mr. Hallan for his intervention, but I hope he will take my reassurances to heart that I am, indeed, very relevant.

It was an interesting point for him to intervene, because he helped make my point. My point is that Canadians here shouldn't kid themselves about what's going on with the Conservative Party at this table. It's nothing but a defence of Danielle Smith. They have said that they apparently—the federal Conservatives—support Alberta's staying in the plan. They say the only thing they find objectionable in the motion is the mention of Danielle Smith. So what's going on here?

Well, if it's not on the substance of the issue, then it must be the politics of the issue. They've identified that for us by saying that they would gladly pass this motion if it didn't mention Danielle Smith. So what's happening here is a defence of Danielle Smith—and perhaps they're taking their cues from Preston Manning, who in a recent email encouraged the federal Conservatives to have a closer practical relationship. A news article says that Manning “encouraged a 'closer practical relationship' between Premier Danielle Smith's United Conservatives and the federal Conservatives to promote shared interest, adding 'Everybody benefits, especially Alberta.'”

Now, surprise, surprise, the email was sent out by one of the pillars of the Canadian Conservative movement—I think it's fair to call Preston Manning that. What we see here are Conservatives saying that they agree with the substance of the issue, but they just don't think anyone should be allowed to criticize Danielle Smith; and they're going to tie up the whole finance committee, which is studying the housing crisis. They're going to put an end to that study effectively in order to run political defence for Danielle Smith.

I think that is pretty interesting. As I was saying, Danielle Smith hired a former Liberal finance minister's company, Morneau Shepell, to run the numbers for her. They came up with quite an impressive number, which is testament to what consultants are prepared to do for the right fee. We know a lot about that in Ottawa. The Liberals love to hire consultants. This was a Conservative government hiring a Liberal consultant to get a number they wanted that says Alberta would be entitled to over 50% of what's currently in the Canada pension plan.

There are lots of other people, who aren't random Liberals, who have said that Alberta's entitlement would be a lot less. We'll leave it to the Conservatives to decide whether they want to take the advice of a paid random Liberal, or the advice of the CPPIB, for instance, the Canada Pension Plan Investment Board, or some of the other economists who have come and said that, in fact, Alberta wouldn't be entitled to 55% or 60% of what's in the Canada pension plan fund, but would probably be entitled to somewhere between 12% and 18%, which is a considerable difference. It's considerable

in terms of percentages, but when you think that we're dealing in hundreds of billions of dollars, the absolute difference becomes quite impressive indeed.

As I say, they hired a random Liberal, got a number that they wanted. It's reminiscent of the Brexit campaign. You may recall Boris Johnson, a Conservative, came up with the number of £350 million a day, he said, that could be reinvested in the National Health Service in Britain. People in the U.K. would get the best health service ever. Now doesn't that start to sound like somebody else? Donald Trump. I'll come back to him in a minute.

Just vote for Brexit and get the best health care ever, with £350 million pounds a day. Well, people in the U.K. did. It would be interesting to ask them how they feel about their health care.

I read an article recently that says that U.K. health care is really not much better at all since Brexit, but even we as Canadian parliamentarians have spent a lot of time talking about the consequences of Brexit. It's had a terrible economic impact on the United Kingdom, and it's had a terrible political impact, if we think about the conflict between Ireland and Northern Ireland and what it has done on the border and the potential for violence that has started up again. All of that was predicated in part on a lie—a lie about what it would mean for the United Kingdom's economic performance if they did what the Conservatives there encouraged them to do, a lie about what it would mean for their health care if they were to go in that direction.

The other thing that the National Health Service and Brexit debate have in common with the CPP is that the decision is irrevocable. There is no path back for the United Kingdom into the European Union, just as there will be no path back into the Canada pension plan for Alberta if this decision is made. I find it very reassuring to know that the majority of Albertans aren't interested in that, because it would do damage not only to Alberta workers but to workers across the country—except in Quebec, of course—because it would have a significant impact on their pensions.

Why is this plan dangerous? Well, it's dangerous because of the impact that it would have, but Alberta doesn't have to decide to leave the Canada pension plan in order for it to be dangerous now. What's being talked about is a potential referendum in 2025, and people say, “Okay, well, that's a ways away.” Even if Alberta did decide to leave, it would be another two or three years before they were out of the plan, so now we're into 2027 and 2028. “Well, maybe this isn't such a bad thing and we should let the process roll out,” they say, hence Conservative voices here saying: “Don't criticize Danielle Smith. Let her go out to consult.”

Folks who have talked to the Canada Pension Plan Investment Board, which knows a bit about investing, would know that when you're managing a \$580-billion portfolio that also includes a lot of hard assets, investment decisions have to be made years in advance in order to have enough liquidity to pay out someone who's demanding 12%, 18% or 50% of your holdings. You need to start arranging your investments in such a way as to be able to pay that out. Those investment decisions are not four or five years away. Those investment decisions are coming soon.

That's why what Danielle Smith is doing in Alberta is not innocent, and it's not harmless. It is dangerous, and it's dangerous now, because for the Canada Pension Plan Investment Board to take the Government of Alberta seriously, it means it has to start lining up its investment decisions now. This organization, which has been successful in delivering a 10% return over the last 10 years for Canadians through very difficult economic times, has to contemplate changing its investment behaviour in the near future in order to have enough liquid assets to pay out Alberta if Alberta decides to leave, and if that happens on a 2027, 2028 or 2029 timeline. It's coming.

It's coming and they have to be ready for that, so it is a dangerous plan. As I said, I think it's predicated on some bad numbers by some random Liberal, but it's also important to note the idea that somehow Alberta is paying more into the CPP than it's getting out assumes that because people happen to be working in Alberta from other parts of the country—and, I would add, at Alberta's invitation—means that, yes, it was paid into in Alberta, but I don't think there's anything wrong with people retiring to their home province and collecting their pension there. Effectively, what Danielle Smith is saying is that she wants to control where people take their retirement, and that if they worked in Alberta, they should retire in Alberta, because that's the only way to have fairness.

I think people should have the financial freedom within Canada to retire wherever they like. If they did the work, they receive those payments made into the CPP. Alberta never received those payments. Those workers received those payments. Yes, from an Alberta employer, but an Alberta employer who recruited them, hired them and asked them to stay and to work for them in that province. It's up to Canadian workers to decide where they take their retirement and where that money goes in their retirement.

I would add also that there's a liability the provinces where they retire are assuming, which is their health care liability, among others. Those folks who have retired to their home provinces are living on a much lower income and paying their taxes with a lower income in their home province and need to access health care services there. To say it's unfair because when their employer paid what the worker earned on their labour into the Canada pension plan they were working in Alberta and now they've retired to New Brunswick.... To say that somehow that's unfair to Alberta I think is to misunderstand the nature of those contributions. Those are contributions for the worker. They're not contributions for any one province.

Alberta wouldn't have been able to generate that wealth without having people come to do the work to extract barrels of oil from the ground. They did that at Alberta's invitation and, more particularly, the invitation of employers within Alberta. That's not a bad thing.

That's actually how we say we want it to work. Conservatives who promote agreements on internal labour mobility...that's all so people can work in one province and retire in another or work in different provinces at different times.

● (8440)

They're not just fans of international labour mobility within Canada; they've been fans of international labour mobility internationally. You wouldn't know it, to listen to them talking in the House of Commons today, but the trade agreements that they've supported consistently over the last 30 years have all included labour mobility chapters in order to make it easier for companies to take workers from outside of Canada and bring them here.

Now they say they're offended that there are going to be some South Korean workers coming to set up battery plants. I share their concern. I don't think that this public investment was made in order to create jobs for people outside of Canada. I do think that the government should have gotten some guarantees on that, but I also recognize that Canada currently—and I'm glad that it will in the future—doesn't have expertise in battery manufacturing.

What the Conservatives say when they defend international labour mobility clauses in trade agreements is that sometimes you need expertise that doesn't exist and that we shouldn't make it hard on businesses to secure the expertise they need to set up shop in Canada and have successful investments. Now, all of a sudden when that's happening, under the very clauses that they bragged they negotiated, it's a crime. It's a crime, and we're all supposed to be really upset about it. I think they need to get their house in order and decide what they're in favour of or not.

As a New Democrat, I say this with some great comfort because we've often been very critical of the labour mobility chapters in trade agreements. I think of the CPTPP, and the Canada-European Union Trade Agreement, CETA. If you go back and look at the record, what were we talking about? Among other things it was the international labour mobility provisions and how they're sometimes abused in order to import workers to keep wages in Canada artificially low. Yes, I'm quite familiar with this debate.

What they're doing in terms of calling those workers "replacement workers" so that they can get out of taking a position on anti-scab legislation I think is sad and pathetic. I think it does a disservice to the debate in the House of Commons and a disservice to Canadian workers who have their jobs taken while they're out on the picket line. Let's not pretend like somehow this is a new concern, that we don't know about how this works, where these workers are coming from or how they're getting into the country. We know they're coming because they're coming under the auspices of the very agreements that Conservatives like to brag they negotiated, so give me a break on that one.

All that is to say that Conservatives support labour mobility, but when it doesn't suit them, they're happy to turn around and complain about it. They're complaining about it right now in the context of these battery plants. I think there are some important concerns there that have to be addressed, but we're not going to get to the bottom of it if we're not honest about the mechanisms by which they're coming. Now, the Alberta government wants to say that even though it's supported labour mobility for workers to come and work in Alberta, when they decide to take their retirement back home close to their family, somehow there's some kind of financial inequity. That's not true if you look at it and realize that the money belongs to the workers and that they should be free to take their retirement incomes wherever they want. Governments should not dictate where people are allowed to take their retirements. If we believe in full mobility within Canada as a right of Canadian citizenship and the right of a Canadian worker, that therefore should not be used as an argument for fiscal inequity when we're talking about the Canada pension plan.

Is this motion divisive? No, I think it's reasonable to criticize the Danielle Smith government, for all of the reasons that I've just laid out. We need to be able to have a frank conversation about the one reliable pillar of Canadians' retirement incomes. It's okay to name names in that debate. Danielle Smith doesn't hesitate to mention the names of people she disagrees with. The Conservatives don't hesitate to mention the names of the people they disagree with. I've certainly heard Conservatives criticize Rachel Notley—if we want to talk about federal politicians criticizing provincial politicians. They certainly didn't hesitate from criticizing the Notley government. The idea that somehow it's automatically divisive or out of bounds for people to criticize folks in provincial politics is an argument that I might accept from my Bloc colleague, but I'm not going to accept it from the Conservatives, who have made a trade of attacking provincial governments that they disagree with.

I was interested in this question. I went back and thought it was quite interesting to see that Pierre Poilievre, the now leader of the Conservative Party, in 2018 said—I believe it was at this very committee—"Madam Chair, the finance minister is now commenting on the provincial policies in the various jurisdictions. That is just fine. In Ontario...." Then he went on to attack the Wynne government.

• (8445)

We've heard directly from the Conservative leader that he thinks it's totally fair game. We've not only heard him saying that it was fine for Bill Morneau at the time, who incidentally went on to write that—well, he's the owner of the company that wrote the report for

the Alberta government, but never mind—he's done it himself. He's done it many times. On October 30 of this year my colleague Jenny Kwan got up in the House of Commons to ask him a question about social and co-op housing, and he got up and talked about what the B.C. NDP were doing and he described social housing is a "Soviet-style takeover of housing." Well, you can think what you want about the comment. I personally think it's patently absurd.

That was just a totally ridiculous comment, but he made it, and that was a criticism of a provincial government. But now they're saying, "Oh, wow, we can't name a provincial government. That would be really divisive." To call the B.C. government a Soviet government isn't using language that I would characterize as designed to encourage national unity, Mr. Chair, so let's just take a pause on that and reflect on that.

Let's also reflect on the fact that the Conservative leader has hardly any meaningful policies to address the housing crisis. The one thing he hangs his hat on is going after municipal politicians outside of federal jurisdiction—municipal jurisdiction is not federal jurisdiction—and he's been making a career of going around the country attacking municipal jurisdictions and attacking municipal politicians. That's not a great move from a national unity point of view, and it's clearly not a move that says we can't talk about what other levels of government are doing here. Kind of his whole thing on housing is talking about other levels of government so he doesn't have to talk about the absence of federal housing policy in his own bill—

An hon. member: Should I donate to your campaign?

Mr. Daniel Blaikie: —which is really about giving land away to developers in a similar fashion we saw take place in Ontario.

Now we have an amendment to this motion because the Conservatives, more than anything, want to take out reference to Danielle Smith, because they're taking their cues from Preston Manning. The amendment is to take out reference to Alberta's plan to leave and to replace it with a bunch of stuff about energy policy so that they have something they'd prefer to talk about.

That's consistent with a strategy we've seen now for a while, which is that the Conservatives don't want to talk about any of the things that are politically inconvenient for them. We saw that right when we came back to the House, the Prime Minister made some serious allegations. We've seen now that the U.S. is similarly concerned about an assassination attempt by a Sikh nationalist on its own soil. We saw the Prime Minister make what was a very serious accusation at that time, and we had a debate about it for an entire evening in the House of Commons, and in the course of that debate we saw one Conservative speaker speak for five minutes and they took a pass on the rest of the debate because we know Stephen Harper—

• (8450)

Mr. Corey Tochor: On a point of order, I'm sorry, Chair, but what is the relevance of this to the motion?

The Chair: I would ask that MP Blaikie be relevant to the motion and the amendment.

I would also ask you, MP Tochor—I know there has been a lot of chatter—if you could just keep it down while MP Blaikie is making his comments.

MP Blaikie, go ahead.

Mr. Daniel Blaikie: I'm happy to establish the relevance. My argument is that this amendment is designed to give them an excuse to talk about something other than what is uncomfortable for them to talk about, which is the Canada pension plan generally and Danielle Smith specifically, and I'm establishing that it's part of a pattern of behaviour that we've seen with Conservatives—

Mr. Corey Tochor: On a point of order, Chair, this has nothing to do with the motion on the floor. It's not relevant. It has nothing to do with the amendment.

I do not think Danielle Smith is in the amendment.

The Chair: It is on the amendment. Yes, it is.

Continue, MP Blaikie.

MP Tochor, I have ruled.

MP Blaikie, please—

Mr. Jasraj Singh Hallan: I have a point of order, Chair.

The Chair: Go ahead on a point of order.

Mr. Jasraj Singh Hallan: The subamendment that we're supposed to be talking about is very clear, and I would challenge what you're saying. It says, "This Liberal government's policies, such as the carbon tax and Bill C-69, are leading to greater division in our country." I don't see Danielle Smith's name in there. I don't see the pension plan in there. I don't see anything like that in there, and after all, we're on the subject—

The Chair: Thank you, MP Hallan. We're speaking to the motion and the amendment.

Mr. Jasraj Singh Hallan: We are speaking to the subamendment.

The Chair: We are speaking to both.

An hon. member: There is no subamendment. There is just the Conservative amendment

The Chair: MP Blaikie, you have the floor.

Mr. Daniel Blaikie: And, the part you didn't read, is that it removed clause 3 from the original motion, which is the clause that makes reference to Danielle Smith. Give me a break, guys.

This is not unlike what we witnessed in the House last night where we saw two Conservative members get up to speak to anti-scab legislation and they never once spoke to the bill, never once mentioned the term "strike", never once mentioned the term "lock-out", never once talked about replacement workers in any relevant sense. This is my point. When it's politically uncomfortable for them to talk about something, they don't. They then make up other things to talk about or they insert other things—

An hon. member: It's not something uncomfortable at all—

The Chair: Allow the member who has the floor to continue.

• (8455)

Mr. Daniel Blaikie: They insert other things into the debate. It's not an accident that they started interrupting me when I started talking about India, because part of their silence was designed to protect Modi, someone Stephen Harper has a very close personal relationship with and has even tweeted about positively. The Conservatives took a pass on that debate because Stephen Harper has a close relationship with Modi in India and they want to look past some of the serious human rights violations the Government of India is responsible for. They don't want to talk about it.

Then when I start talking about it, we start getting disruptive points of order because it's uncomfortable for them. Their strategy is to silence people, just as they've been trying to silence this committee because they don't like the fact that some of us don't agree with Danielle Smith and are willing to name it, so they haven't allowed us to have a vote. That's really what all of this is about. It's about avoiding a vote because they know that a number of us on this committee are critical of Danielle Smith and they don't accept that anyone could be.

They are the ones who like to talk a lot about democracy and its importance, but you see in their behaviour that when you don't agree with their position, they seek to silence you. They seek to stop decisions being made when they know they're not going to get the outcome they want. That is the most undemocratic that you can be.

Mr. Damien Kurek: I have a point of order, Mr. Chair.

The Chair: On a point of order, Mr. Kurek.

Mr. Damien Kurek: Thanks.

My point of order is that the NDP member has been speaking now for 30 minutes. I thought he would find that—

An hon. member: That's not a point of order.

The Chair: That's not a point of order.

MP Blaikie, please.

Mr. Daniel Blaikie: I'm sorry, I was just trying to have equal time with Mr. Kurek. I didn't realize that would be objectionable to him. In fact, I think to meet the bar, I still have some ways to go, so I will continue.

An hon. member: About an hour and 20 minutes.

Mr. Daniel Blaikie: I made the point on India, which was that what we saw was a strategic silence by the Conservatives when Parliament was talking about an issue they didn't like. It wasn't in their political interest, so that's how they got out of that one.

We're seeing something similar happen on the Canada-Ukraine Free Trade Agreement. They decided that they wanted to vote against it. I talked earlier about Preston Manning encouraging closer collaboration between Danielle Smith and the federal Conservatives. What we're seeing in the United States with the Republican movement there—and Donald Trump particularly, who I think was bought and paid for by Russia—is that Republicans are raising doubts and criticisms of Ukraine in order to undermine that effort.

We know that a lot of strategy is shared between Canadian Conservatives and the Republican Party in the United States, and they're going to these conventions now as Republicans in the States and what are they hearing? It's that we should be more critical of Ukraine. What are the Conservatives doing? For maybe the first time ever, they're voting against an international free trade agreement. They want to make it about the carbon tax because that's what they like to talk about. Suddenly, they're not talking about the war in Ukraine anymore. They're talking about the carbon tax.

They're not talking about the fact that President Zelenskyy himself wanted Canada to implement this agreement and asked Canada to vote in favour of it. They're not talking about the fact that on the Day of Dignity and Freedom in Ukraine, they voted against the Canada-Ukraine Free Trade Agreement that President Zelenskyy had asked Canada to pass, because they want to talk about the carbon tax because that's more politically expedient for them. To try to make the Canada-Ukraine conflict about the carbon tax works better for them than explaining why, after hanging out with their Republican buddies in the United States, they came back and decided to vote against the Canada-Ukraine Free Trade Agreement.

I get why that's an uncomfortable conversation, but that's the conversation we should be having—not another conversation about the carbon tax, which we have often in this place and which is often used to distract from a number of topics. In fact, I've seen Conservative MPs from provinces that don't even have the federal carbon tax use that same strategy. In British Columbia there's no federal carbon tax, yet I've watched Conservative MP after Conservative MP get up to talk about how they're serving their constituents by talking about the federal carbon tax, as if the carbon tax in B.C. wouldn't apply the day after a federal carbon tax was eliminated.

We see pretty consistent strategies going on.

I made reference earlier and I'll do it again.... And I'm sorry Mr. Perkins isn't here because he was one of the MPs up in the chamber last night talking about the anti-scab legislation, an uncomfortable topic for Conservatives because they have been trying to portray themselves as being on the side of workers. We know that the right to strike is one of the most important rights when it comes to work-

ers being able to stand up for themselves and bring home powerful paycheques. We know, because we have watched Conservatives vote against anti-scab legislation in the past and for right-to-work legislation in the past, that Conservatives are not on the side of workers.

They don't want to talk about it in the House. It's why they wouldn't talk about it in the House last night.

• (8500)

The Chair: I'm going to interject at this time.

We've talked about Ukraine. The Holodomor commemoration is happening at this time on the Hill.

Members, we will suspend.

[The meeting was suspended at 1:00 p.m., Thursday, November 23]

[The meeting resumed at 3:59 p.m., Monday, November 27]

The Chair: Welcome, everyone.

We are resuming meeting number 121 of the House of Commons Standing Committee on Finance. Pursuant to the order of reference of Thursday, November 23, 2023, the committee is commencing its study of Bill C-56, an act to amend the Excise Tax Act and the Competition Act.

As indicated in the memo that was sent out last week, I'd like to remind members that amendments to the bill must be submitted to the clerk of the committee by noon tomorrow, Tuesday, November 28. It is important for members to note that, pursuant to the order adopted by the House on Thursday, November 23, the noon deadline is firm. This means any amendments submitted to the clerk after the deadline and any amendments moved from the floor during the clause-by-clause consideration of the bill will not be considered by the committee. It is important that, when submitting amendments, members also send an XML version of the amendment file. This will ensure that the legislative clerks are able to quickly put together the package of amendments, which will be a benefit to all members of the committee.

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

I'd like to make a few comments for the benefit of witnesses and members.

Please wait until I recognize you by name before speaking. For those participating by video conference, click on the microphone icon to activate your mic, and please mute yourself when you are not speaking.

There is interpretation. For those on Zoom, you have the choice at the bottom of your screen of floor, English or French. For those in the room, you can use the earpiece and select the desired channel.

Although this room is equipped with a powerful audio system, feedback events can occur. These can be extremely harmful to the interpreters and can cause serious injuries. The most common cause of sound feedback is an earpiece worn too close to the microphone. We therefore ask all participants to exercise a high degree of caution when handling the earpiece, especially when your 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 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.

I'd now like to welcome our witnesses. With us today is the Deputy Prime Minister and Minister of Finance, the Honourable Chrystia Freeland. Welcome, Minister. I see that you're wearing your Ukraine pin colours. Thank you for commemorating the Holodomor this weekend with the community.

Joining you today, from the Department of Finance, is the assistant deputy minister of the tax policy branch, Miodrag Jovanovic.

The floor is yours, Minister, for opening remarks.

Hon. Chrystia Freeland (Deputy Prime Minister and Minister of Finance): Thank you, Mr. Chair. I am wearing the Ukrainian colours because this weekend was the 90th anniversary of the Holodomor. There were many residents of your constituency there, and our colleague Yvan Baker was there as well on this solemn occasion. I thought it was definitely worth standing in solidarity with Ukraine today.

[*Translation*]

I am delighted to be here with you and the committee members to discuss Bill C-56, the affordable housing and groceries act. This legislation is part of our government's economic plan to build an economy that is focused on the well-being of all Canadians, to create good jobs people can count on.

Our plan is working. In the first half of this year, Canada ranked third highest in the world for foreign direct investment and had more per capita investment than any other G7 country—better than the United States, the United Kingdom, Germany, Italy, France and Japan. Canada has the lowest deficit and the lowest debt-to-GDP ratio in the G7. The International Monetary Fund projects that Canada will see the strongest economic growth in the G7 next year.

All of that means that our economy is creating excellent jobs for Canadians right across the country. In fact, there are over a million more people working today than there were pre-pandemic. Building on that significant progress, our government is taking new concrete measures, under the affordable housing and groceries bill, to address two of the biggest challenges facing Canadians, access to housing and affordability.

[*English*]

I'd like to outline why it is so important that we work together to pass this legislation.

First, we are removing the GST on new purpose-built rental housing, which we all know will help build more homes faster across Canada. This is about making the math work for builders and giving them an incentive to build more homes that would otherwise not move forward due to construction costs. For example, in the case of a two-bedroom rental unit valued at \$500,000, a builder will benefit from \$25,000 in tax relief. That makes it more cost-effective for them to build. It's going to build more rental homes faster. We know Canadians need that.

Our plan is already delivering results. To give you one example, a Toronto-based developer said, after we announced this measure, that this developer will now build 5,000 new rental units across the country. These are units that were otherwise on hold. Provinces, including Ontario, Nova Scotia, Prince Edward Island and Newfoundland and Labrador, have followed our lead by eliminating provincial taxes on new rentals, and that is getting even more new rental housing built across Canada.

In the fall economic statement that I tabled last week, the federal government is also proposing to eliminate the GST on the construction of new co-op, purpose-built rental housing, something that members of this committee have been advocating for and that we've been having very good constructive conversations about.

Today, about a third of all Canadians rent their homes, and whether they are students, families, seniors or new Canadians, it's essential that we build more rental homes and build them faster. I really believe that is a goal that all members of this committee share, and by passing the affordable housing and groceries act, we can help to do just that.

Bill C-56 would also increase competition across our economy, particularly in the grocery sector. More competition means lower prices and more choice. By increasing competition and cracking down on unfair and anti-competitive practices, we're helping to stabilize prices for Canadians. That includes by amending the Competition Act to give more power to the Competition Bureau to help the bureau investigate and crack down on price-fixing.

We are also removing the efficiencies defence to end anti-competitive mergers that raise prices and limit choices for Canadians. We are empowering the Competition Bureau to put a stop to situations where large grocers prevent smaller competitors from establishing operations nearby.

Through our economic plan, our government will continue to do everything we can to build an economy that works for everyone, and that is exactly what this legislation will help to do.

Thank you. I'm happy to take your questions.

The Chair: Thank you, Minister Freeland. I'm sure members have many questions.

We are starting with our first round of questions. Each party will have up to six minutes to ask questions.

We are starting with MP Hallan, for six minutes.

Mr. Jasraj Singh Hallan: Thanks, Chair.

Minister, what is your projected growth rate for your government spending next year?

Hon. Chrystia Freeland: I'd like to start, Mr. Hallan, by talking about one of the things that we all know can make life more affordable for Canadians and—

Mr. Jasraj Singh Hallan: Minister, respectfully, I only have six minutes. It was a quick answer on the question—

The Chair: MP Hallan—

Mr. Jasraj Singh Hallan: I'll continue my questioning. Thank you, Chair.

The Governor of the Bank of Canada, who sat in that chair recently, said, “we expect government spending to grow at about 2.5%. What that means is, if all those spending plans are realized, government spending will be adding to demand more than supply is growing, and in an environment where we're trying to moderate spending and get inflation down, that's not helpful.”

I'll help you out, Minister. In your own fall economic statement on page 77, according to your numbers, it calculates to be about 5.5% growth. That's more than double what the governor said would be helpful. The governor also said that your fiscal policy and his monetary policy of trying to tackle inflation by raising interest rates are rowing in opposite directions.

Do you agree with him, or do you disagree with him?

Hon. Chrystia Freeland: Let me quote the governor from Wednesday, the day after I tabled my fall economic statement. He said the fall economic statement “is not adding new or additional inflationary pressures over the next couple of years, which is the critical period over which we will be looking to reduce inflation and get it back to the target”. He also said, and I'll quote the governor—

Mr. Jasraj Singh Hallan: Respectfully, Minister, by adding \$20 billion—

Hon. Chrystia Freeland: I'm sorry—

The Chair: MP Hallan, we've had this conversation before. I don't want you interjecting when the minister is answering or when any witness is—

Mr. Jasraj Singh Hallan: It's a very simple question.

The Chair: It's okay if it's a simple question, MP Hallan. I want you to listen to the answer and then ask your next question. That's what I want you to do.

Mr. Philip Lawrence: I have a point of order.

The Chair: What I'm asking for is decorum and respect here.

MP Lawrence.

Mr. Philip Lawrence: We get the minister so seldom here. I think we should be allowed to ask the questions we want to ask. I believe that's called democracy.

The Chair: Yes, MP Lawrence, you can ask the questions you want to ask. You have to then listen to the answers. I don't want crosstalk. It affects the interpreters.

We hear this all the time, and we want these things to stop here at our committee, so I'm asking—

Mr. Philip Lawrence: On the point of order, with respect, we have seen that Minister Freeland and all Liberal ministers are adept at filibustering their way out of—

The Chair: That is not a point of order, MP Lawrence. What we're talking about right now are the health and safety of our interpreters, stopping crosstalk, and respect and decorum.

I'm going to allow the minister to answer the question. Then MP Hallan will have time to ask his next question.

MP Hallan.

Mr. Jasraj Singh Hallan: Mr. Chair, I'll ask in another way. The governor said—

Hon. Chrystia Freeland: I wasn't finished my answer, I'm afraid.

Mr. Jasraj Singh Hallan: It's my time, Minister, respectfully.

The Chair: MP Hallan, again, the minister had the floor. Allow the minister to finish the answer to your question and then ask your next question.

Minister.

Hon. Chrystia Freeland: I was asked a direct question about comments from the Governor of the Bank of Canada. I responded by directly—

Mr. Jasraj Singh Hallan: It's a yes-or-no answer.

Hon. Chrystia Freeland: —quoting comments he made about fiscal policy last week.

Let me simply say that the governor said, after I tabled the fall economic statement, “The fall economic statement also includes some new fiscal guardrails beyond the near term, and from the perspective of monetary policy, I do think that's helpful.”

We've had a clear statement from the Governor of the Bank of Canada—

Mr. Jasraj Singh Hallan: Okay, Minister—

Hon. Chrystia Freeland: —about the fall economic statement and how fiscal policy and monetary policy are working.

Mr. Jasraj Singh Hallan: He said what would not be helpful is if you spend above 2.5%, and in your own fall economic statement, the calculations worked out to more than 5.5%. Was the Governor of the Bank of Canada lying, yes or no? It's just a yes or no.

Hon. Chrystia Freeland: As I said, the governor had an opportunity last Wednesday to comment directly on the fall economic statement. He did, and I've quoted his remarks precisely.

Mr. Jasraj Singh Hallan: I'll take that answer as you don't agree with the governor.

I'll have to move on.

The Chair: I'm going to interject.

MP Hallan, again, I don't want this happening for the whole meeting.

MP Hallan, you'll ask your question, you'll get an answer and then you can ask your next question, but do not crosstalk for the interpreters' sake. We hear about this all the time from the interpreters, so we're going to stop this behaviour.

Mr. Jasraj Singh Hallan: Chair, I have six minutes to ask questions.

The Chair: I just stopped your time.

Mr. Jasraj Singh Hallan: It was a simple yes-or-no answer. I'm going to move on, Chair.

The Chair: You still have three minutes and seven seconds. The time is stopped.

Go ahead.

Mr. Jasraj Singh Hallan: I'll move on.

Minister, what are the interest payments Canadian taxpayers are stuck with next year on your government's debt? I just need the number.

Hon. Chrystia Freeland: The debt service charges are outlined in detail in English on page 77 of the fall economic statement and—

Mr. Jasraj Singh Hallan: It's page 82, actually.

Hon. Chrystia Freeland: —page 90 in French.

Mr. Jasraj Singh Hallan: I just need the number, so if you have it—

Hon. Chrystia Freeland: Let me also point out—

Mr. Jasraj Singh Hallan: Minister, I just need the number.

The Chair: MP Hallan, again it's happening. It doesn't stop.

MP Hallan, I'm letting you know—

Mr. Philip Lawrence: Mr. Chair, on a point of order, you're the one who's crosstalking right now. You're continually interrupting Mr. Hallan.

The Chair: MP Lawrence, that's not a point of order.

MP Hallan, ask your question, allow for an answer and then ask your next question.

Mr. Jasraj Singh Hallan: I'll help out the minister.

Once again, on page 82, Minister, of your own fall economic statement—

The Chair: MP Hallan, you do not have the floor right now.

Mr. Jasraj Singh Hallan: It's my time, Chair.

The Chair: The minister was answering your question.

Mr. Jasraj Singh Hallan: No, she wasn't.

The Chair: The minister was answering your question. Allow the minister to answer the question and then you can get on—

Mr. Jasraj Singh Hallan: I just need the number, Minister, please.

The Chair: —to your next question.

Mr. Jasraj Singh Hallan: What's the number for interest payments next year on Canadians?

Hon. Chrystia Freeland: As I said, the debt service charges are clearly outlined on pages 77 in English—

Mr. Jasraj Singh Hallan: What's the number?

Hon. Chrystia Freeland: —and 90 in French, but let me point out some important features of Canada's fiscal debt. Our—

Mr. Jasraj Singh Hallan: Let me answer, because you're not answering the question, Minister. On Page 82—

Hon. Chrystia Freeland: —debt-to-GDP ratio and deficit—

Mr. Jasraj Singh Hallan: —of your fall economic statement, the interest charge—

Hon. Chrystia Freeland: Mr. Chair, I can't speak when someone else is speaking.

Mr. Jasraj Singh Hallan: —on your government's debt is going to be \$52.4 billion. Can you please let Canadians know—

Hon. Chrystia Freeland: If Mr. Hallan is interested in speaking to himself, I'm not sure why [*Inaudible—Editor*] to come to committee.

The Chair: Minister and MP Hallan—

Mr. Jasraj Singh Hallan: She's crosstalking.

The Chair: That's right. We don't want any crosstalk. What we're asking for is no crosstalk.

Mr. Jasraj Singh Hallan: Let me continue. We've established that the interest on your government's debt on Canadians' heads is going to be \$52.4 billion.

On page 82, can you please let Canadians know what the health transfer costs are going to be next year?

Hon. Chrystia Freeland: As I was saying before I was interrupted, when it comes to Canada's fiscal track, it's worth pointing out that Canada's debt—

Mr. Philip Lawrence: I have a point of order, Mr. Chair.

Hon. Chrystia Freeland: —and deficit are both—

The Chair: There is a point of order.

Mr. Philip Lawrence: Mr. Hallan asked a very simple question, and I do not understand why the minister can't answer the question.

The Chair: That is not a point of order, MP Lawrence.

Mr. Philip Lawrence: A witness has an obligation to respond to questions.

The Chair: No, that is not—

Mr. Philip Lawrence: They absolutely do, especially when they are a minister of the Crown.

The Chair: The witness is answering questions. Allow the minister to answer the question, MP Lawrence.

Go ahead, Minister.

Hon. Chrystia Freeland: Our debt and deficit are both the lowest in the G7. Canada also—

Mr. Jasraj Singh Hallan: That wasn't the question, Minister.

Hon. Chrystia Freeland: —continues to enjoy a AAA credit rating.

Let me give you two other data points on the sustainability of Canada's fiscal position. First, foreign investors are buying Canadian government bonds.

Mr. Jasraj Singh Hallan: Minister, I'll give you one more chance.

Hon. Chrystia Freeland: The share of foreign investors in our debt has gone from around 15% in 2008—

Mr. Jasraj Singh Hallan: What is the number for what the Canada health transfer will be next year? I'd like just the number.

Hon. Chrystia Freeland: —to close to 30% today. Those are investors who are voting with their money.

Thank you, Mr. Chair.

Mr. Jasraj Singh Hallan: What is the number for the Canada health transfer next year? Can you provide a number?

Hon. Chrystia Freeland: Is the floor mine, Mr. Chair, or is Mr. Hallan interested in answering his own question?

The Chair: The floor is yours to answer the question from Mr. Hallan, yes.

Mr. Jasraj Singh Hallan: On page 82, table A1.6—

Hon. Chrystia Freeland: Another relevant point when it comes to the sustainability of Canada's debt is the fact that Canada, because we have a fiscally responsible—

Mr. Jasraj Singh Hallan: I'll take my time back.

Let me establish for Canadians, since the minister won't answer, that interest on Canadian taxpayers—

Hon. Chrystia Freeland: —economic plan, currently enjoys a premium on U.S. debt. Right now, the Canadian 10-year today—

Mr. Jasraj Singh Hallan: —because of the government's debt—

Hon. Chrystia Freeland: It's impossible for me to answer, Mr. Chair.

The Chair: Minister and MP Hallan, it's not going to work with this crosstalk.

Mr. Jasraj Singh Hallan: I'll continue, then. I have another question for the minister.

Minister, I have to establish for you, since you won't answer yourself, that the interest charge on Canadian taxpayers, because of your government's debt, is \$52.4 billion.

Health transfers next year are going to be \$52.1 billion. Why are you paying bankers, bondholders and your Bay Street buddies more money than what doctors, nurses and the health care system will get next year?

Hon. Chrystia Freeland: Mr. Chair, thanks to our government's fiscally responsible economic plan, in addition to attracting foreign investors, Canada enjoys a premium relative to the U.S. when it comes to borrowing. That means Canadians pay less than Americans do. That speaks to the effect of having a fiscally responsible economic plan to make the necessary investments in Canada and Canadians.

The Chair: Thank you, MP Hallan.

We will now go to MP Baker, please.

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

Deputy Prime Minister, thank you very much for being with us today.

Thank you for wearing the ribbon you're wearing and for being there to commemorate the Holodomor in Toronto. I know it was very meaningful to the community and to many Canadians.

We're here today to study a bill that has important affordability measures for Canadians to help folks with the cost of living.

I think it's important to understand that global factors are driving inflation and affordability here at home. We know, as all of us have heard from multiple witnesses at this committee, how Russia's invasion of Ukraine for the last 21 months has impacted energy prices and food prices globally and here at home. These are prices that Canadians pay at the grocery store and at the pumps every day.

To stop these global pressures on inflation, I believe we have to ensure that Ukraine achieves a decisive victory in this war. The modernized Canada-Ukraine free trade agreement is essential to this. All parties in this House, except for one, understand this.

Minister, I'd like to hear your thoughts on the Conservative Party's failure to support Ukraine by voting against the Canada-Ukraine free trade agreement in this time of need.

Mr. Marty Morantz (Charleswood—St. James—Assiniboia—Headingley, CPC): I have a point of order, Mr. Chair. I'm not sure what the relevance of that question is to the subject of Bill C-56.

Mr. Yvan Baker: Mr. Chair, the bill the minister is here to speak about is about affordability measures for Canadians. I outlined in the preamble to my question that affordability is a challenge for my constituents and for Canadians coast to coast, and that some of the key causes of the affordability challenges are from the war in Ukraine. I am asking the minister to comment on some of the measures in this Parliament that were recently voted on that touch on this.

The Chair: Thank you, MP Baker.

Mr. Marty Morantz: On the point of order, Mr. Chair, the question was—

Hon. Chrystia Freeland: Let me speak directly to the relevance of that question.

G7 finance ministers, at our meeting in October in Marrakech, spoke directly to the economic consequences of Russia's illegal invasion of Ukraine: "Russia's war has...increased global food insecurity, and exacerbated global economic challenges."

Mr. Marty Morantz: I have a point of order, Mr. Chair.

The Chair: Go ahead, on a point of order.

Mr. Marty Morantz: Are we getting French interpretation?

The Chair: Yes, interpretation is coming to us in French on the English channel.

Can we switch? Okay. We've done that.

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

The Chair: You have a minute and 52 seconds.

Hon. Chrystia Freeland: G7 finance ministers further said, "We call on Russia to immediately end its illegal war against Ukraine, which would clear one of the biggest uncertainties over the global economic outlook."

Therefore, Putin's illegal invasion of Ukraine is certainly a war of dictatorship against democracy. It is certainly—

Mr. Marty Morantz: On a point of order, again, I don't see what the relevance of this discussion is to the bill we are here to analyze: Bill C-56, the affordable housing and groceries act.

Hon. Chrystia Freeland: It is directly relevant.

Mr. Marty Morantz: I'd like you to rule on that.

The Chair: MP Morantz, I have been listening to the discussion and it is relevant.

Mr. Marty Morantz: You think this discussion is relevant to Bill C-56.

The Chair: I believe it is relevant, yes.

Mr. Marty Morantz: You're kidding.

The Chair: Yes, I do.

Hon. Chrystia Freeland: It is directly relevant, Mr. Chair.

The Chair: We will allow the minister to continue. I believe it is relevant.

Hon. Chrystia Freeland: As G7 finance ministers agreed, Putin's illegal war is raising global food prices. It is raising global energy prices. It is directly hurting every single Canadian we represent here.

Also, we all had an opportunity last week to stand with Ukraine, say no to Putin and tell him to end his costly war.

Mr. Marty Morantz: I have a point of order, Mr. Chair.

The Chair: There's a point of order.

Mr. Marty Morantz: It's okay. We'll let it go this time.

The Chair: Okay.

Hon. Chrystia Freeland: We had that opportunity. The Bloc took that opportunity to tell Putin to end his war, make life more affordable for Canadians and stop killing Ukrainians. The NDP took that opportunity to say no to Putin, support Ukrainians and, by the way, bring down food and energy prices. The Liberals did too.

One party voted against it and I'm appalled. I'm appalled the Conservative finance critic, who represents the province of Alberta... More than 8% of the population of Alberta is Ukrainian Canadian. MP Morantz represents the great province of Manitoba. More than 12% of the population of that province is Ukrainian Canadian. Not much astonishes me anymore about this Conservative party, but that action really does.

Mr. Yvan Baker: Thank you, Minister.

Over the last few years, Canadians have lived through more uncertain times. When I say that, I'm talking about things like the global pandemic, its aftermath on our economy, the effects of climate change and so much more. It's in these tougher economic times that I think Canadians hold dear and focus on their financial security and savings. Part of that is their retirement.

That's why I found it quite puzzling—and I think many colleagues found it puzzling—to hear calls by Premier Smith to break up the Canada pension plan, a move the Conservatives at this very committee have yet to condemn. Over the last few weeks, rather than standing up for Canadians' pensions, the Conservatives have preferred to filibuster at this committee as we've been debating that very issue.

I'd like to hear your thoughts on this, Minister.

Hon. Chrystia Freeland: I have also been very puzzled by that Conservative behaviour, particularly since the Conservative leader did, after a long delay, come out with a statement speaking up for the Canada pension plan, which provides security and dignity for all Canadians in their retirement. There is a real contrast between what the leader said when asked and the behaviour of his members of Parliament when it comes to acting.

It's something this committee could do to support Canadians in having a safe and dignified retirement. Also, it is very much a part of the cost of living, which this bill is addressing.

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

That's it for me, Mr. Chair.

The Chair: Thank you, MP Baker.

We'll now go to MP Ste-Marie.

[*Translation*]

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

Good afternoon everyone.

Good afternoon, Minister. Thank you for being here.

I'm going to have questions about the competition aspect of Bill C-56 for Mr. Champagne, your fellow minister. My questions for you pertain to the GST rental rebate.

When we were briefed on Bill C-56 at the beginning of the process, we were told about studies that included numbers, projections or forecasts for the GST rebate. We still haven't gotten that information. It's tough for lawmakers to make decisions without the numbers.

What are your projections when it comes to the GST rebate? How many more buildings or units will it generate, do you think?

Hon. Chrystia Freeland: I see that Mr. Jovanovic would like to answer, but I'll start, Mr. Ste-Marie.

First, I want to say how much I appreciate the fact that you are wearing the Ukrainian colours, as I am. I know that the Bloc Québécois understands the significance of the war. Not only is it a fight for democracy, but it is also a fight that is having a serious economic impact on each and every Quebecker. Thank you for that.

On the subject of housing and the GST, I want to first say how pleased our government is to have signed a \$900-million housing agreement with Quebec. We are going to build a lot of housing units, thanks to the agreement.

With respect to the GST, I'll refer to the estimate by Professor Mike Moffatt, who projected that between 200,000 and 300,000 more apartments would be built in the next seven to 10 years thanks to this measure. I repeat, that's his assessment. As you know quite well, many macroeconomic factors come into play. That's why Professor Moffatt said that his assessment is based on a lot of variables, but we can say with certainty that the measure will encourage the construction of rental housing.

That is the view of economists and home builders, and I think we all realize that Canada needs more rental housing units. We need to build a lot of them, and that's what this bill will help us do.

Mr. Gabriel Ste-Marie: Thank you.

Professor Moffatt estimates that, with this measure, it will be possible to build 200,000 to 300,000 more units. I take it that is the figure you and your department are using.

Would the bulk of those 200,000 to 300,000 units have originally been condos that are being shifted over to the rental market instead?

Hon. Chrystia Freeland: I think that reflects a portion of the new units.

In the past two weeks, I've made two announcements in places where rental units were being built, and the builders told me two things. First, as you suggested, by removing the GST on the construction of rental units, we have created an economic incentive to build rental housing as opposed to condos, because we need more rental units. Second, the whole housing construction sector is facing economic challenges, including those that build rental housing exclusively. It's hard for them to obtain financing.

This measure will really encourage the construction of rental housing on two levels. Other measures include \$20 billion in additional funding for the construction of rental housing, which was announced before the fall economic statement. Some people want to build housing units, but can't because of a lack of financing.

A third, very important, factor is that municipalities have to create opportunities to build housing. That is why our government is signing agreements directly with municipalities to support those opportunities.

Mr. Gabriel Ste-Marie: How much time do I have left, Mr. Chair?

[*English*]

The Chair: That is the time. We're a little over, MP Ste-Marie.

[*Translation*]

Thank you.

Mr. Gabriel Ste-Marie: All right. Thank you.

[*English*]

The Chair: We'll go to MP Blaikie, please.

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

Thank you, Minister. I'm pleased to have you at the committee.

I'm glad to be able to amend the bill to ensure that housing co-operatives are also captured by the GST rebate. I think that's an important improvement, and it's one I'm looking forward to making in legislation soon.

One of the other concerns that New Democrats have with respect to the GST rebate—we haven't been able to reach an agreement so far, but I'm hoping it may yet be within reach—is applying the GST rebate to non-profit housing projects that either began construction or began in some other significant way prior to September 14 this year. I don't have complete numbers and we'd be very happy to have complete numbers. Please send those along to the committee if you have them. I suspect that the government has them somewhere.

There are a number of non-profit housing projects that the federal government is funding through the national housing strategy that aren't proceeding because the increase in interest rates has meant that the original business case for the housing when it was approved for financing, grants or whatever the support from the government is.... Because of rising interest rates, the projects haven't been able to proceed. For those projects, applying the same GST rebate can be the difference between moving ahead or not.

I'm wondering if you have those numbers and if you'd be able to provide them to the committee, either here today or promptly after this meeting.

Are you concerned about projects that the federal government has approved funding for that aren't proceeding because we're in difficult times and interest rates have been going up? What do you say to non-profits that are waiting to hear if the GST exemption is going to apply to them, so they can move forward with the projects they thought they had a financial basis to proceed with until the ground shifted?

Hon. Chrystia Freeland: There are lots of elements to that question. I will try to take them in turn.

Let me start by talking about new co-op, purpose-built rental housing. I very sincerely want to thank you for the conversations we've had and for really focusing on that issue. I am glad to be very clear that our intention, with the support of all MPs who agree with this step, is to eliminate the GST on the construction of new co-op, purpose-built rental housing.

I am also happy to be very clear, Mr. Blaikie, that working with you has helped have that measure included, so thanks a lot. I think we agree that co-ops are a great form of housing in terms of affordability but also in terms of building community. We'll talk about the FES later on, but as per conversations you and I have been having, there is additional support for co-ops, so that's good.

On the September 14 point, we were very clear in the announcement on September 15 that it was for new projects going forward, and I think the rationale is clear. Our purpose was to encourage the building of additional rental homes rather than to create more support for stuff already in the system. We wanted to have the most additional building we could in exchange for this measure. That is why it made sense to say we were improving the terms and that now is the time to get in and build stuff that wasn't previously planned.

I'll say two things quickly to your broader point about affordable housing and construction outside of the market sector.

First, as you know, in the fall economic statement we have provided more financing specifically for affordable housing, and I think that is a good thing. I said two things, but I'm actually going to say three things.

Second of all, I think this measure in the market space is helpful to people in the affordable space too. Not the only challenge but a big part of the challenge is simply a lack of supply. Creating more market supply is going to ease pressures for everybody in the economy. I hope you agree with that. I think that is what this measure absolutely does.

This is my final point. You spoke about the macroenvironment. I agree with you that the macroenvironment is very challenging for Canadians right now. It is also challenging for not-for-profit housing builders and for for-profit housing builders. That is why I was glad to have the opportunity to cite the comments of the Governor of the Bank of Canada last week about the fall economic statement and more broadly his comments about where he sees the macroenvironment going.

The Chair: MP Blaikie, that is your time.

Members, we don't have time for a full round, so we're going to divide the time equally. Looking at the time, I think we have about five minutes per party.

We will start with the Conservatives for five minutes.

MP Lawrence, go ahead, please.

Mr. Philip Lawrence: Thank you very much.

At the last meeting, you were kind enough to stay for a little extra time. Maybe you'd indulge us again, Minister.

I thought our last exchange was respectful and I was proud of it. I hope this one will be as well. I would ask you to keep your responses as brief as you can so that Canadians can get full responses to their questions.

The first question I'm going to ask you is relatively straightforward. Could you please tell me what the growth rate per capita in real GDP in Canada was in the first quarter of this year?

Hon. Chrystia Freeland: The IMF predicts that Canada next year will have the highest growth rate in the G7. That is very positive.

As I said in my opening remarks, Canada attracted, on a per capita basis, more foreign investment than any other G7 country in the first six months of this year. In total dollar terms, Canada is the third-most attractive destination for foreign investment.

Mr. Philip Lawrence: I appreciate that, Minister.

Hon. Chrystia Freeland: That's relevant to GDP per capita, because if we—

Mr. Philip Lawrence: I don't disagree. I would just like an answer to my question, if you would be kind enough to respond—just a number.

Hon. Chrystia Freeland: I've responded with where Canada's GDP is, and I think Canadians should take comfort in the fact that we are predicted—

Mr. Philip Lawrence: GDP per capita—

Hon. Chrystia Freeland: —to have the strongest economic growth in the G7.

We've been talking about debt and deficits, and the overall growth of GDP is the relevant number there.

Mr. Philip Lawrence: With respect, there is an issue here and you aren't responding to it. I think it's important to have intellectual honesty in this conversation.

I'm asking you about GDP per capita. Canada's population has swelled in recent years. It has masked our GDP per capita, which is per individual. Each Canadian is getting poorer. They're getting poorer, Minister. This is an issue.

I'm asking you again for just the number. What was the GDP per capita in the first quarter, the second quarter or the third quarter?

Hon. Chrystia Freeland: Mr. Lawrence, you and I have had very respectful exchanges, and I'm grateful for that, but I have to say, after your leader's performance last week when he jumped to accusations of terrorism, alarming all Canadians, and after your party's vote to fail to support Ukraine, it is a bit rich to take this tone.

Mr. Jasraj Singh Hallan: I have a point of order, Mr. Chair. You laid out at the beginning of the meeting that we should give time to answer the questions. That had nothing to do with the question. I would ask you to take a look at what kind of relevance her answer had to the question at hand.

The Chair: Thank you for that point of order.

Yes, Minister, please be relevant.

MP Lawrence, go ahead.

Mr. Philip Lawrence: Thank you.

I'll answer my own question since unfortunately you're unwilling to. I say that with the greatest respect.

For the first quarter, it was -0.6%. For the second quarter, it was -0.28%. RBC predicts that per capita, it will be -0.31%.

Canadians are getting poorer, Minister. In the U.S., the average GDP per capita is about \$80,000. In Canada, it's a little over \$50,000. That's a \$30,000 gap. That gap has never been bigger.

GDP relates directly to the wealth of the nation, and it's not the superwealthy, not the Trudeaus and Morneaus, who get hurt. It's the people at the lowest end of the spectrum. When you lose 10% of your wealth and you're a Morneau, that hurts a bit, but when you're

a single mom just trying to get to the end of the month, that means you don't get to feed your kids.

With the greatest respect, Minister, could you please comment on per capita GDP? Tell the constituents in Northumberland—Peterborough South that what they're experiencing is real and that when they're going to food banks and struggling, you have some concern for that.

Hon. Chrystia Freeland: I have a great deal of concern for Canadians who are struggling in a very challenging economic environment right now. That is why we should be debating the measures in the bill. Other parties have put questions specifically about the measures.

This bill is about getting more housing built, and building more housing is a direct answer to affordability challenges. This bill is about creating more competition in the grocery sector. That is also a direct answer to housing challenges.

With due respect, Mr. Lawrence, speaking about struggling single mothers in your riding, they are helped by our early learning and child care program. That has cut the cost of child care by 50%. Your party voted against it. They are—

Mr. Philip Lawrence: Thank you.

Hon. Chrystia Freeland: —helped by the Canada child benefit. Your party is proposing to cut all of these measures.

Mr. Philip Lawrence: Thank you, Minister. I'm at the end of my time. I appreciate that.

We voted for that. Mr. Chambers, you're absolutely correct.

I want to repeat something you said in 2015: “the OECD has cut its 2015 GDP forecast for Canada to a dismal 1.5%.” By the way, that is now predicted to be 1.3% this year. “By way of excuse, the minister today claimed, ‘We are doing better than most developed countries’. That is simply not true. The OECD puts us behind Australia, Germany..Israel, the Netherlands, South Korea, Sweden, the U.K., [and] the U.S.” In per capita numbers, we're behind all those countries today. “This is no global problem, as the government likes to pretend to excuse its shoddy management. This is a made-in-Canada runaway to recession.”

Do you still agree with that?

The Chair: Thank you, MP Lawrence. That's the time.

Now we're going to MP Dzerowicz, please, for five minutes.

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

Deputy Prime Minister and Minister of Finance, thank you for being here today to talk to this very important bill.

I was very happy over the weekend to get a chance to go to my first tree lighting. I had a chance to meet and talk to a lot of Davenport residents, who talked to me about what was top of mind for them. Affordability and economic issues were top of mind for them.

My first question to you is this: How does the bill we're talking about, Bill C-56, alleviate some of the economic difficulties that Canadians, such as those in my riding of Davenport, are facing today?

Hon. Chrystia Freeland: Thank you for the question.

It does so very directly. I think two of the challenges that Canadians are facing in their lives today most directly are housing and the cost of everything else they need for their regular life. This bill addresses those very specifically.

On housing, we had a good conversation with MP Blaikie and with MP Ste-Marie about the GST. That is very clearly a measure that has already increased the number of rental units being built in Canada.

I'd like to elaborate a bit on what Mr. Blaikie and I spoke about. We definitely believe we need to put measures in place to encourage specifically the construction of affordable housing and to be sure that affordable housing stays in that space. However, we also believe a big part of the housing challenge is supply. Canada has the great advantage of being a country with a growing population. That is one of our economic strengths. To be sure that this strength is sustainable and is a true strength, we have to build more homes faster. Lifting the GST on purpose-built rentals is a really big part of that.

A second area—I think you'll have a chance to discuss it with François-Philippe further but I'm happy to talk about it too—is the truly historic changes to Canadian competition law. We all know that more competition is good for Canadians. It helps them have more choice and better prices. These measures are truly a once-in-a-generation transformation that will help stabilize prices, ensure that Canadians have more choice and ensure that, particularly in the grocery sector, local grocers are not elbowed out.

Ms. Julie Dzerowicz: Thank you for that.

One of the other topics, of course, is housing. You've been talking to that. I know you've been talking about adding a lot more supply. This bill would help do that. There have also been structural issues within the housing market and issues around getting more housing done.

Can you speak to how our government is addressing the structural shortage of housing supply?

Hon. Chrystia Freeland: Yes, 100%. Mr. Ste-Marie is on the screen, and he touched on this in talking about how lifting the GST on purpose-built rentals creates an incentive for builders to choose to build purpose-built rentals rather than condos.

Very close to your riding and my own, two weeks ago I was at a construction site just north of Yonge and Eglinton. There are 2,600 purpose-built rental homes being built right now in the Toronto area using our apartment loan financing initiative, to which we're adding \$15 billion in the fall economic statement. The builders be-

hind that project said to me that by lifting the GST, we have changed the math for them and made it more appealing for them to be building purpose-built rentals rather than condos. I think that is a very important element.

Looking ahead to the no doubt deeply informative conversations we'll be having about the fall economic statement, I would say that one of the measures that I think will immediately help Canadians is cracking down on short-term rentals on Airbnb in provinces and municipalities that require registration. I like that measure because I think we all agree that it is about supply, supply, supply. We need more homes built faster, but it would also be good to have more homes right away. Economists estimate that about 30,000 homes that are currently being used for short-term rental could immediately be turned over to Canadian families to live in long term.

Ms. Julie Dzerowicz: Thank you so much.

The Chair: Thank you, MP Dzerowicz.

MP Ste-Marie, you have five minutes.

[*Translation*]

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

Minister, I have a request and two questions for you. I will fire them off, and then, you can answer.

To begin with, could you please ask your officials to send the committee the finance department's projections pertaining to the GST rebate enhancement? How many more housing units will it generate? Are the projections based solely on Mike Moffatt's assessment, or does your department have more detailed analysis? That is my request.

Now for my two questions.

First, under Bill C-56, the GST rebate applies to the construction of any rental housing but does not include any criteria for affordability. If I understand the bill correctly, you have the power to define affordability criteria in the regulations at a later time. Do you plan to do that? Does this measure apply to all rental housing?

Second, a lot of developers are a bit confused by the fact that Bill C-56 does little to define certain things as they relate to coming into force. Some measures are deemed to have come into effect on September 14, 2023, but they aren't well defined. I'll give you an example, so you can enlighten us or, if need be, get back to us with a written answer.

Take a construction project. Say the foundation of the building is dug before September 14, 2023. The ground floor is commercial space, and everything above is rental units. Since the construction started—but only for the commercial space—the developer wants to know whether they can access the rebate. The digging started before Bill C-56 came into force. People have questions about that.

In short, I want to know about the possible addition of affordability criteria through regulation, and the definition that would apply in the scenario I just described.

Hon. Chrystia Freeland: All right.

Thank you for those very clear and specific questions about the bill we are here to discuss.

When it comes to affordability, we agree that we need programs to encourage the construction of affordable housing. We have such programs. In the fall economic statement, we set out an additional billion dollars precisely for that construction.

We believe it's important to look at supply as well. In Quebec and across Canada, more housing is needed. We believe measures are also needed to stimulate housing construction, period. The decision to eliminate the GST on the construction of rental housing is meant to encourage the construction of rental units overall.

I want to make two other points.

First, by creating more housing, we are helping everyone who is looking for an apartment, including those who have less. When more units are on the market, rents become more affordable.

Second, the measure is based on the construction of rental units. As you know, people who have to rent tend to have less money. By encouraging developers to build rental properties instead of condos, as you pointed out, we are helping those who are less fortunate. This will help make life more affordable.

We also understand that targeted measures are needed to support affordable housing.

In response to your second question, I wouldn't want to comment on a specific situation without having all the information. I don't think that's a good idea. However, we are happy to have a discussion with you. What I can tell you now is that I hope the intent behind the bill is clear: we want to encourage the construction of new units, not give money to people who were already building housing.

[English]

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

This will be our final question for Minister Freeland.

It's MP Blaikie for five minutes.

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

I think the issue is this: There were a number of non-profit housing providers in the stream for which the federal government had approved some form of financing or funding. While those are already in the pipeline, they're not going to come to fruition without some kind of further financial help. Presumably, the government has a list of what these projects are and can calculate what it will cost.

Has your department done that calculation?

Hon. Chrystia Freeland: I understand the question, and I do understand the situation as, by the way, I know you do as well.

I want to be clear that, from my perspective, the single biggest objective of lifting the GST on purpose-built rentals.... This is really a supply measure. It is about saying that Canada is a growing country, so we need to build more homes and, in particular, we need to build more rentals. We think this is broadly helpful for all Canadians who rent. I want to be clear that this is a supply, supply, supply measure.

I take your point that we also need to have measures specifically focused on affordable housing. I agree with that point. We have a set of other programs specifically geared to the affordable housing sector.

My final point, as I said—I'll be super quick—is this: The macroenvironment is so important here. We're also focused on doing what we can to help...a positive direction in the macroenvironment. That will help all Canadians.

Mr. Daniel Blaikie: One issue is that the replenishment of some of those funds—which, as you say, contribute to building more affordable housing in Canada—announced in the fall economic statement is deferred for another two years. In the meantime, there is a considerable need. Steve Pomeroy is a housing policy expert in Canada. He said that, for every one unit we're building of affordable or social housing, we're losing 15. It seems to me that, at a relatively low cost and by attaching a rider to this initiative, we could ensure that some of the units the government is already bragging about in their numbers on affordable housing actually get built.

If you're not prepared to do that, is the government going to take those units out of its talking points for how many units of affordable and social housing the national housing strategy is building, or can we do something to save those units and ensure they get built so that the talking points are true?

Hon. Chrystia Freeland: I think the concern we share, at heart, is to have more homes built in Canada, especially more rental homes, with a particular and additional concern for affordable housing. You know very well that there is a suite of programs in place to support the building of more affordable housing. If the core of your message is that we need to continue to do more, I agree with that. I agree with that on housing, broadly.

I think you've seen this in the sequence of measures this fall. We started with GST on purpose-built rentals. Then you saw the housing accelerator fund rolled out in city after city. You then saw us add \$20 billion to the CMB program to provide even more financing for housing construction. Then you saw some additional measures in the fall economic statement.

Do I think we have more work to do to get at that core point? I totally agree we do. I think we have to work on a number of fronts at the same time.

Mr. Daniel Blaikie: Going forward, the GST rebate will help some non-profit projects pencil out that otherwise wouldn't.

My question is this: Where the government has already committed funds and those projects aren't going ahead, does that become lapsed funding? Is this a consideration for the housing department in meeting its 3% savings target? Why is it that we can't get this help to allow projects already seen as valuable and approved for some kind of financial assistance by the federal government to be seen through to completion?

What happens to the money that has been committed then? Does it just go back into government coffers as part of spending control, or does it get carried forward so new projects...? I think that would be unfortunate, because Canadians are losing time and money in the delay.

Why not help the projects that are ready to go by including them in the GST rebate?

The Chair: A final, super-short answer, Minister, is what I need.

Hon. Chrystia Freeland: If I have to keep it super-short, I'll just say that we need to focus on three things at the same time: supply, supply and supply. We have to have a particular focus on affordable housing. We have to do all of this in the context of an economic plan that creates jobs and growth in a fiscally responsible way. That's how we do the right thing when it comes to the macroenvironment in Canada.

The Chair: Thank you, Mr. Blaikie, and—

Mr. Philip Lawrence: Mr. Chair, I have a quick point of order. I want to put it on the record, and then we'll let the minister go.

In the rounds here, it was six across and five across, which disadvantaged the Conservative Party.

The Chair: I'll speak to that, MP Lawrence.

You would know this. That's what we always do in our committee when we don't have enough time for a full second round. We truncate the second round and we add the time equally. We've done it since the beginning. We've always done it. We've done it for two years now. That's how we roll here on this committee. I think it's a good way, and it allows all members to have some time.

Thank you, Minister, for your testimony on Bill C-56. We really appreciate your time.

Now, we are going to go into transition. We are going to suspend here for a few minutes as Minister Champagne gets ready to come to the table.

Thank you.

We're suspended.

- (1700) _____ (Pause) _____
- (1705)

The Chair: We are back. I call this meeting back to order.

Pursuant to the order of reference of Thursday, November 23, 2023, the committee is resuming its study on Bill C-56, an act to amend the Excise Tax Act and the Competition Act.

I would like to welcome our witnesses with us here today. We have the Minister of Innovation, Science and Industry, the Honourable François-Philippe Champagne.

Welcome, Minister.

Joining the minister is the Department of Industry senior assistant deputy minister, strategy and innovation policy sector, Mark Schaan.

Minister, you'll provide members with opening remarks, and then the members will have an opportunity to ask you questions over the next hour.

Minister, the floor is yours.

Hon. François-Philippe Champagne (Minister of Innovation, Science and Industry): Thank you very much, Mr. Chair.

I think it's my first time at your esteemed committee. I feel privileged to be here today.

[*Translation*]

Good afternoon everyone.

It is a pleasure to be able to speak today to the Competition Act amendments contained in Bill C-56, the affordable housing and groceries act.

[*English*]

Competition drives innovation. I think every member would agree. It lowers prices and encourages better product quality and choice. That's what we want for Canadians.

Our competition framework needs to be updated to keep up with today's reality. This is why we've introduced Bill C-56, which includes some of the most significant reforms to the Competition Act since 1986, some 37 years ago.

As I said, over the past decades, markets have greatly changed due to digitization and globalization. We have seen corporate consolidation and an imbalanced distribution of economic power in our country.

[*Translation*]

Delivering on the government's commitment to undertake a formal review of the law and its enforcement regime, I launched the consultation on the future of competition policy in Canada, in November 2022.

[*English*]

The consultations were extensive and very comprehensive. They lasted 120 days, with five round tables across Canada. We received more than 400 submissions from Canadians and stakeholder organizations.

[*Translation*]

Bill C-56 contains important amendments that give the Competition Bureau increased powers. We focused on prioritizing these changes because we knew they would have a real and significant impact on Canada's retail grocery sector, which needs greater competition and, certainly, more choice for consumers.

[*English*]

It's very simple, colleagues. The bill makes three key amendments. The first one is to allow the bureau to seek subpoenas to compel information when conducting market studies. Second, we will repeal the so-called efficiencies defence, which currently allows harmful mergers to proceed, even if they don't benefit Canadians. Third, we'll expand the scope of reviewable agreements that could harm competition, such as restrictive covenants you find in leases when you have a large grocery store that collaborates with the landlord to block a small grocery store from coming in nearby.

Let me talk a bit about market studies.

[*Translation*]

The purpose of market studies conducted by the Competition Bureau is to better understand competitive dynamics and make recommendations to government. Currently, the bureau cannot compel companies to provide information outside a law enforcement investigation. As a result, the studies it releases may be missing important information.

This deficiency was made clear by the bureau's recent retail grocery market study. The bureau did not benefit from the full co-operation of the major grocery chains for its study, and the Standing Committee on Agriculture and Agri-Food recently recommended that this gap be remedied.

A large number of submissions to the public consultation were also in favour of granting formal information-gathering powers for market studies.

[*English*]

However, many stakeholders insisted that any framework that would be put in place should also provide safeguards to avoid fishing expeditions and undue burdens on companies. Our proposed framework takes these concerns into account, and it balances the need for the collection of vital information with reasonable safeguards to protect businesses.

On the so-called efficiencies defence, as you would recall, Mr. Chair, that's quite a unique and highly criticized feature of our com-

petition law regime. It currently protects a merger that harms competition so long as generated corporate efficiencies offset the harm to competition.

Think about that for a moment. Why should we allow mergers that demonstrably harm competition in this country? That's the question we need to ask ourselves.

[*Translation*]

In our consultation, we heard that this exception was possibly the single-largest weakness in a law that had failed to rein in corporate concentration, including in the grocery sector.

[*English*]

The elimination of the efficiencies defence will give priority to the protection of competition in merger review. I would say to my esteemed colleagues that it is time for corporate mergers that don't benefit Canadians to be consigned to the history books.

Next is vertical collaboration.

[*Translation*]

However, agreements between non-competing entities, such as landlord and tenant, also known as vertical agreements, are outside the scope of the bureau's review of potentially anticompetitive agreements.

[*English*]

An example of the kind of agreement that we want to stop is the use of what we call "land controls", such as restrictive covenants that can prevent new grocery stores from setting up shop across our country. This hurts competition and can even lead to food deserts, when the original tenant leaves a particular location. This is, simply put, unacceptable, and I hope every member of this committee thinks so too. We will ensure that these agreements, whose very purpose is to restrict competition, will be reviewable.

In conclusion, the bill will benefit Canadians with an empowered Competition Bureau, enable greater competition, bring more transparency to markets, block harmful mergers and ensure the bureau can review all forms of anti-competitive agreements. I think what we want, and what every Canadian wants, is less consolidation, more competition and better prices for Canadians.

With that, Mr. Chair, I will be more than happy to take questions from my esteemed colleagues.

The Chair: Thank you, Minister Champagne. Thank you for coming before our committee on Bill C-56.

We are now getting into our first round of questions. In this round, each party is going to have up to six minutes to ask you questions.

We are starting with MP Williams, please, for the first six minutes.

Mr. Ryan Williams (Bay of Quinte, CPC): Thank you, Mr. Chair.

Thank you, Minister, for being here.

I want to start by thanking you for taking my private member's bill on eliminating the efficiencies defence. The Competition Bureau hasn't intervened yet, but I promise not to have it intervene. It's great to see that we have some good ideas for competition in this bill.

Minister, I want to start with something you said on September 19 in the House of Commons. You said, "One thing that was clear yesterday with the major grocery chains from across the country is that we must not allow any measure to affect our farmers, the small and medium-sized businesses across the country that contribute to the food chain."

We talk about competition. We talk about all the elements that add costs up the chain, and this bill is called the affordable housing and grocery act. We have taxes on our farmers, on our manufacturers, on our truckers and on our storage facilities, cold storage specifically, that get added to all the food bills and then get added, of course, to the grocery bill.

Minister, do you agree with a tax freeze on the Canadian food supply chain, yes or no?

Hon. François-Philippe Champagne: First of all, Mr. Chair, I want to thank Mr. Williams. I'm proud to say that, for once, the Conservatives have sided with government to abolish the efficiencies defence. It shows the work of this committee. I want to thank Mr. Williams, because he indeed has put forward a private member's bill that would do that.

We started consultation. I would say this particular clause is really an anomaly if you look at the OECD countries. I think we're the only country in the world to have anything close to that. I'm happy to say that collaboration like this is what we want to see in legislation. We have seen other pieces of legislation that are key.

You will have seen that we have reformed the Investment Canada Act. Now we're looking, obviously, at the Competition Act. The type of work that Mr. Williams has been doing, and the fact that the Conservatives support that particular clause and, I would think, the bill, is what we want to see. I'm proud to see that the Conservatives have sided with the government on something so crucial.

Mr. Ryan Williams: Thank you, Minister. You didn't answer my question, but that's okay.

I think what we're missing on this.... I just want to talk about tax for a minute. When we talk about competition, we also talk about competition in terms of lowering costs as much as we can.

Your own government this year, when we look at the last four years, is collecting \$52.1 billion in GST revenue. That is up from

four years ago and \$37.4 billion. That is a 139% increase in GST. When we look at grocery stores, most Canadians listening at home won't even know they pay GST at grocery stores, but they are. They're paying a billion dollars per year at the grocery store. Some of them won't see it because I know there's another phenomenon: Not only are they seeing taxes, but they are seeing all their groceries shrink.

Minister, when we talk about grocery taxes and we talk about shrinkflation, what specifically in this bill is going to tackle both of those?

Hon. François-Philippe Champagne: I'm happy for those Canadians who are watching, and Mr. Williams will be happy to be able to clip that I congratulated him for having worked with us on removing the efficiencies defence. You can clip that, and I'll be happy to support it.

What I want to say is that I think what my honourable colleagues in this committee understand is that the best way to stabilize prices in Canada, whether it is mid- to long term, is more competition. It is true in the grocery sector. It is true in many other sectors of our economy. That is why these particular provisions are key in order to provide more affordability, more choices and more innovation in the country.

To come to your point about shrinkflation, you'll be happy to see, Mr. Williams, that soon we will be taking action with respect to the practices we've seen. We have looked at best practices in France and the U.K. I've been talking to colleagues around the world. I am also talking to colleagues in Washington because, as you know, this is not unique to the Canadian market, this issue of shrinkflation.

For colleagues who don't know, it's basically keeping the same package but reducing the number of grams, for example, in a box of pasta. It's very difficult for consumers to realize whether they are getting the same bargain, a better bargain or a worse bargain for what they're paying.

I think you will see soon, Mr. Williams, and I think you will be happy, that we're going to tackle that specifically to better inform consumers and make sure that Canadian law is respected.

Mr. Ryan Williams: Thank you, Minister.

One thing that has come out—and this has come from the industry, so we are really focused on the industry, the manufacturers, the farmers and the truckers—is that there's a plastic package ban coming. The Supreme Court deemed it unconstitutional. We'll see what happens.

In the grocery store, that's going to mean the elimination of all plastic in the fruit and vegetable and prepared food sections. The industry has come back to say that it is going to cost the grocery industry \$6 billion, which will mean a 30% increase in food costs.

Can you comment on that? I am sure you know. You met with the grocers. They've expressed it to us. I'm sure they expressed it to you. How is that going to make companies more competitive with food prices in Canada?

Hon. François-Philippe Champagne: I think that somehow, Mr. Williams, we can do both. We can both protect the environment and have more affordability and competition in the country.

To your point, I have talked to the industry, not only to the large manufacturers and grocers but also to the industry writ large. I understand. I have been engaging with them to listen to their concerns and to make sure that while we, on the one hand, protect the environment and also have meaningful regulations that continue to protect consumers, we will, at the same time, maintain competition in this country.

I would say that this bill is probably a cornerstone in terms of affordability and how we can help Canadian consumers. That's why I'm so happy and keen to see you at the committee today.

Mr. Ryan Williams: I have a last question, Minister, a real quick one.

You've brought in a grocery code of conduct, but you didn't make it mandatory, which means that it's useless, really, right now. Do you have plans to make it mandatory and make the grocers abide by that code of conduct?

Hon. François-Philippe Champagne: Mr. Chair, I won't take any credit, really, for the grocery code of conduct. I have to give credit to those who deserve it. This was an industry-led code of conduct co-chaired by Minister Lamontagne from Quebec. My colleague Minister MacAulay has spent two years working on that.

My job, Minister... I mean, sir. I was about to give you an upgrade today.

Mr. Ryan Williams: You give me too much credit.

Some hon. members: Oh, oh!

Hon. François-Philippe Champagne: We want that to come to fruition as quickly as possible, because we think it's a good way to bring more balance, I would say, to the negotiations.

One of the groups I've met and I am sure you know well is the independent grocery association, which represents about 6,500. They have been very adamant to me that this is a step in the right direction to better balance the power when one is a small producer trying to negotiate with some of the big brands in the country.

The Chair: Thank you.

Thank you, MP Williams, and welcome to our committee.

We have MP Weiler, please, for six minutes.

[*Translation*]

Mr. Patrick Weiler (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.): Thank you, Mr. Chair.

It's always a pleasure to see Minister Champagne.

Thank you to Mr. Schaan for being here as well.

[*English*]

We are seeing inflation come down in Canada. We know it has been persistently high with grocery prices, and from one end of the riding that I represent to the other, people still have sticker shock when they go grocery shopping. It's so important that we work on measures that are going to improve affordability in this area.

Minister, I was hoping you could first speak to how the lack of competition is affecting the elevated grocery prices in Canada.

[*Translation*]

Hon. François-Philippe Champagne: Thank you for your question and your introductory comments in French, Mr. Weiler. I will answer first in French and then in English.

The last serious attempt to reform the Competition Act was in 1986. That was nearly four decades ago, so I think a major reform of the law is long overdue.

We took the first step in that direction in February 2022, through the budget.

[*English*]

We then introduced in November this very broad consultation.

I must say to colleagues who are part of this committee that we should take pride in this being a government and a Parliament that listens to people. We conducted a market study or, let's say, consultation for almost two years looking at the different aspects. People would agree, particularly in the grocery sector.... That's why you see that these three key amendments are really focused. It's because it's a complex industry and an unregulated industry, but one, I would say, that affects Canadians in their daily lives. We have seen what types of things would make the most sense.

To me, it is shocking to think that, in 2023, in a G7 country, the competition authority would not have subpoena powers when it does market studies. Members of this committee should all be cheering when we receive royal assent, because it's pretty unique, if you think about it, that you would have a body there to look at competition that does not have subpoena powers. We are probably one of the very few countries in the world that I can think of that has an authority that cannot seek information or documents.

We've seen how this could be harmful, because in the last study that was done on the food sector, as I said in my opening remarks, we saw various degrees of co-operation with this entity. Think about that. This entity is there to inform Canadians, government and Parliament, so for it not to be able to have a full understanding of the market is pretty concerning to me.

Even that is going to help a lot, because in this industry or others.... Think about it. There are so many other industries for which we may want to do market studies to better understand what the competitive dynamic is, why we are where we are, why the prices are what they are and what the issues around competition are.

I'll give you a small example. One of the things I'm trying to do is bring another grocer into the country to disrupt the market. It's what they call a deep discounter. That's the term they use in the industry. When I talked to the U.S. grocers, one of the reasons they didn't come to Canada—believe it or not, it's not the market—was the restrictive covenant in leases. They said, “Minister, we looked at Canada but, believe it or not, even as big as we are, it was extremely difficult to find a place we could lease because of all these restrictive covenants in leases.” I got that from some of the big grocers in the U.S.

I said, “Wow. Imagine that.” If Canadians knew that.... Now potentially—I'm not saying it's a done deal—you have grocers that may want to come to Canada, and one of the problems they have is leasing premises because of what are called land control provisions basically preventing them from being able to rent premises so that they can offer an alternative to consumers.

These kinds of measures are really down-to-earth and are going to help Canadians, and they'll certainly bring more competition to our country.

Mr. Patrick Weiler: Thank you for that. Certainly, you can get far by asking nicely, but having the power to actually compel that evidence is so important.

I want to pick up on that point. One of the aspects of this new legislation will allow the minister to be able to direct the Competition Bureau to undertake a market study. As part of this, I'll just mention that I see in parts of the region I represent, for instance, gas prices that are just as high in an area that has 15¢ less a litre in tax, as prices in another area that has that tax.

I'm curious. As part of this new power, would it be possible for the minister to direct a market study in a particular region, or would this new power just be for the nation as a whole?

Hon. François-Philippe Champagne: I would say that this is to investigate market dynamics. If the market dynamics are specific to a particular region, I don't see why it could not be done. Obviously, the power is national, but if you were to find some discrepancy in a particular market that warrants us to look into that.... As you know, there are a number of checks and balances in the system. We have to publish the mandate and the terms of reference. There is a discussion with the minister and the commissioner.

However, if the market dynamics warrant—because, as you suggested, there could be some regional aspect to it.... For example, we know that refining is normally and generally a regional market as opposed to a national one. You refine where you sell. If there were issues that were brought to the attention of either the minister or the commissioner, and there was a particular market dynamic that warranted our investigation, I think someone should be open to that.

The Chair: Thank you, MP Weiler.

Now we'll go to MP Ste-Marie, please.

[*Translation*]

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

Good afternoon, Minister. Thank you for being here today.

We are very pleased with all the amendments to the Competition Act proposed in Bill C-56. These are fundamental changes. People have been calling for them for some 20 years. The amendments will bring us more in line with practices in the United States and Europe, particularly when it comes to the bureau's analyses going forward. Up to now, any time a proposed acquisition promised economies of scale or efficiency gains, it was approved, regardless of the abuse of dominance that might ensue.

In that connection, the committee has begun looking at Royal Bank's acquisition of HSBC Bank. The Competition Bureau did a study, but under the old toothless regime. Do you agree with me that, once Bill C-56 is implemented, the Competition Bureau should redo its study of the transaction under the new more binding rules, particularly from an abuse of dominance standpoint?

Hon. François-Philippe Champagne: First, Mr. Ste-Marie, let me say how nice it is to see you. I thought I would get to see you in person, but I'm glad to have the chance to see and hear you. I know you have long been an actively contributing member of the committee.

I appreciate what you said about eliminating the efficiencies defence. You mentioned it as well. There seems to be a consensus on the issue—if not a consensus, at the very least, agreement among a wide range of experts that it is time for Canada to scrap the defence. I'm not so sure it has served Canada well. We now have a mature economy that is perfectly capable of functioning without it. For supporters of the Competition Act, the Investment Canada Act and other such laws, stability and predictability are key. Those are the things that matter to investors.

Obviously, these provisions aren't retroactive. I'm sure that, as an economist, you can appreciate why. The idea is to be able to take a forward-looking view. As you may have noticed, the vertical agreement provisions and other changes come into force a year after the bill receives royal assent. That is to give market participants time to make the necessary changes to contracts such as property leases.

Generally speaking, as you know, the law is forward-looking, not retroactive, in accordance with the principles of natural justice.

Mr. Gabriel Ste-Marie: Thank you for your answer. That was very clear. May I just point out that the minister who appeared earlier still hasn't signed off on the acquisition, since it would create an upheaval in the highly concentrated finance market? I do understand your answer, however. Thank you.

Let's turn to the grocery and food sector, since that is what the bill is meant to address, according to you. The level of market concentration we've seen in recent decades has been appalling. We've gone from a few dozen chains or grocers to three—five, if we add Walmart and Costco. Those five control 80% of the market.

Bill C-56 is helpful because it would prevent that type of concentration going forward, putting an end to the phenomenon. However, it wouldn't automatically lead to new grocery entrants. I heard you tell Mr. Weiler that you would like to see a U.S. grocer enter the market.

After Bill C-56, isn't it necessary to tackle the issue at a deeper level? If we want to see profits at a more acceptable level in the grocery and food sector, don't we need to rethink the abuse of dominance, to prevent big players from taking advantage of their disproportionate market share and passing on higher input costs to consumers, as the Governor of the Bank of Canada told us?

Hon. François-Philippe Champagne: As always, I think your assessment is spot-on, Mr. Ste-Marie.

Three players actually control over 50% of the market, Loblaw, Sobeys and Metro. Two U.S. companies, Costco and Walmart, also play a role in the industry. I have spoken to various grocers, specifically, in Europe and, of course, in the U.S.

I think Bill C-56 can help us attract a new player, at the very least. Believe it or not, one of the reasons why a U.S. grocer didn't come to Canada has to do with the infamous covenants in leases. Currently, if there is a grocery store in a mall, the owner can stipulate in the lease that a competing store can't open within so many kilometres. Imagine what that's like for a new grocer trying to enter the market. The simple fact that these agreements will be reviewable changes the market dynamics. When I met with grocers, that's what they told me. They want to be able to look further ahead to see how they could set up shop in Canada.

I take your point about the abuse of dominance. Government business motion number 30 gives the committee the latitude to examine those very reforms. I think that's important, so I encourage you to pursue that. The bill introduced by Jagmeet Singh, Bill C-352, contains some amendments. There are some things worth exploring in there as well.

We have a historic opportunity. The last time the act was reformed was 37 years ago. If we want to change the trajectory we've been on for the past 30 years, now is the time. Bill C-56 will give us some excellent tools to do that.

That said, there is still a lot to do. We addressed that in the fall economic statement. I think Bill C-56 moves us in the right direction. Having spoken to grocers interested in coming to Canada, I can tell you that they are watching all this closely. I think we have some good stuff here.

The reality of the market is this: three players control half the market in Canada. Today, as parliamentarians, we would do well to change that reality as quickly as possible. Ultimately, I want to see food prices stabilize, new players enter the market and—

[*English*]

The Chair: Thank you, MP Ste-Marie.

Minister, you got wound up, and we couldn't stop you.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you.

[*English*]

The Chair: Now we're going to MP Blaikie for six minutes.

Go ahead, please.

[*Translation*]

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

Something that really struck us when Rogers took over Shaw was that the Competition Bureau was apparently opposed to the deal. It had to challenge the deal in court because it didn't seem to have all the information it wanted. At the end of the day, the minister approved the takeover despite the objections of the Competition Bureau.

How do you think the reforms proposed in the bill would have changed things in that takeover?

Hon. François-Philippe Champagne: That's a very good question, Mr. Blaikie. Thank you for your contribution.

I want members to keep in mind that I blocked the Rogers-Shaw takeover because I was adamant that we needed a fourth player nationally. Why did I do that? It was clear that with Videotron, in Quebec, prices were 20% to 30% lower, on average, than in the rest of Canada. I wanted to block the transaction in its original form, to have a fourth strong player and put downward pressure on prices.

According to Statistics Canada figures, things are moving in the right direction. Prices are coming down. It's tough to predict what would have been different had Bill C-56 been in place at the time. I can speculate, although I shouldn't. With the Competition Bureau's new market study powers, certain aspects of the transaction may have been available before it was referred. The bureau may have been able to gain a better understanding of the market dynamics, something that will be possible under Bill C-56.

It's important to look under the hood, if you will. When you're examining a specific market, understanding all the dynamics isn't exactly easy when you don't have access to witnesses and documentation. I'll go back to the example Mr. Weiler brought up. If refiners in a region adopt a particular practice, you really need the powers to find that out.

Today, it doesn't make any sense to have a regulator that doesn't legally have the power to compel information or evidence, so it can understand what's going on and bring it to the attention of the government and Parliament. I think this is a step in the right direction. It definitely can't hurt. I believe these provisions are going to make a difference.

It's unrealistic to think that some big companies can be counted on to co-operate voluntarily. Doing the work that needs to be done requires judicial powers.

[English]

Mr. Daniel Blaikie: One of the other things that Canadians found kind of shocking in the Rogers-Shaw process was that, at the end of it all, the companies were awarded costs by the court, and the Competition Bureau had to pay that out.

Is changing that, when the Competition Bureau is acting in the interests of Canadians, something that your government is open to doing?

Hon. François-Philippe Champagne: As I said, we're always open. Bill C-56 is doing a number of important things, but I think you will see in the fall economic statement.... It was kind of a three act type of thing. First, we started in budget 2022 with a number of things, because we saw low hanging fruit that would help competition. Second, Bill C-56 was really targeted at specific measures that we could pass quickly to help in the grocery sector. The third act was what we put in the fall economic statement, which was another set of reforms.

I would certainly be open, and I know the NDP has been looking at this issue in particular. The committee should do a bit of study around that. I know that different jurisdictions are dealing differently with that particular issue. We want to make sure we're in line with international best practices.

If your question is, should we have an open mind on that? I'd say yes, and I would invite committee members to look at that particular piece of legislation. Maybe there's some expert testimony that could be brought to the committee that could inform what Canada should do in order to address the issue you mentioned.

Mr. Daniel Blaikie: Certainly, some of our thinking is that it doesn't make sense to have the burden of proof on the Competition Bureau to prove that a merger is anti-competitive. To your point about industry players having a better sense of how things work and having access to data that would help make that assessment, it makes more sense to require industry players to prove that a merger is not anti-competitive.

I would welcome your feedback on the question of that onus and whether it really properly lies with the Competition Bureau, which, as you said, historically hasn't had access to all the information it would need to make that determination. Instead, put the onus on the people who have the information to prove that their merger won't have negative impacts for Canadian consumers.

Hon. François-Philippe Champagne: I think Bill C-56 is sending a very clear signal that we take competition seriously in this country. It's going to be a game-changer in the relations between the Competition Bureau and the market players, because today—imagine—you have the Competition Bureau, which, if it wants to understand the dynamic of a market, has to rely on the goodwill of the participants in order to understand. I would say that probably you have some that are very forthcoming, but we've seen, for example, when we did the last analysis on the grocery sector, that some others were much less willing to share.

In terms of the market dynamic, it's going to change the balance of power, if you see what I mean. Market participants will now know and say, “Hey, if I'm not willing, they can subpoena and get

the information.” Therefore, I think we're strengthening the Competition Bureau and the enforcement tools.

The NDP was also with us with respect to penalties, making sure the efficiencies defence is gone or will be gone, and making sure that we look at vertical agreements. Those are all signals that, if you're sitting there as a market participant who engages in anti-competitive behaviour, you would look at that and say, “Okay, now the tide is changing.”

We're going to be in a world where competition is going to be a cornerstone of the Canadian economy. We're a mature economy. We should be able to allow pro-competitive mergers to go forward, but certainly not those that harm consumers, as we have seen.

Ultimately, we need less consolidation and more competition in this country. This is really sending a very clear signal to industry that we're going to get serious about competition.

The Chair: Thank you, Minister and MP Blaikie.

We're now moving into our second round. As we have done as a committee, we do share this time among all parties when there's not enough time for a full round. We've done this in an amicable way, and I hope we'll continue. Each party will get five minutes.

We are starting with MP Perkins for five minutes.

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

Minister, I assume you read the Stellantis contract.

Hon. François-Philippe Champagne: Mr. Perkins, I'm happy because you seem to be at every committee at which I appear. I'm so lucky to have you. Somehow I feel that you're following me, whether you like me or not.

Certainly, I'm very familiar with the Stellantis contract, yes.

Mr. Rick Perkins: Did you sign it?

Hon. François-Philippe Champagne: Certainly, I was part of the approval and formal signature of it. You will see that, because as you know, Mr. Perkins, the contract will be made available, in camera, at the INDU committee, and I think you're going to be part of that committee.

Mr. Rick Perkins: Can you tell me what the clause in the contract says about hiring Canadian workers only?

Hon. François-Philippe Champagne: As you would think, our job—it's not just my job—is to maximize opportunities for Canadians. I'll think you'll be pleased to read in the contract the number of sections and provisions that maximize benefits for Canadians.

Mr. Rick Perkins: It differs then from the Volkswagen contract, which, I can tell people, doesn't have a clause that requires Canadian employees.

Hon. François-Philippe Champagne: Respectfully—I have very deep respect for you, sir—the Volkswagen contract maximizes opportunities for Canadians on all sides to make sure that—

Mr. Rick Perkins: You won't confirm that it actually has a clause that requires Canadians to be hired.

Hon. François-Philippe Champagne: Sir, as I said many times, you'll have the opportunity to read it for yourself. You don't need to take it from me. You'll have the contract in front of you.

Mr. Rick Perkins: I have read the Volkswagen contract, so I am familiar. Apparently, this mirrors the Volkswagen contract.

I would like to ask you why the government and the company seem so confused as to what's going on with the—

Ms. Rachel Bendayan: I have a point of order, Mr. Chair.

This is simply a point of order on relevance. As Conservative members reminded us earlier, we are on Bill C-56. I believe the member opposite is asking about an entirely unrelated issue.

The Chair: We are on Bill C-56.

MP Perkins, I stopped the time. The floor is yours.

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

This goes to the whole issue of accountability and innovation. The minister mentioned innovation and competition. It's hard to have competition if you're bringing in a great majority of the workers from outside of the country for this, as has been reported by the South Korean ambassador in discussions in Windsor.

Therefore, I'd like to understand. The company has said 1,600 are coming in, and it's said 900 are coming in. Which is it?

You had a minister who said that there's only one. You said there's only a few. The company apparently has a very different view than the government has of how many foreign workers they're allowed to bring in.

Hon. François-Philippe Champagne: Mr. Perkins, I would say, with respect, that you seem to be the only one who is confused about that.

I spoke to the leader of Unifor, the Building Trades Unions and the CEO of Stellantis. Everyone understands clearly that, when you have a new plant coming, you need to have transfer of knowledge, technology and expertise. It's true in the United States, and it's true in Europe.

Actually, we had Canadian workers training Americans and Americans who trained Canadians when we had Ford or GM coming into our country. For anyone who understands these big investments, that is historic and—

Mr. Rick Perkins: I understand that, Minister, but at the launch of this contract—

Hon. François-Philippe Champagne: Stellantis is investing \$3.4 billion in building the plant, so I would say—

Mr. Rick Perkins: Minister, I have limited time.

The Chair: Minister and MP Perkins. I'll stop the time.

All I'm asking for is no crosstalk. It does interfere heavily with the interpreters. We talked about their health and safety.

Please, members and Minister, let's have no crosstalk.

We're back on.

Mr. Rick Perkins: The company has put out three different figures in the last week. Your government has put out three different figures in the last week, none of which compare to what the company is saying publicly.

Now the company that's involved in Northvolt in Quebec is saying that it's bringing in temporary foreign workers—or foreign workers, I should say. They're not temporary. They're foreign replacement workers. We're getting a different story.

Can you tell me, if it isn't confused, why you need to ask for a meeting with the company to clarify for how many jobs they're bringing in workers from South Korea rather than filling with Canadians?

If it's clear in the contract, you shouldn't need to do that.

Hon. François-Philippe Champagne: Like I said, sir, no one is confused. I can tell you that Unifor is not confused, nor is the Building Trades Unions. I'm not confused. The CEO of the company is not confused. You and your leader have tried to confuse Canadians.

You asked me a question, so I will answer.

Mr. Rick Perkins: I did, but—

Hon. François-Philippe Champagne: You are confusing Canadians. You failed to say that the company is investing \$3.4 billion of their money to build one of the largest plants in Canada.

Mr. Rick Perkins: That's not the issue. I didn't say how much—

Hon. François-Philippe Champagne: You failed to say, sir, that the company has stated that there will be 2,500 workers at the plant. You failed to state to Canadians that there will be up to 2,300 people building that plant, sir.

Mr. Rick Perkins: I agree that there will be 2,500 workers at the plant—

Hon. François-Philippe Champagne: You should not confuse Canadians when you have an investment of that magnitude.

Mr. Rick Perkins: If that's true—

Hon. François-Philippe Champagne: You have talked down the investment with Stellantis.

Mr. Rick Perkins: Minister, I have limited time—

Hon. François-Philippe Champagne: You have talked down the one with Volkswagen, and you're talking down on Northvolt.

You should be proud, sir, about what we have done in this country.

Mr. Rick Perkins: Minister, your own Government of Canada website lists jobs from Stellantis. They mention candidates with or without a valid Canadian work permit. That's for Stellantis and it's on the Government of Canada website.

I think it's the government that's confused when it's advertising jobs for foreign workers on its own website for this, and it can't seem to get its story straight.

The Chair: That is the time.

I'm going to ask that we stop with the crosstalk because it does affect the interpreters.

We are going to MP Thompson, please.

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

I'll share my time with my colleague MP Dzerowicz.

I'll begin with you, Minister. Thank you for coming to speak about the Competition Act. It's very important.

Would you speak to the ways in which government plans to introduce the additional measures that were outlined in the fall economic statement?

Hon. François-Philippe Champagne: Yes. Thank you, dear colleague, for asking that question.

On the point about the Competition Act, it was really like a three-part act. As you said, in budget 2022 we did a number of things at the time. There was an issue about penalties and wage-fixing, for example. I called that a down payment on competition. We knew at the time that there was much more to be done. That's why we've had this consultation work that has lasted for about two years. I think members on both sides would agree that competition is key in our country. If nothing has been done in 37 years and you're going to do something, you need to do it quickly but certainly you need to do it right. That's why we have consulted widely.

What we are presenting in Bill C-56 are these three measures—subpoena power, an end to the efficiencies defence, and looking at vertical agreements—but you also saw in the fall economic statement a reflection of what we heard. In the “what we heard” report, there are a number of things that people have said we need to look at. You're talking about predatory pricing, about what they call “killer acquisitions”, about greenwashing and a number of other things.

Take greenwashing as an example. We're going to have a regime where if you're making a statement that what you're doing is improving the environment, or you're linking that to your record on the environment, you'll have a framework around that. I think with these provisions we're also allowing more private parties to raise actions. This is really going to complement things.

I think we'll be the government, Ms. Thompson, that will have done for this country, with both the Competition Act and the Investment Canada Act, the biggest reform we've seen in decades for the country to really be able to protect itself. We want foreign invest-

ment, but we also want more tools in the tool box to protect our national and economic security. On Bill C-56 and what you find in the fall economic statement, if you take these three acts together, you'll have the broadest reform of competition in the country.

The reason we want to do that is to bring us into the best in class in the G7. I'm always looking at what we're doing and how it would compare with the G7 countries. I think these reforms are much needed to really modernize our framework and for market participants to take us seriously when it comes to competition. The subpoena power comes to me as one very simple example that people look at and say, “Wow, imagine. To think that in Canada you have to engage with the competition commissioner, but he doesn't really have any power.” That doesn't make sense. We need to put a stop to that as quickly as possible.

The work of this committee and Bill C-56 will help with that.

Ms. Joanne Thompson: Thank you.

Ms. Julie Dzerowicz: How much time do I have?

The Chair: You have about two minutes.

[*Translation*]

Ms. Julie Dzerowicz: Thank you for being here today, Minister.

You said the changes in Bill C-56 would ensure greater transparency.

Would you mind explaining how?

Hon. François-Philippe Champagne: First off, thank you for asking your question in French. I am delighted to be able to speak with committee members in French.

The first amendment proposed in Bill C-56 pertains to market studies, which will provide more transparency and help the Competition Bureau better understand the market dynamics.

The bureau's study on the retail grocery industry across the country is the most recent example of how that change comes into play. The study revealed a number of deficiencies, and that is why your fellow members on the Standing Committee on Agriculture and Agri-Food recommended that the Competition Bureau be given enhanced powers.

One of the problems your fellow members flagged was how difficult it was to understand the market dynamics without all the information. That is a deficiency today. We have a regulator that doesn't have all the tools it needs to compel information and evidence, so it can understand the dynamics of the market. To understand anticompetitive practices, you first have to understand the dynamics of the market.

I'll give you an example. When I spoke with executives at U.S. grocers who were interested in entering the Canadian market, I learned that one of the barriers they faced was vertical collaboration between suppliers and customers in the form of agreements. As I was telling Mr. Ste-Marie, something that happens a lot in mall settings, especially in rural and remote areas, is that the mall has only one major grocery store. Leases contain non-compete clauses that prevent competitors from opening within several kilometres of the area.

If a wholesale-style retailer decides to leave the mall, which does happen, it creates a food desert. In other words, you end up with no grocery store within several kilometres, because the non-compete clauses have deterred new players from entering the market over the years.

When we met with independent grocers across the country—

[*English*]

The Chair: Please wrap up, if you can, Minister, because we're at the time.

[*Translation*]

Hon. François-Philippe Champagne: When we met with them, they said it was one of the biggest changes they needed to ensure increased competition across the country.

The Chair: Thank you, Minister.

Thank you, Ms. Dzerowicz.

[*English*]

Now we'll go to MP Ste-Marie, please, for five minutes.

[*Translation*]

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

I also want to let Ms. Dzerowicz know that her French is excellent. I commend her, and I want to say thank you.

Minister, if I understand correctly, you said that, if Parliament passes Bill C-56 with the proposed amendments in Government Business motion number 30, the Competition Bureau will have powers when it conducts a study on competition. The powers don't apply for the purposes of legal proceedings. They apply to the study of a sector or market. The bureau will be able to compel witnesses as well as evidence.

Is that what you are saying?

Hon. François-Philippe Champagne: I think you've fully understood what is being proposed.

That's why I'm saying that what we are doing here, today, and what you are doing with your fellow members, Mr. Ste-Marie, matters. We are really moving into a whole new world. We are moving away from voluntary co-operation and towards judicial powers to compel information, documents or testimony, to fully understand the market dynamics.

Mr. Gabriel Ste-Marie: Very well. It has to do with market studies, then.

That wasn't clear to me when I read Bill C-56. Obviously, we don't have the text of the amendments flowing from Government Business motion number 30 yet, so we are eager to see them.

You said that a number of the amendments stemming from Government Business motion number 30 came from a bill introduced by NDP leader Jagmeet Singh. I'm thinking of the amendment to increase fines and really make them punitive instead of just being the cost of doing business. The fine would go from \$5 million to \$25 million. There is more to it than that, but the fine would be at least \$25 million.

As it currently stands, Bill C-56 still fails to address something, as far as I'm concerned. There is nothing stopping a company from profiting from the lack of competitors by overcharging consumers. For example, if a grocery store has a monopoly in a particular area, the bill wouldn't stop it from taking advantage of its monopoly to gouge customers by overcharging for products.

The bill sponsored by Jagmeet Singh, Bill C-352, deals with that aspect. It adds the practice of directly or indirectly imposing excessive and unfair selling prices.

Why didn't you include that provision in the possible amendments covered by Government Business motion number 30?

Does the government agree with that amendment?

Hon. François-Philippe Champagne: I would first like to thank you, Mr. Ste-Marie. You are always well informed when you analyze bills. I have known you a long time. I sat with you when I was parliamentary secretary to the minister of finance at that time.

I think the bill proposed by Mr. Singh talked about tackling the effects: price increases, or what you called price gouging.

What we want to do is tackle the cause: the lack of competition, which leads to these price increases. History shows that regulating prices is a complex undertaking. As you have seen, some countries have tried to do this. You talked about price gouging, which is the effect, when the cause is a lack of competition.

I think that all of the measures set out in Bill C-56, the fall economic update and budget 2022 are the best way of tackling the causes. We decided to focus on doing that, because that is really what we need to tackle.

With that said, we have incorporated a number of the suggestions in the bill introduced by Mr. Singh. For example, the penalties to which you referred will be reformed. There is also the legal criterion. It talks about intent and effect. That was taken from Mr. Singh's bill.

We are listening. I think we have demonstrated our goodwill and our desire to move forward. Bill C-56 is a step in the right direction. As you say, Government Business No. 30 allows you, as a committee, to look at these various aspects. There will then be the fall economic statement.

I think that when we have finished working on the three core areas, the Competition Act will bring us into the modern economy. We will have the tools we need to ensure more competition, better prices, and certainly more innovation in the Canadian market.

Mr. Gabriel Ste-Marie: Your answer is clear. Thank you.

With respect, however, I think there will still be sectors in some economic regions where there will be monopolies. Competition is allowed to develop there, but there are times when it is not viable. In my opinion, there is still a blind spot in this regard.

Regarding the amendments proposed in Government Business No. 30, I do not understand the third one, which is a procedural amendment and gives the court the power to prevent an anti-competitive practice. As I understand it, the existing act already prohibits this kind of practice.

Will there be something else? Given that we do not have the amendments in front of us, I am forced to indulge in a bit of speculation.

Is that not simply a repetition, in the third amendment suggested by Government Business No. 30?

[English]

The Chair: Minister, give a very short answer, please.

[Translation]

Hon. François-Philippe Champagne: In the current act, you have "intent and effect". In the proposals that might be considered, what we have is instead "intent or effect".

The key is the "and" which is being converted to "or". I think that is the key.

Mr. Gabriel Ste-Marie: Thank you.

The Chair: Very good, thank you.

[English]

Thank you, Minister.

It's now over to MP Blaikie, who will be the final questioner. It's MP Blaikie for Minister Champagne.

[Translation]

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

You say that the government wants to tackle the causes or the effects. However, there are special situations. I will give you an example. In remote regions such as Nunavut or elsewhere in the north, or even in certain rural regions, no competition is possible simply because it is not profitable. The prohibition on anti-competitive practices does not make a lot of sense for the communities living there.

So it is not logical to impose rules to eliminate the possibility of using a monopoly position to raise prices unreasonably.

Hon. François-Philippe Champagne: I will start by thanking you for making your comment in French.

You make a good point. During a meeting of the Standing Committee on Finance, the Standing Committee on Agriculture and Agri-food, or the Standing Committee on Industry and Technology—I am not certain which committee it was, I heard several things on this subject.

Representatives of the Canadian Federation of Independent Grocers, which represents about 6,900 members across Canada, said that one of the most complex problems concerns grocers in remote regions or in rural regions. They gave examples in northern Saskatchewan, if I recall correctly, and northern Alberta, or even indigenous communities living in the north. The dynamic in those places is even more complex.

I would say that given the powers that would be granted by Bill C-56, we should consider undertaking a study on this subject.

What is concerning is that the big food product manufacturers are sometimes less inclined to sell to independent grocers. A shortage, such as we experienced during the COVID-19 pandemic, then causes problems. I was told that there were products available in big chains in a city located in a remote region while the independent grocer carrying on business in the same city did not have access to them.

The fact that food product manufacturers gave priority to the big chains over independent grocers should be the subject of a study by a committee. I am not persuaded that the motion that has been made, or Bill C-352 sponsored by Mr. Singh, would necessarily have the desired effect. I think the cause has to be tackled.

The cause may have been connected with the contracts that favour the big chains at the expense of independent grocers. There may be a study to be done to get a better understanding of the market dynamic.

Mr. Daniel Blaikie: Would the changes made by Bill C-56 mean that you, as minister, would be able to initiate an investigation or ask the Competition Bureau to do so?

Would you be prepared to initiate that kind of study once you have the powers proposed in Bill C-56?

Hon. François-Philippe Champagne: That is a very good question.

In the last study done by the Competition Bureau we saw that there were missing pieces. The Competition Bureau does not have the necessary powers. I want to congratulate its representatives on the work they have done in spite of those flaws.

Mr. Blaikie, you can be sure want to know more about this. I want to do more and get to the bottom of things. That is why Bill C-56 is so important to me. With the powers it provides, I think we will be able to do more to get to the bottom of things in relation to what the report we received today says. Ultimately, we did not have the investigative power that would have enabled us to move forward.

So I do really want to go further.

[English]

Mr. Daniel Blaikie: Could I say, walking out of here, that the minister committed to using his powers to look into the question?

Hon. François-Philippe Champagne: You can say that the minister will judiciously use the new powers given under Bill C-56 and work with committee members any day of the week.

Mr. Daniel Blaikie: That's not quite a yes. I'd love to hear a yes or a *oui*.

Hon. François-Philippe Champagne: However, I'm very committed.

Mr. Daniel Blaikie: Very well.

Thank you, Mr. Chair.

[Translation]

The Chair: Thank you, Mr. Blaikie.

I thank you too, Minister, for coming and talking to us about Bill C-56.

[English]

You packed a lot into this hour. We got a lot of questions out.

Thank you for your testimony on this study. We appreciate it.

Hon. François-Philippe Champagne: Thank you, Mr. Chair, for your chairmanship. I must say that, in my nine years as a member of Parliament and many years as a minister, the way you conduct hearings is probably the most conducive to allowing a fair discussion between ministers and members.

The Chair: Thank you.

We're suspended for a transition right now, members.

• (1800) _____ (Pause) _____

• (1805)

The Chair: I call this meeting back to order.

Pursuant to the order of reference of Thursday, November 23, 2023, the committee is resuming its study of Bill C-56, an act to amend the Excise Tax Act and the Competition Act.

I would now like to welcome our witnesses.

From the Department of Finance, we have Pierre Mercille, director general for sales tax legislation, tax policy branch; and Amanda Riddell, director of real property and financial institutions, tax policy branch.

From the Department of Industry, we have Mark Schaan, senior assistant deputy minister for the strategy and innovation policy sec-

tor, who was with the minister also; Samir Chhabra, director general of the marketplace framework policy branch; and Martin Simard, senior director in the strategy and innovation policy sector.

Welcome to all of you.

They have all joined us and there are no opening statements or remarks. We are going to go right into members' questions. In this first round, as the officials would know, it's six minutes per party.

We are starting with MP Morantz for the first six minutes.

Mr. Marty Morantz: Thank you very much, Mr. Chair.

Thank you to our witnesses for being here.

Today we're talking about the affordable housing and groceries act. I just want to frame this a bit from the perspective of the average Canadian who has eagerly tuned in to watch this meeting tonight and to hear us talk about this act.

Maybe I will start with you, Ms. Riddell.

Do you think it would be true to say that when they hear the name of the act, they would assume that, if it is passed, it will make housing more affordable and groceries more affordable? Would that be a reasonable assumption?

Ms. Amanda Riddell (Director, Real Property and Financial Institutions, Sales Tax Division, Tax Policy Branch, Department of Finance): I'm sorry, but can you repeat your question?

Mr. Marty Morantz: Would it be fair to say, from the perspective of Canadians who are tuned in, that once the affordable housing and groceries act passes, they could expect housing and groceries to be more affordable?

Ms. Amanda Riddell: In my case, the measure in here to speak about is the purpose-built rental rebate.

Mr. Marty Morantz: I'm sorry. Just on my question, though... When average Canadians hear the name of the act, the affordable housing and groceries act, would it be safe for them to assume that, if it were passed, housing and groceries would be more affordable from their perspective?

Ms. Amanda Riddell: I don't know what their perspective would be.

Mr. Marty Morantz: Okay.

Ms. Amanda Riddell: I'm familiar with the measure that I'm here to speak about.

Mr. Marty Morantz: Perhaps I'll just move on, then.

Would the enhanced rebate apply to someone who purchases an individually owned condominium unit?

Ms. Amanda Riddell: No, it wouldn't.

Mr. Marty Morantz: Would it apply to someone who purchases single-unit housing?

Ms. Amanda Riddell: No, it wouldn't.

Mr. Marty Morantz: Would it apply to somebody who purchases a duplex?

Ms. Amanda Riddell: No.

Mr. Marty Morantz: Would it apply to somebody who purchases a triplex?

Ms. Amanda Riddell: No.

Mr. Marty Morantz: What about somebody who wants to buy a trailer in a trailer park?

Ms. Amanda Riddell: No.

Mr. Marty Morantz: So, it only applies to purpose-built rentals that are in excess of four units.

Ms. Amanda Riddell: That's right.

Mr. Marty Morantz: If a Canadian wants to buy a unit in a trailer park, why doesn't that Canadian get the enhanced rebate?

Ms. Amanda Riddell: If you're buying something in a trailer park, it's tantamount to owner-occupied housing, and this rebate is intended to help purpose-built rentals, not owned units.

Mr. Marty Morantz: What if they want to rent out the trailer?

Ms. Amanda Riddell: If it's in a purpose-built rental format where there are four-plus units together in one building—

Mr. Marty Morantz: No, it's a single unit that they want to rent out. Would they get the rebate?

Ms. Amanda Riddell: No.

Mr. Marty Morantz: What about a young family that just wants to realize the dream of home ownership? Do they get the enhanced rebate?

Ms. Amanda Riddell: No, they don't.

Mr. Marty Morantz: Let me ask you this question: Once the act is passed, how soon after it's passed will grocery prices actually go down?

Ms. Amanda Riddell: I can't speak to the grocery prices.

Mr. Marty Morantz: What about housing prices?

Ms. Amanda Riddell: They wouldn't go down immediately, no.

Mr. Marty Morantz: How long?

Ms. Amanda Riddell: The purpose-built rental rebate is intended to encourage new supply, and new supply takes a while to come onto the market.

Mr. Marty Morantz: How much new supply have you calculated will be created by this legislative change?

Ms. Amanda Riddell: We haven't identified the number of units specifically. That's a very difficult number to come up with because it's based on a lot of assumptions.

Mr. Marty Morantz: Then you don't know if it would be one or 100,000.

Ms. Amanda Riddell: We can't give you an estimate or a specific number.

Mr. Marty Morantz: There's no analysis.

Ms. Amanda Riddell: No.

In general, the rebate is intended to make a meaningful impact on the cost of constructing purpose-built rentals, which, of course, should translate into an impact on the supply. However, because there are so many market forces at play, it's very difficult to come up with a specific estimate on the number of units that it would create.

Mr. Marty Morantz: Then you can't tell us how many units will be built or how quickly home prices might go down by virtue of the passage of this affordable homes act. Is that correct?

Ms. Amanda Riddell: That's correct. This measure is—

Mr. Marty Morantz: Okay.

Let me just move on to the issue of groceries.

There's a piece that I read, and I found it very interesting. Are any of you familiar with Michael Osborne? He's the chair of Cozen O'Connor's Canadian competition law practice.

Mr. Mark Schaan (Senior Assistant Deputy Minister, Strategy and Innovation Policy Sector, Department of Industry): Yes, we know the competition law practice.

Mr. Marty Morantz: Do you know who Michael Osborne is?

Mr. Mark Schaan: Probably.

Mr. Marty Morantz: He wrote, "The federal government has introduced a bill, C-56, containing amendments to the Competition Act that the government claims will make groceries affordable again. Some of the amendments are good, more are bad, but most are useless."

Would you agree with that assessment?

Mr. Mark Schaan: I would contend that the Bill C-56 changes to the Competition Act will fundamentally and importantly shift the overall playing field in favour of greater competition, including in the grocery sector.

Mr. Marty Morantz: Will grocery prices come down right away after the act is passed?

Mr. Mark Schaan: Competition Act reforms are an important foundational element that contributes to the overall move towards the stabilization of prices in the grocery sector.

Mr. Marty Morantz: Okay.

He went on to say that "the amendments in Bill C-56 are mostly useless because competition law, which seeks to prevent monopolies and cartels, is not designed to solve macroeconomic problems like inflation."

How long will this act take to actually bring down the price of groceries? It is called the "affordable housing and groceries act". Will it take a week? Will it take six months? Will it take six years?

Mr. Mark Schaan: I think it's important to understand the role framework law plays in setting the overall context of the economy. Some of these—

Mr. Marty Morantz: How long, roughly?

Mr. Mark Schaan: Mr. Chair, can I finish the answer?

The Chair: Yes.

Mr. Mark Schaan: Thank you.

Some of these provisions are quite substantive, in the sense of... When we look at vertical collaborations, for instance, that has the capacity to impact markets immediately after its coming into force. It will prevent the capacity of grocers to potentially do agreements with their landlords that currently freeze out competitors in the marketplace. That is an important driver on overall prices and on choice available to consumers.

I don't think it would be fair to contend that these changes will not have an important impact, including immediately after the passage of the bill.

The Chair: Thank you, Mr. Schaan and MP Morantz.

Go ahead, MP Baker.

Mr. Yvan Baker: Thanks very much, Mr. Chair.

Thank you, all, for coming to the committee, speaking with us today and answering our questions.

At the finance committee, we've been hearing from folks. We've been performing a study on the rising cost of living in general. We've heard from a lot of folks who talked about the housing market and what's driving the increased cost of housing—from my constituents and, frankly, constituents across the country. The primary reason they've said it's happening is that there is a lack of housing supply.

I guess my question is, how do you see this bill we're studying today, Bill C-56, increasing housing supply throughout the housing spectrum?

Ms. Amanda Riddell: This rebate is intended to remove the GST from purpose-built rental housing. It's a specific type of housing. I know MP Lawrence was talking about.... It's not singles and it's not owner-built. This is not what the measure was designed to do. It was designed for and aimed at purpose-built rental housing to ensure that this type of housing gets on the market. It was designed in such a way that it would lower the price for builders producing this type of purpose-built rental housing, because we heard that a lot of these projects just don't "pencil out". That is the expression they use. In a higher interest rate environment, especially, in order to ensure they can pencil out a lot of these projects....

The rebate will help them take on projects that might not have moved forward and allow them to move forward. It will help supply in the sense that you've lowered the cost for builders. It will allow projects to be profitable. It will allow a lot of projects to go forward. You would assume that if there's more supply in the market, this would, in turn, reduce prices.

Mr. Yvan Baker: Let me repeat back what I think I heard.

We have a lack of supply in housing. That's the main reason prices are so high across the country. To address this, we need to build a lot more housing very quickly. One of the ways we can do that is by making housing developments that previously weren't profitable for the developers, builders, etc. become profitable. The GST removal on purpose-built rentals is designed to make the construction of purpose-built rentals a bit more profitable. This means that a whole bunch of projects that previously weren't profitable and never would have happened are now going to happen.

Is that a good summary?

Ms. Amanda Riddell: That is a good summary. Thank you.

Mr. Yvan Baker: Okay. Thank you.

One thing I've heard and read is that, even though the GST rebate we're talking about is focused on purpose-built rentals, as you just indicated, there's a chain. If you create more purpose-built rentals, there's a series of moves that happen throughout the housing market. Folks who weren't in purpose-built rentals move into the new purpose-built rentals, and this creates openings in other parts of the market.

Is that correct? If so, what does that do for affordability in those other segments of the housing market?

Ms. Amanda Riddell: This rebate is designed to apply to purpose-built rentals at all values. One of the advantages of this is that it creates units across the full spectrum. There are a lot of people who don't move out of their houses, for example, and into purpose-built rentals because there just isn't the type of unit they might need—for example, families needing larger units, or people who are currently overhoused but have no apartments to move into. The idea behind the rebate is to create a wide spectrum of purpose-built rentals that will help meet the needs of a wide variety of people looking for housing.

As you were saying, this opens it up. If people move out of their houses and into apartments, the houses become free. Therefore, the overall supply should loosen and become more plentiful.

Mr. Yvan Baker: From the perspective of my constituents in Etobicoke Centre, if there are more purpose-built rentals, the units that become vacant—because folks have moved into those new purpose-built rentals—become available to people, perhaps at a lower price than they would have been otherwise.

Ms. Amanda Riddell: Perhaps. I can't speak about the price, but yes, they would.

Mr. Yvan Baker: Absolutely.

All other things being equal, more supply equals a lower price.

Ms. Amanda Riddell: Exactly.

Mr. Yvan Baker: I appreciate that. Thank you.

How much time do I have, Chair?

The Chair: You have a minute and a half.

Mr. Yvan Baker: When I speak to my constituents in Etobicoke Centre, I hear primarily about two issues: about the cost of housing or renting a home and about the cost of life, particularly groceries. I want to switch to the issue of groceries, if I can.

To my mind, the big three grocers—I'm talking about Loblaw, Sobeys and Metro, the big players in the grocery market—sort of squeeze out the opportunity for other players to enter the Canadian market. That means less competition. Less competition, generally speaking, results in higher prices, or higher prices than we would have if we had more competition.

How does the bill that we're studying now lead to less concentration in the grocery sector and therefore lower prices for my constituents?

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

I think this bill attacks a number of really important aspects related to affordability and competition in the grocery sector. There's obviously a lot of general application, so it will apply in all sectors, but these measures were included, in part, because of their particular salience for the grocery sector.

One is that it makes transparent information and recommendations about the nature of the market so as to help understand its dynamism and potentially make recommendations about its overall structure. By allowing market study powers to actually extend to the full information of corporations, it allows for that kind of transparency to potentially raise issues and bring to light particular aspects of the marketplace. I think that helps other competitors, but it also helps governments and other regulators that have been helped by market studies in the past.

Second, removing the efficiencies defence would essentially not allow for any further mergers that are premised on the notion that there are going to be future benefits for Canadians that potentially are okay, because they are essentially wiped out by the significant lessening of competition that would occur for Canadians. Obviously, that's only on a prospective basis for new mergers. However, I think it sets the tone in terms of the overall context for how consolidation would potentially look on a go-forward basis.

That also needs to be complemented by what's in the fall economic statement, which I'm not here to talk about today, but obviously it makes some additional changes on—

The Chair: Thank you, Mr. Schaan. We're well over time.

Thank you, MP Baker.

Now we'll go to MP Garon, please.

Welcome to our committee.

[*Translation*]

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

Hello, ladies and gentlemen.

It seems that it is impossible at present to build housing for the poorest people, for the people who spend a large portion of their income on housing.

In the documents prepared by the analysts for the meeting today, we see that at present, without eliminating the goods and services tax, the GST, it is not possible to build rental housing, even at market price, in Canadian cities. We know that this price is very high.

What I understand is that the GST-related measure would make certain construction projects involving housing that would rent at market price, which is extremely high, marginally profitable. We are talking about \$2,000 to \$2,500 or even \$2,700 per month in my riding. I would therefore like you to confirm that there will be no affordable housing in these projects, which will instead be for market price units.

Out of the new units that will be built as a result of eliminating the GST, there will be no affordable units.

Is that correct?

Mr. Pierre Mercille (Director General, Sales Tax Legislation, Sales Tax Division, Tax Policy Branch, Department of Finance): There is no affordability criterion in the bill.

Mr. Jean-Denis Garon: There will be no affordability criterion. Thank you for your candour.

Groups like Option consommateurs have submitted briefs. They say that we should drop the GST-related measure and improve the national housing strategy to help poor people find housing.

Has the department evaluated that option?

Mr. Pierre Mercille: Those are tax policy questions and we are here to talk about Bill C-56.

Mr. Jean-Denis Garon: I agree that that is not your job.

Have you obtained an estimate of the number of units that will be built in Quebec, for example as a result of this GST-related measure, during the life of the policy?

Mr. Pierre Mercille: I have not, but I am more involved in the legislative aspect. The question was put to the Minister earlier today, and she quoted the study by a professor, but I have not seen the study in question.

Mr. Jean-Denis Garon: So the department has not done any studies on this subject.

This GST-related measure is supposed to be the cornerstone of a new housing policy in the government's economic statement. We know there will be no affordable units; that is what the documents say. As well, we do not know how many new units will be constructed.

In my riding, there are numerous regions where no 20-unit buildings, or five- or six-unit buildings, will be constructed in order to increase density in the suburbs. If we want a denser population, particularly around transportation corridors, whether by train or otherwise, duplexes and triplexes will have to be built.

Buildings like that, which would be constructed quickly, are generally built by small landlords. Rent increases would then be lower than what is usually sought by big landlords. And yet they are not eligible for the program.

Have I understood the situation correctly?

Mr. Pierre Mercille: The eligibility criteria will be determined by regulation.

The Department of Finance released a backgrounder on September 14, and according to the tax policy decision that has been made, there will have to be at least four private units.

Mr. Jean-Denis Garon: It is important to clarify that, particularly for my constituents. It affects people's lives.

If someone wants to build a triplex near a transportation corridor, for example, near the Saint-Janvier station in Mirabel, there will be no GST rebate.

Is that correct?

Mr. Pierre Mercille: This new rebate would not apply in that case, according to the backgrounder released by the Department of Finance.

Mr. Jean-Denis Garon: Right. I understand.

According to the documents we have received and what the ministers have said in the House, which is also a useful source of information for us, it is very important that Ottawa collaborate better with Quebec when it comes to building housing.

The economic statement says that there will be a 5% rebate on the GST, but the Department of Finance strongly urges the provinces to propose a similar measure for their own taxes. This amounts to interference in matters that are under the provinces' jurisdiction in relation to indirect taxes.

Was Quebec consulted before the economic statement was revealed, to find out whether it wanted to collaborate?

Mr. Pierre Mercille: Yes, because the measure was announced on September 14, and the statement was released last week.

Mr. Jean-Denis Garon: Right.

To your knowledge, has the Government of Quebec announced that it was going to follow the federal government's measure and that it was consistent with its own housing policy?

Mr. Pierre Mercille: I do not have that information, but the provincial governments will decide whether they want to give these rebates.

Mr. Jean-Denis Garon: Right.

So collaboration consists of announcing a policy and hoping that the provinces will feel obliged to follow the federal government's measure.

My next question is about the Competition Act.

My colleague Mr. Ste-Marie asked a topical question earlier. The Minister's hypothesis is correct in many markets: if there is more competition, the people who raise their prices too much will leave the market. That is the competition effect.

However, in a place like Louvicourt, in Abitibi-Témiscamingue, in Lebel-sur-Quévillon, or on the highways in the Gaspé, there is sometimes only one service station, so there is a natural monopoly. If there are two competitors, both of them will go bankrupt, because there are fixed costs for operating a business.

In those situations, we have a business that exercises monopoly power naturally and will have the opportunity, under the scheme you are proposing, to raise its prices. The bill proposed by Mr. Singh sought precisely to limit price increases in this type of situation.

Why was it decided to do nothing for people outside urban areas who live in these situations?

Mr. Mark Schaun: It is important to consider the Competition Act as a whole. It includes measures for intervening in situations where there is insufficient competition. It regulates the practices and behaviours of actors in the economy. In places where there is only one service station, or where there is a true monopoly, as you said, it is important to increase competition in the market.

The Competition Act cannot restore competition, but it makes it possible to combat the behaviours and practices that throw up barriers to competition, such as abuse of dominance, the use of practices intended to exercise control, attacking competitors, or any other behaviour that has a negative effect on the market. It is important to understand that.

That Act contains a set of measures for intervening in those situations, but that is not the only thing that promotes competition in the market.

[English]

The Chair: Thank you, MP Garon.

Now we'll go to MP Blaikie, please.

Mr. Daniel Blaikie: Thank you.

I just want to follow up on that question, because I think the question had a lot to do with saying that we need a Competition Act that—and I think this is what Mr. Singh is trying to accomplish in his own private member's bill—recognizes that consumer protection isn't completely satisfied by having good competition law, but that there are times when, given the location of a business, there's just not going to be competition. You're not going to be able to get the fixed costs of running a gas station or a grocery store in northern communities down to the point where you have two businesses competing, because between them they can't make enough money in that community in order to run two profitable businesses. That's why Mr. Singh is trying to include in our Competition Act the idea that where you don't have competition, you can't abuse that market position in order to price-gouge.

With that context, I would just put the question again: Why is it that the government doesn't seem to want to move ahead with providing some important consumer protection in areas where competition is not possible? You can make the circumstances as favourable as you like; there are some real-world constraints on whether you have two competing businesses in the same community.

[Translation]

Mr. Mark Schaan: Thank you for the question.

[English]

It is important to say a couple of things on the subject. One is that the minister, quite rightly, pointed to the fact that a comprehensive competition reform looks at effects and judges on the basis of effects, rather than just stating that...there is no right prohibition on a particular kind of aspect. This is because they are often use case-specific. The goal of the Competition Act is not to be a price regulator in every single market vertical, but instead to ensure that there are effective restraints on behaviour, and where those behaviours significantly lessen competition, we have the tools to be able to act.

Between the actions of Bill C-56 and what was announced in the fall economic statement, there's a pretty comprehensive approach to try to make sure that we have actually targeted and provided the right tools for those effects that are particularly noxious to competition, whether that's abuse of confidence, whether that's a merger that potentially rules things out, whether that's the betrayal of inputs that are fundamental to the competition or whether that's competition that will harm the labour market. All of those kinds of functions are built into the changes that are proposed.

An outright prohibition that simply suggests something is *prima facie* anti-competitive is often best left to vertical regulators that are versed in the specifics of that use case, rather than trying to do it through a lot of general application, which can then apply on the basis of effects.

Mr. Daniel Blaikie: I was glad to hear the minister almost commit to using the new powers in Bill C-56 to launch an investigation into the more specific market conditions than I'm talking about, but I wonder what the effect is of a minister almost recommending that such an investigation be launched. Does that meet the threshold for actually getting an investigation, or does it just meet the rhetorical threshold for getting through committee testimony?

Mr. Mark Schaan: Thank you, Mr. Chair.

The member will know that the test for ordering a market study as proposed in Bill C-56 is not for me, but the minister. I won't speak for the minister on the determination he will make on market studies, but I think he has been clear that the last market study certainly lacked some of the full information that would give rise to the transparency about what's actually happening in some of those marketplaces.

Mr. Daniel Blaikie: To our folks at Finance, I wanted to ask if we could get information here at this committee, and I'm happy to have it presented in a way that doesn't name proponents, if that's problematic for some reason.

We know there are a number of projects that have been approved under the national housing strategy with non-profits that were in process prior to September 14, 2023. We know, anecdotally, that a number of those have been put on pause because the escalation in the interest rate has meant that they can no longer proceed with those projects.

I'd like to know how many such projects there are—projects that have been approved for federal funding under any national housing strategy program and have indicated they are not able to proceed, given the state of interest rates—and the estimated costs of applying the GST rebate to those projects. I'm wondering if we can get a commitment to have the department bring that information to committee, or send it to committee. I'm not suggesting a second appearance. Preferably, we'd have it before we do clause-by-clause of the bill, which I believe is to take place on Wednesday.

Mr. Pierre Mercille: What I can say on this is that it's definitely not Ms. Riddell nor I who will provide the information. The information will be communicated to the department, and it will be up to the minister's office to decide if it can be provided to the committee that fast.

Mr. Daniel Blaikie: At the very least, what I have is a commitment to take the request back, although I also made that request of the minister, so I'm hoping that we can get to “yes” quickly.

Thank you.

The Chair: Thank you, MP Blaikie.

We are moving into our second round. I will hold everybody to their exact time so that we can stop at seven o'clock and get out for a health break. We've been here for a number of hours already.

We are starting with MP Williams. I know he wants to get to the gym.

MP Williams, you have five minutes.

Mr. Ryan Williams: Yes. Let's do it. I'll meet you there.

Thank you, Chair.

Thank you, officials.

Much like the IRA in the States, the Inflation Reduction Act, this is the grocery affordability act. However, I think, as we've seen from testimony today from the minister, this isn't as much about grocery affordability as it is about some minor changes to the Competition Act. Granted, a lot of them are really needed.

There is supposed to be a second phase of the modernization of the whole Competition Act. Canadians are asking me, and I want you to answer for me, please. When is that coming?

[*Translation*]

Mr. Mark Schaan: Thank you for the question.

[*English*]

The fall economic statement noted that there would be a number of important comprehensive competition amendments that would be part of the implementing legislation, notably to:

Strengthen the tools...available to the Competition Bureau...to crack down on abuses of dominance...

Further modernize merger reviews, including [ending] “killer acquisitions”...

Enhance protections for consumers, workers, and the environment...[and prevent] “greenwashing” claims [as well as]...focus on worker impacts in competition analysis;

Empower the Commissioner of Competition to review a wider selection of anti-competitive collaborations...

Broaden the reach of the law by [allowing]...private parties [access to the tribunal, including with remedies].

I think the comprehensive changes outlined in the fall economic statement are consistent with the comprehensive nature of consultations.

Mr. Ryan Williams: Are you saying to me that there's not going to be a second-phase modernization of the full Competition Act coming from your department?

Mr. Mark Schaan: I think you'll find, when the legislation is tabled, that the amendments in the fall economic statement are quite comprehensive in nature and speak to nearly all the areas for which the department consulted over the course of the consultation.

Mr. Ryan Williams: Has the department done studies on what factors are impacting the rising price of groceries in Canada?

Mr. Mark Schaan: The department continues to analyze the overall sector as part of the overall consideration of potential measures to take.

Mr. Ryan Williams: Where did the carbon tax rank in some of those measures? Has the department studied that at all?

Mr. Mark Schaan: The specific analysis of that market is not under my domain, Mr. Chair. I'm here representing the Competition Act.

Mr. Ryan Williams: I'm asking if there ever has been a study done by your department on the effect of the carbon tax on food pricing.

Mr. Mark Schaan: I couldn't say yes or no, Mr. Chair. I'm not in a position to know whether or not there's been work done in that area.

Mr. Ryan Williams: Last year, the government made \$1 billion in GST revenues off grocery retail items, charging for somewhere over 3,600 items in grocery stores. Has your department ever studied food affordability in terms of the snack tax, prepared tax, where GST is having an impact on grocery prices at the grocery store for Canadians?

Mr. Mark Schaan: Thank you, Mr. Chair.

I know proposals like the snack tax and others were raised in the consultations and in the considerations of the meetings the minister and the department held with a number of players within the grocery market. Obviously, the jurisdiction for tax changes rests with my colleagues from the Department of Finance, but I think those considerations have been raised by members in terms of the overall discussions on the grocery file.

Mr. Ryan Williams: Are there any reports that have been tabled? Has there been any internal analysis of those taxes that's been developed, or are there any reports or documentation at all in your department?

Mr. Mark Schaan: I know there are a number of public reports—I've seen them on social media, for instance—that have indicated a certain amount of analysis. I know, obviously, the department has been looking broadly at some of the impacts and how to potentially stabilize food prices in the sector.

Mr. Ryan Williams: If you have any of those reports in your department, please table them with the committee.

As part of what we were going to call the “theatre piece” earlier this fall, the minister admonished the grocery store CEOs and threatened them with penalties if they don't bring down prices. What are those penalties going to be?

Mr. Mark Schaan: I believe that's a question for the minister.

I think the minister was clear that should actions not be taken to stabilize food prices, he would—

Mr. Ryan Williams: Are you saying that the department would have no idea what those penalties would have been and that it's only the minister, not the department?

Mr. Mark Schaan: I'm not in a position to answer specifically as to what the minister may or may not contemplate, other than the fact that he's been clear that he is open to the possibility of consequences should actions not seek to stabilize prices.

Mr. Ryan Williams: How has the department been monitoring the promised food price reduction the minister announced at the “public spectacle”, I'll call it, with the grocery CEOs in October?

Mr. Mark Schaan: I think there are a number of important considerations, Mr. Chair, as to how the overall grocery file is being monitored. One of them, obviously, is the role of food inflation, which is one of the inputs into overall inflation. Published monthly, by Statistics Canada's estimate, we have seen declines over the last number of months in food inflation, particularly, which is going down more quickly than overall inflation.

Mr. Ryan Williams: This is the last question, Mr. Chair.

The Chair: We're at the time, MP Williams, so we're going over to MP Dzerowicz now.

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

I want to thank all our witnesses today for being here, for your patience, for all your great work and for answering our questions.

I have two questions for you.

The first one is this. I would say the residents of my riding of Davenport would be a little bit surprised to hear there are property controls or restrictive covenants around independent grocery stores setting up in certain areas. In plain language, could you explain what those are and how the proposed changes in our legislation are going to correct competition in the grocery sector?

Mr. Mark Schaan: Thank you for the question.

In plain language, the way the act currently thinks about collaboration is traditionally a collaboration that potentially is between a competitor and a competitor, and that collaboration potentially harms competition and therefore is within the reach of the bureau. What our change does in Bill C-56 is that it expands the concept of what could be a collaboration to not just those that are between competitors and competitors, but those that are between competitors and someone else in the value chain that actually potentially are going to impact competition.

The case that has often been used, or the example in the grocery sector that has often been cited, has been that it might not be two grocers getting together to collaborate to significantly lessen competition, but potentially a grocer and someone else in the value chain, like their landlord. When the grocer signs a lease agreement, they specifically and explicitly state that part of the lease agreement is that the landlord will not rent any other part of the premises—let's imagine that it's a strip mall—to anybody else who competes or sells in any vertical of the grocery store.

This isn't just preventing another grocery store. In many cases, this is actually saying, if they run a grocery store in this strip mall, you can't have a bakery, because a bakery sells baked goods and we sell baked goods. You actually can't have a hardware store, potentially, if they have homeware items.

What essentially this would do is expand the scope for the bureau to be able to look at those collaborations, deem whether or not they are significantly lessening competition and take action as appropriate.

Ms. Julie Dzerowicz: That's very helpful.

I know that you were starting to talk a little about this in your opening remarks. You were talking about some of the changes in

Bill C-56, but you also started talking about the fall economic statement.

I was in the business world for about 15 years before I entered politics, and I will say that a lot of people have been saying that we need to make a lot of adjustments to our Competition Act to ensure we have competition in Canada. Can you maybe talk about all the different parts you're looking at to try to ensure that we have good competition and we have a productive, prosperous economy, moving forward?

Mr. Mark Schaan: I appreciate the question.

If you go back even before the legislative amendments in budget 2022, you can look at the fact that the government has made a significant resource addition to the bureau. By providing a significant injection of new funds to empower the bureau to be well placed and fit for purpose, one of the things the bureau has done with that, for instance, is that it has created a digital markets group that can more specifically look at the way in which technology and data-driven parts of the economy are actually understood from a competition perspective, because they run very differently, in many ways, than traditional industries do.

The 2022 changes to the budget created a number of important foundational elements. It took a look at penalties, for instance. It made penalties uncapped in a number of key zones and created essentially very important consensus-based items that were the foundation for early reform.

Bill C-56 then targets three core areas, and it is now proposed, under motion 30, to include at least one more, which would tackle things like the efficiencies defence, which, as the minister noted, right now allows for projected efficiencies on the basis of the collaboration to potentially outweigh the significant lessening of competition and allow a merger to proceed. Then, what is in the fall economic statement takes that even further, and what M-30 proposes is much similar.

Right now, for instance, abuse of dominance is one of the more challenging things to actually enforce against. Can you prove that someone really big in the market actually had intent to use their bigness, if I can put it that way, to harm competition, and that there are then effects of that in the market, as in you can prove that they've lessened competition? What M-30 suggests is that, for those purposes, that test should now be an "or". You have to be big, but in order to be able to potentially get a prohibition order from the bureau, it's either intents or effects—not necessarily both.

Other really important changes are these killer acquisitions, for instance. It lengthens the period of time that the bureau has to review a merger. Oftentimes when a small company is being acquired—we can think of some in the tech space, for instance—we didn't even know at the time of the merger that it was going to be really foundational or important. Right now, there's a time limit on the degree to which the bureau can actually look at those mergers, so it will extend it to three years to allow for the bureau to be able to look back, take appropriate action and bring action to bear, if necessary.

In sum, what the overall effort has done is that it has tried to tackle the necessary resources, the fit-for-purpose regulator and then a series of legislative amendments that correspond with the kind of market dynamism that I think the government has suggested it seeks.

Ms. Julie Dzerowicz: Thank you so much.

The Chair: Thank you, MP Dzerowicz.

Next, we have MP Garon, please, for two and a half minutes.

[*Translation*]

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

I would like to take a bit of my speaking time to give notice of the following motion:

That, pursuant to Standing Order 108(2), the Committee undertake a study on the carousel tax fraud scheme that international criminal networks are using to collect tax refunds for GST/QST and steal hundreds of millions of dollars from Canadian government coffers;

That this study focus in particular on the following points:

- a) the reasons why Canada appears to be an easy target for this type of fraud;
- b) identifying and understanding the gaps in Canada's tax system that make this type of fraud possible and easy to commit; and
- c) measures that should be taken by the government and the CRA to put an end to these scams and to reclaim taxpayers' money;

That the Committee invite the following witnesses to appear:

- 1) Appearing together for a period of two hours, former CRA Minister Diane Lebouthillier and current CRA Minister Marie-Claude Bibeau, accompanied by senior CRA officials;
- 2) For one hour, the Deputy Prime Minister and Minister of Finance, Chrystia Freeland;
- 3) For two hours each, Marius-Cristian Frunza, an expert in carousel fraud, and Bo Elkjær, a Danish journalist who has been investigating this type of fraud in Europe since 2009;
- 4) For one hour, Samer Bishay, the CEO of Ontario telecommunications company Iristel; and
- 5) Any other witnesses the Committee deems necessary;

That the Committee allocate a minimum of four meetings to this study; and

That the Committee report its findings and recommendations to the House.

Mr. Chair, I would like to use my remaining 55 seconds to ask the witnesses a question.

[*English*]

The Chair: You have 40 seconds.

[*Translation*]

Mr. Jean-Denis Garon: Mr. Mercille, in response to the questions I asked, we were told that there were no studies and it was not known whether affordability criteria will be included in Bill C-56.

I am sensing some unease. I get the impression that the measure relating to the GST was put together off the cuff.

Bill C-56 provided the broad outline of the measure, but the rest was sent to us by way of a departmental opinion.

Did your department work on a similar measure or a version of this measure before the pre-sitting caucus of the Liberal Party of Canada in the fall?

Mr. Pierre Mercille: I am not in a position to answer that kind of question.

Mr. Jean-Denis Garon: Did you work on it in the department before September?

Mr. Pierre Mercille: I am not in a position to talk to you about this and I do not even have the authority to talk to you about the work done in the department.

Mr. Jean-Denis Garon: You do not seem to remember. That speaks volumes.

Thank you.

[*English*]

The Chair: Thank you, MP Garon.

Next, we have MP Blaikie, please, for two and a half minutes.

Mr. Daniel Blaikie: Thank you.

I want to confirm something with our industry officials. When we talk about measures to reduce anti-competitive measures, it's not to prohibit firms from increasing their market share. It's to require them to increase that market share through offering products that more and more Canadians want to buy at prices they find more attractive than their competitors.

Is that fair to say? I just think that can get lost sometimes in the conversation. It's not putting a cap on anyone's market share if they earn it. It's trying to stop, for instance, increased market share through acquiring competitors who are having the effect of lowering prices or offering superior products.

Mr. Mark Schaan: Certainly, the Competition Act is an enforcement-based act, which means it takes actions when there is a significant listing of competition. However, its goal is to engender the right behaviours in the marketplace, which means, as you say, that you can grow. You can continue to have an economic impact and have growth. It just can't come at the expense of competition and, particularly, at the expense of competition where you've rigged, essentially, the competitive landscape in your favour.

Mr. Daniel Blaikie: Thank you very much.

Thank you, Mr. Chair.

The Chair: Thank you, MP Blaikie.

We're now going to MP Thompson.

Ms. Joanne Thompson: Thank you, and welcome to the witnesses.

If I could start with you—

The Chair: My apologies. It should be MP Lawrence, and then it'll be MP Thompson.

MP Lawrence, go ahead.

Mr. Philip Lawrence: Thanks very much.

Thank you to the officials for being here in overtime. We appreciate it and appreciate all the work that you do.

My questions are going to be sort of feeding down into a request for documents, just to give you a heads-up there.

This is called the affordable housing and groceries act. I'm assuming that there was some due diligence done with respect to the impact that these provisions would have on reducing the price of groceries and reducing the cost, if not of housing, then of rent.

I know my colleague, Mr. Morantz, talked about this, but I'm just wondering if you can give me anything on housing or groceries. We'll start with groceries. Just to give some structure, can you estimate how much the price of groceries will go down as a result of this bill?

Mr. Mark Schaan: The Competition Act amendments are aimed at fuelling a more competitive dynamic across the economy but specifically in the grocery sector. We did no calculations on the basis of what the framework law would impact in terms of its specific effects on food prices. It's aimed at a general directional push towards greater dynamism and competition within the grocery sector.

Mr. Philip Lawrence: I don't mean to be disrespectful here. I know you guys are all working hard. You're here at seven o'clock at night and we appreciate it, but you've done no sort of analysis on whether grocery prices will actually go down or not?

Mr. Mark Schaan: We did not perform any economic analysis on the impacts of competition law amendments, which this act is shifting, and their specific impacts on grocery prices.

Mr. Philip Lawrence: When the minister gets out there and says this will reduce grocery prices, you have no data to back that claim up.

Mr. Mark Schaan: We directionally understand the role that framework law plays in the overall market place. It does not translate into a new price on a can of beans at the grocery store. It contributes to the overall market.

Mr. Philip Lawrence: I understand that, and I understand that you're not going to be getting down to the cost of beans, but I would assume there would be some macroeconomic analysis. What I would ask of you, at least as a best effort, is to go back to the shop and then come back to the committee with any type of analysis.

I'll give you an example. Tiff Macklem, the Governor of the Bank of Canada, was able to give us a number. He said that the carbon tax added about 20% to inflation. That was a hard number. There are a lot of economic factors, but he was able to do that.

Any type of analysis that you could provide our committee would be of great benefit, so that the minister would have something to hang his hat on when he says it will reduce grocery prices. Can you provide him anything? Is there any proof that it will reduce grocery prices by even a dollar?

Mr. Mark Schaan: Mr. Chair, I'm not in a position to respond to the specifics of that question.

What I would say is that there's a lot of analysis showing that competitive markets bring down prices. The goal of the Competition Act amendments is in fact to bring dynamism and more competition into markets, and that's the premise behind believing, particularly in these areas that were cited by the bureau in their own study of the grocery market—

Mr. Philip Lawrence: Thank you, sir.

Mr. Mark Schaan: —that these were important factors to consider that would actually help Canadians and stabilize—

Mr. Philip Lawrence: Thank you, sir.

I do appreciate that. Also, my passion is directed to the minister, not to you. I know you guys are working hard.

Now, with respect to housing, is there any type of economic analysis, one shred of data, you can provide this committee that says, hey, this will reduce the cost of rent by y dollars, even if you have a wide range? I understand that you won't be able to get it within a dollar, but maybe you might be able to get it within a thousand dollars.

Is there any type of economic analysis you could provide this committee to show that this legislation will reduce the cost of rent for Canadians?

Ms. Amanda Riddell: Of course we do a lot of analysis and we provide all of that analysis to the minister, but most of that is subject to cabinet confidence. It's not something we'd be in a position to share with the committee. Rest assured that we do look at these matters quite closely.

Mr. Philip Lawrence: There is economic analysis, but you're just not willing to show that.

I'd like to think I'm a reasonable human being and I understand that some of that might need cabinet confidentiality, but would you be able to provide a redacted document or the unredacted version to the parliamentary law clerk's office and let them review it?

Ms. Amanda Riddell: I can certainly look to see what we can provide, but I can't make any promises.

Mr. Philip Lawrence: I appreciate it. Thank you for trying.

The Chair: Thank you, MP Lawrence.

Now we go to MP Thompson, and I apologize again.

MP Thompson, you'll be the last questioner for these witnesses.

Thank you.

Ms. Joanne Thompson: Thank you.

This is a good chance, if any of you have any further comments that you want to make, to please take the time.

Perhaps I could begin with you, Ms. Riddell.

The need for housing is obviously continuous, whether we're talking about someone who is truly homeless and has no shelter or someone looking at market-driven housing, in which there is tremendous choice and ability, or any of the spaces in between.

Could you speak to the notion that, when you provide purpose-built rentals, you create space along that continuum, not necessarily from one end to the other but certainly within the areas where housing is most challenging?

Ms. Amanda Riddell: The rebate is aimed at purpose-built rentals, for which there are certain requirements. They have to have four-plus units or 10-plus private rooms. There's no fair-market value on that. The idea is that you're trying to create as much supply wherever that supply can be had. We're not specialists. We're not builders in that sense, so it's up to the builders to design and build the types of housing needed in the marketplace.

The idea behind this is that builders will be able to make previously unprofitable projects profitable, and they'll be able to enter the marketplace.

As I was saying earlier, with more supply, there is generally a positive impact on prices and bringing them down. I'm not sure how much more I can say on that particular point.

Ms. Joanne Thompson: Thank you for that.

The minister referenced the four provinces that have followed the federal government's lead and have also eliminated GST on purpose-built rentals.

Is that assisting in moving the federal government's program forward? Is it creating a greater impact in terms of the work on the ground and the number of units—because it's supply, supply and supply—that are potentially being made available as part of the program?

Ms. Amanda Riddell: Provincial decisions are made independently by the provinces. Although there is a harmonized sales tax, we have the federal component, which is subject to federal decisions. The provincial component on whether or not they want to have a rebate like this is up to the provinces.

It is a policy decision for them, but from the builders' perspective, I would expect that the 5% GST versus, for example, the 8% or 10% provincial component of the HST is a really big difference. I would expect that in provinces that have decided to follow the federal measure, there would be that much more of an impact in those jurisdictions.

Ms. Joanne Thompson: Thank you.

Mr. Schaan, just very generally, because I realize there are limits on what you can really speak about, in terms of expanding or empowering the Competition Bureau, what would you hope to see in terms of support for competition?

Why is it important to focus on that?

Mr. Mark Schaan: I appreciate the question.

I'll say a few things specific to the Bill C-56 changes.

Market studies have proven effective, even without subpoena power, to have a certain amount of directional impact on markets.

We can think about the bureau's ride-sharing market study and their work in the telecommunications switching study. Obviously, those studies will be far more enriching when they can actually understand the real market dynamics at play and then be able to make recommendations in transparency both to consumers and to governments.

The efficiencies defence essentially empowers them to ensure that they actually have the tools to stop mergers that will potentially harm markets, harm competition and ultimately harm Canadian consumers.

The vertical collaborations is actually quite important because it expands the construct of what looks like competition in a marketplace to recognize that it's not just two competitors facing off against each other, but that actually they're using other players within the market structure to get anti-competitive outcomes.

All of that means they'll now have tools in their tool kit to really go after some of those particularly difficult or challenging aspects of the market structures that are harming prices, overall Canadian choice and ultimately competition.

The Chair: Thank you, MP Thompson.

We want to thank our officials and our witnesses before us. Thank you for your testimony on Bill C-56. You did a great job. We got a lot of information from you. Thank you for being with us here late in the evening.

Now members, we are suspended for our health break until 7:30.

- (1900) _____ (Pause) _____
- (1930)

The Chair: I call this meeting back to order. Welcome, everybody.

We've already had three hours of testimony with two ministers and the officials, and now we have some excellent witnesses on Bill C-56.

Pursuant to the order of reference of Thursday, November 23, 2023, the committee is meeting to resume its study on Bill C-56, an act to amend the Excise Tax Act and the Competition Act.

In accordance with the committee's routine motion concerning connection tests for witnesses, I'm informed that all witnesses have completed the required tests in advance of the meeting.

I'd like to welcome our witnesses.

With us today, as an individual, we have Ian Lee, associate professor at the Sprott school of business, Carleton University. From the Canadian Anti-Monopoly Project, the executive director, Keldon Bester is joining us. From the Canadian Human Rights Commission, we have the federal housing advocate, office of the federal housing advocate, Marie-Josée Houle. We have, from the Competition Bureau of Canada, the commissioner of competition, Matthew Boswell. He is joined by the deputy commissioner, competition promotion branch, Anthony Durocher. From the Co-operative Housing Federation of Canada, we have the executive director, Timothy Ross. From Option consommateurs, we have the economist and analyst, Carlos Castiblanco, and Sara Eve Levac, lawyer. Welcome.

We are going to start off with associate professor Ian Lee, as an individual, please.

Dr. Ian Lee (Associate Professor, Sprott School of Business, Carleton University, As an Individual): Thank you very much, Mr. Chair.

I want to thank the finance committee for inviting me to discuss what I believe is one of the most important public policy problems facing Canada today.

First are my disclosures. I don't belong to or donate money to any political party or allow lawn signs during federal, provincial or municipal elections.

Second, I am a tenured professor paid by Carleton, not by business or NGOs or unions. I don't consult. I'm not a lobbyist.

Third, immediately after the collapse of the Berlin Wall in 1980 until 2020 with the onset of the pandemic, I taught over 100 times in former centrally planned economies across central-east Europe, Cuba, Iran and China. There were none or only a few private, for-profit corporations and very little competition, only state-owned monopolies, which led to the very low income per capita that characterizes countries that do not have a decentralized market economy with private competitive firms.

It must be stated at the outset that competition policy is a critical part of the policy infrastructure of a national government.

As an NFL junkie since the first Super Bowl in 1967, I deeply understand the need for referees in a football or hockey game, because players cheat. They hook, they spear, they trip, they hold and they grab face masks, and referees must penalize the cheaters. However, the purpose and actions of the referees must never attempt to displace the decision-makers, the coaches or the QB or the CEO, such that they'll start to decide when Patrick Mahomes should throw the ball or Sidney Crosby should shoot the puck.

Referees and competition policy are a means to an end. They are not the end goal or purpose of national public policy. We should not embrace competition policy as an intrinsic end. It is simply a tool to possibly enhance competition.

Why bother? It's because Adam Smith and 250 years of economic theory and practice have taught us that competition between competing firms drives down prices and increases choices. Even more importantly, as Joseph Schumpeter famously taught us, it is the only credible driver of productivity increases in the standard of

living. It's the only way that a country can increase its standard of living over time.

Nowadays, the most widely accepted economic approach to competition, I think it's fair to say, is the one proposed by Schumpeter, who defined competition as a dynamic process wherein firms strive to survive under an evolving set of rules that constantly produces winners and losers. Restated, competition is the true regulator of economic activity, while competition policy is a poor, second-best but necessary substitute.

My fear with the proposed and excellent Competition Bureau report, "The Future of Competition Policy", is the danger that decision-makers in Ottawa now view competition policy as the source of competitiveness.

My second fear concerns the belief by, I think, an increasing number of elected officials in Canada that big or large corporations are intrinsically uncompetitive or anti-competitive. This is simply contradicted by the superb research of Statistics Canada, John Baldwin and other researchers that demonstrates that many of our largest corporations achieve much higher rates of total factor productivity.

What must be done?

Unfortunately, few parliamentarians seem to recognize that which is on our nose and indeed created by parliamentarians—not just this Parliament but past Parliaments. Our national and provincial governments have created monopolies and oligopolies across the economy as a matter of public policy. The telecom act prohibits foreign telecom operators—I talk about this in class every week—so that we have exactly three telcos and some of the highest cellphone fees in the world.

We have maybe 2.5 airlines, as the act of Parliament prohibits entry by foreign airlines. Our Bank Act ensures that we have an oligopoly. I worked for nine years in a bank and I have great respect for the banks. However, we have an oligopoly of five or six banks, with a concentration ratio of over 90%. Our supply management laws mostly prohibit foreign dairy entry.

So that I don't just pick on the federal level, the Beer Store in Canada's largest province mostly prohibits competition in corner stores and grocery stores, where it belongs—as does the LCBO.

When we do not create outright monopolies and oligopolies, we create some of the highest regulatory standards in the world, such as in mining, which have driven out capital investment in our country. This has been analyzed empirically and recently by Bill Robson in his excellent article, “Working Harder for Less: More People but Less Capital is No Recipe for Prosperity”.

Our non-residential capital stock per worker is second-lowest in the OECD. Only New Zealand is worse.

Now, let's use plain English as I wrap up.

Capital stock is investment in businesses. We all know that. Investment creates competition. That drives up productivity and drives down prices, so what are we doing in Canada? We are stifling competition in multiple industries by creating oligopolies and monopolies. Pogo warned us, “We have met the enemy and he is us”.

Thank you.

Some hon. members: Oh, oh!

The Chair: Calm down, guys.

Thank you, Professor Lee.

Now we'll hear from the Canadian Anti-Monopoly Project.

Mr. Keldon Bester (Executive Director, Canadian Anti-Monopoly Project): I am the executive director of CAMP, a Canadian think tank dedicated to addressing issues caused by monopoly power in Canada.

This is an exciting time for competition policy in Canada, and CAMP is glad to see parties across Parliament putting forward plans to strengthen Canada's competition law and protect affordability for Canadians.

Bill C-56 is an important investment in the future of competition in Canada, and CAMP is happy to support it.

By removing the efficiencies defence, giving the commissioner of competition the power to conduct market studies and expanding the scope of enforcement against anti-competitive agreements, Bill C-56 makes material positive contributions to the Competition Act.

I'll be frank. I don't believe that these changes will make groceries more affordable tomorrow. The situation today is the result of decades of thinking, at the heart of the Competition Act, that has supported consolidation and reduced competition at the expense of Canadians. The work to reverse that thinking will take time. As I mentioned, we see these proposed changes as investments that will pay off for Canadians in the coming months, years and decades, and in sectors well beyond grocery.

That being said, within the current scope of Bill C-56, we would like to propose two changes to strengthen the bill so that it might better serve Canadians.

First, the commissioner of competition should have the independent authority to conduct market studies without the direction of the minister. Bill C-56 provides appropriate checks and limits on the commissioner's use of the market study power and, as such, inde-

pendent study authority should be granted to preserve the agency's independence.

Second, powers related to anti-competitive agreements should be further strengthened to ensure meaningful enforcement. This means adding the ability to pursue past agreements and penalties for those who engage in these agreements, the absence of which currently renders the provision ineffective.

With these changes, Bill C-56 will deliver more benefits to Canadians sooner, but looking beyond Bill C-56, more comprehensive change is still needed to the Competition Act to ensure competitive markets for Canadians going forward. Even with the removal of the efficiencies defence, Canadians will not be fully protected from further consolidation in important markets. Future reform should introduce presumptions against mergers in already concentrated markets, banning them outright in highly concentrated ones. It should also set the standard for remedies to harmful mergers at preserving or improving competition, not making things worse at a more acceptable pace.

For markets already characterized by a small number of players, we need stronger provisions to ensure that any dominance isn't abused at the expense of Canadian businesses, workers and consumers. Today, abuse of dominance cases are few and far between and can take years to investigate. Expanding the scope of the provision and streamlining its enforcement should be a key priority.

Finally, the enforcement of the Competition Act should be more transparent and decentralized. The Competition Bureau has made important strides in communicating how it works to Canadians, but it is still very much a black box and we fall short of the transparency of peer jurisdictions like the United Kingdom. Canada's competition law enforcement is also quite centralized, with the Competition Bureau responsible for all markets across our \$2-trillion economy. By allowing private parties to seek damages under the Competition Act, Canada will have more eyes on the ground to identify and address unfair methods of competition going forward.

Today, with Bill C-56, I think this committee has an opportunity to make a material improvement toward more robust competition law, but after Bill C-56, the priority should be to finish that work with more comprehensive reform of the law that Canadians depend on to protect competition and affordability.

Thank you for your time today. I look forward to your questions.

The Chair: Thank you, Mr. Bester. I'm sure there will be many questions.

Now we'll hear from the Canadian Human Rights Commission, please.

Mrs. Marie-Josée Houle (Federal Housing Advocate, Office of the Federal Housing Advocate, Canadian Human Rights Commission): Thank you so much for the invitation.

[Translation]

My name is Marie-Josée Houle and as the first federal housing advocate, my role is to carry out concrete actions at the national level to ensure that legislation, policies and programs respect the human right to adequate housing.

The housing crisis has reached catastrophic proportions.

[English]

I am here as a human rights accountability mechanism for people in crisis. Canada enshrined the right to housing in the 2019 National Housing Strategy Act. The need for Canada to uphold its human rights obligations must be prioritized in this discussion.

The key reason for the housing crisis is that government housing policy has focused on incentives for the private sector, and we know from the past 30 years that the private sector does not create affordable housing. The activities that this committee is looking at, such as shareholder profits and passive income streams, are about treating housing as a financial commodity and an asset for profit—but not as a human right.

This is called financialization. It is a widespread practice that has negatively shaped our housing system at the expense of affordable and accessible housing supply. Our research on financialization estimates that 20% to 30% of Canada's rental housing supply is financialized. It demonstrates clearly the harm that it is causing to people in Canada.

We need to adopt a human rights approach that puts people first. Governments must invest in our housing system and use public funds for public good. The best way forward is investing in non-market housing. Non-market housing benefits society. It creates permanently affordable, accessible housing to meet the needs of a wide range of people. Disadvantaged groups that are spending a disproportionate amount of their income on housing will have more money for food, medicine, child care and other needs.

Investing in non-market housing also has an economic value and is the best use of taxpayers' dollars. It benefits everyone because it is not inflationary. When people are not paying so much for their housing, they're able to spend in other areas, so it will bolster the economic stability of other sectors. Investing in non-market housing will mean a more equitable and healthy housing system and allow governments to focus on other pressing portfolios.

Bridging the gap in Canada's affordable supply will require a long-term plan. Research we commissioned from housing expert Carolyn Whitzman estimates that Canada is currently short 4.4 million affordable homes for those in need. She uses a human rights-based approach to count people who are usually left out of supply estimates and focuses on renters. Meanwhile, CMHC's 2022 report

on housing supply shortages based its estimate on housing demand, including demand from investors, and only looked at home ownership.

[Translation]

This is a complex problem that calls for multiple solutions.

I am happy to see that the fall economic statement emphasized non-market housing. I am thinking, for example, of the elimination of the GST for new housing cooperative construction projects.

[English]

More needs to be done. The national housing strategy's \$82-billion suite of programs must change course to prioritize non-market housing. The federal government can create an acquisition fund for non-market and indigenous housing providers to buy, repair and operate existing buildings. The federal government must attach conditions to federal infrastructure projects and funding that mandate the creation of non-market housing in these new projects.

Other measures include pushing for strong rent stabilization measures across Canada, amending federal policies related to pension fund investments and taxation of real estate investment trusts, better data collection on financialization and better accountability when taxpayer funds are spent on incentives to the private sector.

All levels of government have a role to play. The federal government has a responsibility to lead the way.

Thank you so much. I look forward to your questions.

[Translation]

The Chair: Thank you, Ms. Houle.

[English]

We will now hear from Competition Bureau Canada.

I believe Matthew Boswell will be speaking.

Mr. Matthew Boswell (Commissioner of Competition, Competition Bureau Canada): Good evening, Mr. Chair and members of the committee. Thank you for the invitation to appear before you this evening.

My name is Matthew Boswell. As you've heard, I am the commissioner of competition for Canada. Joining me is my amazing colleague Anthony Durocher, the deputy commissioner responsible for competition promotion.

[Translation]

The Competition Bureau is an independent law enforcement agency that protects and promotes competition for the benefit of Canadian consumers and businesses. We do this because competition drives lower prices and innovation while fueling economic growth.

[English]

We administer and enforce the Competition Act by investigating and taking action to address anti-competitive business practices that harm consumers, competition and our economy. These include price-fixing, deceptive marketing and abuse of market power. We also review mergers to ensure they do not substantially harm competition. Finally, we advocate for pro-competitive government policies and regulations. We believe that our experience as Canada's only competition law enforcement agency affords us an important voice in identifying the limits and issues surrounding the act's application on a day-to-day basis.

In March of this year, we made a public submission to the government's consultation on the future of competition policy in Canada. We identified a number of areas where the bureau believes reform is required, informed by our experience in administering and enforcing the act. In fact, we made over 50 recommendations to the government for its consideration. We are pleased that some of our suggestions could be implemented through Bill C-56.

[Translation]

These suggestions include:

First, there is the updating of our market study powers, including the ability to compel information when warranted. That would permit us to better investigate certain industries as necessary.

Second, there is the repealing of the efficiencies defence, which will strengthen the Bureau's position to challenge anti-competitive mergers for the benefit of all Canadians.

[English]

On introducing a vertical collaboration provision, while such a change was not part of our recommendation package to the government's consultation, the bureau welcomes this addition to tackle potentially anti-competitive conduct.

Further, we were encouraged by Parliament's decision to potentially expand the scope of Bill C-56 to allow this committee to make additional amendments to the act, most notably to increase the penalty amounts for the abuse of dominance provision, to give the commissioner of competition the ability to initiate market study inquiries, and to revise the legal test for abuse of dominance prohibition orders.

We believe these amendments mark a key step in modernizing Canada's competition law and ensuring the bureau can better protect and promote competition in Canada. A more competitive economy will benefit all Canadians by offering more choice and greater affordability for consumers and businesses.

[Translation]

If these proposed amendments become law, the Bureau will take care to ensure that its approach going forward with respect to their application is communicated clearly and transparently to businesses and stakeholders alike. We are keenly aware of the importance of predictability in this realm.

We look forward to discussing these proposed amendments today with you.

[English]

Thank you. We look forward to your questions.

The Chair: Thank you, Mr. Boswell and Mr. Durocher.

We'll now hear from the Co-operative Housing Federation of Canada.

Mr. Timothy Ross (Executive Director, Co-operative Housing Federation of Canada): Good evening. Thank you again for the invitation to appear this evening.

My name is Tim Ross. I'm the executive director of the Co-operative Housing Federation of Canada. CHF Canada is the national voice of housing co-operatives from coast to coast to coast.

In a world of growing housing insecurity, unbearable rent increases and social isolation, housing co-operatives offer solutions to these economic and social challenges. Co-operative housing is a well-documented success story. For over 50 years, co-ops have been providing good-quality and affordable housing owned and managed by their members. There are more than 2,200 housing co-operatives located in every province and territory. They are home to a quarter of a million Canadians.

Co-op housing operates at cost, meaning members' housing costs remain stable. They cover the costs of operating and maintaining vibrant communities.

Research from last year proves that co-op homes cost \$400 to \$500 less per month than comparable private rental buildings in similar cities. Think of what an extra \$400 or \$500 a month could mean to your household. It could mean more nutritious meals. It could mean supporting extracurriculars for kids. It could mean saving for education, saving for a house or saving for retirement. The value of co-ops is well known to their members, but we want to do more to build more co-operative housing.

Another benefit of co-operative housing is that co-ops offer security of tenure. There is no outside landlord who might sell or renege the property, or jack the rents just because the markets can bear it. Finally, co-ops are very strong communities. The members who live there care about their community, and they care about their neighbours.

The value of co-op housing has been recognized by governments of all political stripes throughout Canada's history, most recently in the legislation that is the purpose of this study by the committee and in the fall economic statement.

I wanted to offer that context before I spoke a bit about our reaction to Bill C-56.

Bill C-56 includes the new GST rental rebate, which has been designed to incentivize the construction of purpose-built rental housing. While we know that increasing the supply of multi-unit rental housing is important, we need to make sure that we are building the right kind of supply—the type of housing that people can actually access and afford. Co-ops certainly fit the bill.

The fall economic statement proposes including co-operative housing in this rebate. We appreciate this policy change, as we know it will be directly passed on to future members living in future co-op homes built across the country.

Reduced project costs will translate to lower project debts, resulting in lower housing charges for the members from the outset. Through the co-op housing model that operates on a not-for-profit basis, these savings will be passed on directly to the households occupying these new co-op homes from day one, and this benefit will increase over time.

I would also be remiss if I didn't speak about this rebate in the context of the co-operative housing development program. We are quite excited to see the co-operative housing sector growing in Canada. The federal budget in 2022 included the first federal investment in co-op housing in over 30 years, as well as a commitment to codesign the program with the co-operative housing sector.

CHF Canada encourages the federal government to launch the co-op housing development program as soon as possible, as there is a lost opportunity cost in waiting for a program to launch as costs continue to rise.

Our excitement for this program is tempered by the fact that we know more is needed to solve the housing crisis. Ms. Marie-Josée Houle gave some of these numbers as well. The key to solving the crisis is not just building more homes; it's building more community homes, meaning more co-op and non-profit housing.

You would ask, perhaps, "At what cost?" I know we're all mindful of the fiscal situation and its potential impact on inflation. It's very important that we tame inflation.

I want to highlight a study that was just published today by the Canadian Housing and Renewal Association. It was written by Deloitte. It demonstrates the benefit to Canada's economy if we continue to grow the community housing sector in Canada just up to the OECD average. By doing so, by 2030, we would increase economic productivity in Canada by 5.7% to 9.3%. It would lift our GDP by up to \$136 billion. What's very important is that this study further demonstrated that government investment in the creation of new community housing was non-inflationary.

Thank you very much for the opportunity to share some of these updates from the co-operative housing sector. I look forward to your questions.

The Chair: Thank you, Mr. Ross. There will plenty of time for questions.

By video conference, we're now going to hear from Option consommateurs. I believe Sara Eve Levac is speaking first, followed by Carlos Castiblanco.

[*Translation*]

Ms. Sara Eve Levac (Lawyer, Option consommateurs): Hello, Mr. Chair and committee members. We thank you for offering us the opportunity to present our comments today.

My name is Sara Eve Levac and I am a lawyer with Option consommateurs. I am joined by my colleague Carlos Castiblanco, who is an economist and analyst.

Option consommateurs was created in 1983 and is a not-for-profit association whose mission is to help consumers and defend their rights. Option consommateurs has been involved in issues relating to competition for decades. It often answers consumers' questions concerning deceptive marketing practices. It has initiated class actions alleging violations of the Competition Act. It also contributed to the recent consultation on the future of competition policy in Canada.

We are therefore in a good position to provide our comments on Bill C-56.

Option consommateurs supports Bill C-56 and urges that it be enacted. First, in this inflationary period, it proposes better oversight of market competition. We also welcome the repeal of the efficiencies defence in corporate merger cases. Second, it is part of a comprehensive and multi-faceted approach for stimulating the housing supply.

However, we propose that the measures put forward in the bill be strengthened. Our presentation will focus on two of these suggestions.

First, the amendments to the Competition Act should give the Competition Bureau the necessary leeway in carrying out market studies.

Second, there should be more focus on creating affordable housing. This would mean specifying the criteria for housing units that are eligible for the excise tax rebate, for one thing.

I would note that we have produced a written brief setting out our position on the bill in detail.

First, Bill C-56 gives the Competition Bureau a mandate to conduct inquiries into the state of competition in a market, at the request of the minister. We propose that the Competition Bureau have powers that enable it to obtain the necessary information directly in conducting such inquiries.

For example, the Competition Bureau recently did a market study on the retail grocery sector. In that study, it pointed out that the companies had not all cooperated to the same degree.

To ensure that the market studies provided for in Bill C-56 are effective, the Competition Bureau should have the power to compel a person to provide information to it.

At present, Bill C-56 provides that the Bureau must apply to a court for an order that a person provide information to the Bureau. This additional step cause additional delays in the conduct of inquiries.

We note that elsewhere in the world, including in the United States and the European Union, the institutions responsible for overseeing the state of competition do have that power.

As well, the power of the Competition Board to undertake a market study should be included in the act. Elsewhere in the world and in Canada, the power of other oversight institutions to undertake studies is expressly provided in the law.

I will give my colleague Mr. Castiblanco the floor to talk to you about our comments on the proposed amendments to the Excise Tax Act.

Mr. Carlos Castiblanco (Economist and Analyst, Option consommateurs): Thank you.

We acknowledge the government's efforts to respond to the housing crisis. However, we believe that eliminating the GST on new purpose-built rental buildings, as proposed in the bill, is still not enough.

Our initial concerns were assuaged by the measures in the 2023 fall economic statement. The elimination of the GST was extended to include purpose-built rental housing cooperatives. The government also expanded construction programs and access to credit for affordable housing.

The economic statement also tackles the problem of short-term rentals by denying tax deductions for units that do not comply with municipal bylaws. In addition, it strengthens protection for mortgage holders by introducing a mortgage charter.

These initiatives illustrate the federal government's desire to adopt a multi-faceted approach in order to stimulate the housing supply. Nonetheless, these measures could still be improved.

We suggest that the eligibility criteria for the excise tax rebate be specified. This would mean clearly defining what constitutes an affordable housing unit and prioritizing non-market housing. It is also crucial that the procedure for accessing financing initiatives be standardized, taking the agreement between the Quebec and federal governments as a model, to ensure consistency in the response to the housing crisis, while respecting provincial jurisdictions.

Optimizing the mortgage charter and toughening regulation of short-term rentals would be wise. Revising the mortgage structure to provide better protection for landlords from interest rate fluctuations and enacting more stringent legislation regarding temporary rentals, as Japan has done, would provide the benefit of stabilizing the rental market in the long term.

Thank you.

We will be happy to answer your questions.

The Chair: Thank you, Mr. Castiblanco and Ms. Levac.

[English]

We are going into questions from members. In this first round of questions, each party will have up to six minutes to ask the witnesses questions.

We're starting with MP Williams for the first six minutes.

Mr. Ryan Williams: Thank you, Chair.

Thank you to all the witnesses for coming today. This is a great discussion on competition. I think it's long overdue, and I certainly love all the comments so far.

Mr. Boswell, we'll start with you. You and the bureau did excellent work on your study on competition in the grocery industry earlier this year, and I have a couple questions on that study.

What impact did the efficiencies defence have on pricing in the grocery industry?

Mr. Matthew Boswell: I thank the honourable member for the question.

There aren't a lot of examples where the efficiencies exception has been relied upon in mergers in the grocery industry in Canada. There is an interesting example from 2019 that serves to underscore why the efficiencies defence should be repealed, which was CN purchasing a company called H&R Transport. The bureau found that this transaction was going to result in a substantial lessening of competition in eight markets. The key service in question was refrigerated intermodal transport in eight local markets in Canada, which was going to drive up the price of foodstuffs. We examined the efficiencies advanced by the party and came to the conclusion that the defence applied, and we had to allow the merger to go ahead. There's an example of how the efficiencies exception in real life can ultimately end up costing Canadians more money.

Mr. Ryan Williams: That's right. I think the other one was the Superior Propane efficiencies defence. Is that correct?

Mr. Matthew Boswell: Yes, but I was talking about this in relation to food, in relation to groceries.

Mr. Ryan Williams: That's right.

What impact did the minister's inability to order the bureau to conduct market inquiries have on prices in the grocery industry?

Mr. Matthew Boswell: We undertake market studies at the bureau, and I want to be clear on that point. However, we undertake those studies with one hand tied behind our backs in that we can only rely on voluntarily-provided information from the people we're looking into in the market.

In that particular situation, we were seeking financial data from the major grocers, and we didn't receive full compliance with our requests for that data despite making repeated requests. At the end of the day, it was an aspect of our report where we didn't have the information we thought we needed.

Mr. Ryan Williams: The report stated that the bureau did not receive the type of data it needed. Would having the power to obtain that type of data help the bureau in its mandate?

Mr. Matthew Boswell: Absolutely, and it's already been said this evening, I think, several times. We're an outlier among our key international partners in this regard. They have formal market study powers, and they can use information-gathering tools to get the information to look at markets to make recommendations to government.

There are lots of examples with our foreign counterparts where they make recommendations that result in meaningful change in the economy. For example, the United Kingdom did an open banking study and made recommendations to their government that resulted in the government putting in place the open banking framework in the U.K. several years ago. It's a very powerful tool.

I should point out that it's not targeted at companies. We're also looking at government regulations that can hinder competition at all levels of government, which, as Mr. Lee said earlier, is a big problem in Canada.

Mr. Ryan Williams: I think it goes without saying that you would support an amendment that gives you that kind of power.

There is an amendment in the bill right now that gives the minister that kind of power. I think of you as the sheriff of competition, and your deputy is Mr. Durocher. You're going out to police competition, but does the minister need the power to direct market studies? You're supposed to be an arm's-length organization, not embedded in ISED. It's its own organization. Why do you think the amendment is here to give the minister the power to direct market studies? Would you want the laws changed to allow you to make those market studies when you want to make them?

Mr. Matthew Boswell: Yes, and I'll go back.

I'm being very candid. As I said in my opening statement, we made extensive recommendations to the government on amendments to the act. One of them was to protect the independence of the bureau. It's very important. It's an international best practice for it to be an independent organization. The second was that the market study power should also be independent, and the commissioner should have the ability to initiate a market study that allows us to use information-gathering powers in the act.

We were very clear on that. We said that a lot of caution has to be exercised in the minister being able to direct market studies because there's a risk, whether it's real or perceived, of politicization of these studies and the use of these studies for politicians to direct the Competition Bureau to go into hot-button issues that may not be the most important competition issues for the bureau to examine. To a great extent, it takes out our ability to prioritize where we want to look and where we want to give recommendations to government on how to improve competition in Canada.

It's something we flagged. At the end of the day, we're very happy to get the information-compelling powers, but we would respectfully suggest that maybe it ought to be a combination of the minister being able to direct and the commissioner of competition being able to initiate a market study on his or her own volition in order to advance those inquiries.

Mr. Ryan Williams: Thank you.

The Chair: Thank you, Mr. Williams.

Now we'll have MP Weiler, please.

Mr. Patrick Weiler: Thank you, Mr. Chair.

I want to thank all our witnesses for being here today and for the great testimony we've had already, and especially for being here late in the evening.

The first question I would like to ask is for Mr. Bester.

In your opening, you mentioned a couple of amendments that you'd like to see. The first one we just touched on. I was hoping that you could speak a bit more about your second recommendation on looking at past agreements as well.

Mr. Keldon Bester: Section 90.1 is the part of the act that governs anti-competitive agreements. Both CAMP and the bureau have commented on this in the past couple of years. The way the provision is phrased right now, it can only look at existing agreements. Along with that, it has no formal penalties associated with it. That creates a situation where companies can engage in the agreement right up to the point where they are under investigation by the bureau, stop the agreement so the bureau says, "Okay, good job", and then re-enter the agreement should the attention come off of the player.

The issue there is a sort of cat-and-mouse element. If we looked at past agreements, it would allow there to be real deterrence for future agreements.

Mr. Patrick Weiler: Thank you very much for that.

In your opening, you also mentioned that allowing private parties to launch actions under the Competition Act would be helpful. I believe you would have seen in the fall economic statement that there is provision to broaden the reach of the law to enable more private parties to bring cases before the tribunal and to receive payment if they are successful. I'm hoping that you can comment a bit more on that.

Mr. Keldon Bester: Certainly.

There are two parts to this. One is the ability for parties to collect damages. Again, I use the term "eyes on the ground". The bureau has something like 400 people. They're responsible for every market across the economy. The second piece of that is the standard for leave to the tribunal. Bringing that standard down while still maintaining the rigorous tests for valid cases is a great way to decentralize our enforcement and pick up where the bureau can't be in all places at a given time.

We were encouraged to see that in the fall economic statement.

Mr. Patrick Weiler: Thank you.

Next I would like to ask the Competition Bureau a couple of questions.

Mr. Williams touched on the change to allow the compelling of information during market studies, and you mentioned that this was an impediment in the grocery study you did. I'm hoping that you can speak a bit more broadly on how often you're seeing this issue in your upcoming studies and how that's been an impediment to delivering the best possible analysis and recommendations to government.

Mr. Matthew Boswell: I can't give you statistics on previous studies, but in this situation, we're always reliant on voluntary co-operation. If we get to the edges of sensitive stuff, if I can use that technical term, then voluntary co-operation will often cease, or we'll get less information than we probably think there is.

It is an issue, and it was obviously an issue in our grocery market study.

Mr. Patrick Weiler: If this legislation is passed and a new ability to compel information is made available, do you see the bureau looking back at previous studies that were done and reopening them to make sure there aren't aspects that were left not discovered? Would it be in the public interest to look into those further?

Mr. Matthew Boswell: We often discuss—particularly Mr. Durocher's team, which leads these studies—what study we should do next and what area we should look into. Where do we see potential competition issues that matter to Canadians? That's one of the driving forces behind what we decide to do.

Going forward, if Bill C-56 is to become law and these changes come about, at that point we'll have to assess the landscape and the options available to us in terms of market studies. We'll make decisions at that time.

We don't have any plans right now to revisit anything, but it's very fluid. We'll see what happens if the bill is passed.

Mr. Patrick Weiler: Thank you very much, Commissioner.

With my remaining time, I'd like to ask Mr. Ross a couple of questions.

As you saw less than a week ago in the fall economic statement, there was mention of how the rebate on GST will be made available to co-operative housing. I know some experts mentioned that the measure we brought forward will ensure that 200,000 to 300,000 more rental units are built in Canada.

I'm curious about whether you'd be able to comment on that. I know this announcement was made quite recently, but what type of difference...? Could you put a ballpark figure on the number of new co-operative rental housing units this might help incentivize?

Mr. Timothy Ross: I won't be able to offer you a unit count. What I will say is that the rebate will make the difference in the economic viability of "go" or "no go" for many co-op projects today, tomorrow and into the future.

There's another aspect to this. The rebate, because of the co-operative model, passes affordability on right to the end-user—to the member who lives there and the future members who will live there too.

It's for those two reasons that we are very much welcoming this addition through the legislation.

Mr. Patrick Weiler: Thank you.

The Chair: Thank you, MP Weiler.

Now it's over to MP Ste-Marie.

[*Translation*]

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

Good evening to all the witnesses, whom I thank for their presentations and for being with us to answer our questions.

My first question is for the representatives of the Competition Bureau.

As Ms. Levac said, Bill C-56 repeals the efficiencies defence in anti-competitive agreements. My question relates to this change and the other measures set out in Bill C-56.

You analyzed the potential acquisition of HSBC Canada by the Royal Bank. Do you think that if Bill C-56 were enacted, the conclusions of your study might be different?

Mr. Matthew Boswell: I thank the member for his question.

[*English*]

The removal of the efficiencies defence from the Competition Act, as I think was said earlier by several other witnesses, is forward-looking and wouldn't apply to mergers that were previously notified to the bureau. We examined RBC-HSBC in the context of the Minister of Finance's public interest review of that merger. What's important to point out is that we concluded it would not result in a substantial lessening of competition. Efficiencies did not play a role in our conclusion in that case.

Even if there were some retroactive application of the repeal of the efficiencies defence, it wouldn't impact our assessment of the RBC-HSBC merger. We found there was no substantial lessening or prevention of competition as a result. We wouldn't be able to go back in any event. Even if we could, we wouldn't.

I hope that answers your question.

[*Translation*]

Mr. Gabriel Ste-Marie: Yes, your answer was very clear. Thank you very much.

My next question is for Ms. Levac.

Ms. Levac, thank you for being here and for your presentation.

You are asking for the Competition Bureau to have the power to undertake inquiries into the state of competition on its own. If I understood your remarks correctly, under the current provisions of Bill C-56, when the Competition Bureau conducts an inquiry, it does not have all the tools it needs to demand all of the evidence or compel people to testify. That is also my interpretation of the bill. However, Mr. Champagne seemed to be saying, earlier, that everything was provided in the bill and there was no problem. As we know, however, the Minister sometimes takes a very cheery view of things.

I would like to hear your comments on what I am asking you. Do you think this is already in Bill C-56 or should it be added?

Ms. Sara Eve Levac: In fact, Bill C-56 provides that the Competition Bureau may ask a court to make an order to obtain information. In other words, it does not have the autonomous power to compel a witness to give testimony or provide information. We believe that this could cause delays in a market study inquiry, when Bill C-56 provides for a maximum of 18 months for that type of study.

I would also like to point to what happens elsewhere, outside Canada. For example, the European Commission, which has the power to initiate sectoral inquiries, also has the power to compel witnesses to provide information.

If the Competition Bureau had the ability to compel people to provide information to it, that would enable it to get a more complete picture of the situation when it does a market study and, at the end of the study, to make more useful recommendations.

Mr. Gabriel Ste-Marie: Yes, the maximum time is 18 months. We know that there are also delays in the justice system. It would probably significantly limit the power to conduct an inquiry into market studies.

You are also asking that the commissioner be able to decide on their own initiative to conduct an inquiry, without having to wait for the minister to request it. Can you explain that again?

Ms. Sara Eve Levac: We believe that as an independent body that has the power to oversee the state of competition, the Competition Bureau must have a comprehensive view and should be able to initiate an inquiry or market study autonomously, if it believes there is a competition problem in a sector.

I would reiterate that there are independent bodies on the international scene such as the European Commission, or the Federal Trade Commission in the United States, that have the power to undertake inquiries themselves. Incorporating that power into the act would allow for greater predictability and clarity. It would also enable the Bureau to obtain information.

Mr. Gabriel Ste-Marie: Thank you.

I am now going to ask Mr. Boswell from the Competition Bureau to answer these questions.

You also would suggest that the Bureau have the power to undertake these kinds of inquiries on its own. Under Bill C-56, the Bureau will instead have to obtain a court order to compel witnesses to produce documents or appear.

Do you agree with that too?

[English]

Mr. Matthew Boswell: As it stands now in Bill C-56, the commissioner wouldn't be able to initiate a market study inquiry to allow us to go to court to compel records and testimony from participants in the market study. The minister would have the power to commence that inquiry in discussion with the bureau, and we'd create terms of reference paraphrasing how Bill C-56 is set out. We believe that the commissioner should have the ability to initiate a market study inquiry, which gives us the right to go to court and make an application for records and information.

That's not exactly how it's worded now. I understand that in motion 30, there is some potential change to the market study provision, but I'm not clear on what the details are there.

[Translation]

Mr. Gabriel Ste-Marie: That is what happens when there are super gag orders: we are working blind.

Thank you for your answers.

[English]

The Chair: Thank you.

Now we'll hear from MP Blaikie, please.

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

Thank you to the witnesses for appearing here tonight.

I want to start briefly with Mr. Ross.

Recently in the House of Commons, the Conservative leader Pierre Poilievre characterized co-ops and social housing as a "Soviet-style takeover of housing" in Canada. Do you think that's a fair or accurate portrayal of what the co-operative housing movement is in Canada?

Mr. Timothy Ross: Well, I would implore all parties to depoliticize the housing crisis and take action on housing. I'm not familiar with the quote, so all I would say is that housing co-operatives in Canada are independent and autonomous from government and are owned democratically by the members who live there.

Mr. Daniel Blaikie: Thank you very much.

Ms. Houle, we hear a lot—and there's some truth to this, for sure—that wherever you are on the housing spectrum today, there's a need for more supply. However, I think the danger is that certain types of supply are more likely to emerge organically, particularly various forms of market housing, and then there are kinds that require government investment to make them work. Those are various types of affordable and social housing.

I think sometimes when we hear, as we did earlier, “supply, supply, supply”, any type will do and we should not worry if we build more supply at the high end as the benefits will trickle down to the people at the bottom, there's the potential that we don't really address an important aspect of the housing crisis in Canada. I wonder if you can speak a bit to that supply question. Do you think it's adequate just to say we should build more supply, no matter what kind, or do you think there has to be discrimination within the types of supply, particularly for the focus of public policy?

Mrs. Marie-Josée Houle: First of all, we're sitting on an \$82-billion national housing strategy fund. These are taxpayers' dollars, and this is precious. It really does need to reach the people who need it the most.

We are talking about affordability. Affordability, no matter where that investment is put, needs to live beyond the first buyer or the first renter. For everything I've known around housing and housing affordability, non-market housing is the best bang for the buck. Yes, \$82 billion is a lot for federal investment. It's the most we've seen in about 30 years—well, ever. Relatively, with inflation, it is a lot but it's certainly not going to meet the need, so we need to start with those who need it most.

As the housing co-op sector and the non-profit housing sector have demonstrated, investments in those areas and in that type of market, in non-market housing—and it only represents 3.5% of the purpose-built rentals in Canada—create affordability in perpetuity, long after the operating agreements are done and long after the mortgages are paid. Non-profits are owned by the community and, as Tim said, housing co-ops are owned by the people who live there. These are not owned by government. These are independent of government, yet they are still able to stay by their mission. That extra money in people's pockets means a better economy in other sectors.

If we're looking at OECD numbers, you have the Netherlands, where the percentage of non-market housing represents 35% of the entire rental portfolio. In Austria and Denmark, it is over 20%. In the U.K., it's 15%. In Canada, it is a mere 3.5%, yet this is the housing that makes a difference in perpetuity.

If as a federal housing advocate I'm looking at outcomes for people and housing is a human right, this is the best investment for the government's money.

Mr. Daniel Blaikie: We've heard about the trickle-down theory of it not mattering where you invest in the spectrum, but is it not also the case that investments in the social and affordable end of the housing spectrum actually trickle up?

You have people renting market housing but can't afford it and they're cutting pills and skipping meals. They're doing lots of things to make their market rent—for those who can—but by transitioning those folks into units that they can properly afford, that creates more room in the market rental space for folks who can afford it but just can't find it.

Mrs. Marie-Josée Houle: Non-market housing is not just housing that's subsidized, because there are subsidies for people who have deeper economic needs. For the people who are non-subsidized, again, Tim's numbers spoke to that.

That being said, when I'm hearing people talk about the rental market and say that if we only build more homes for mortgages, people will get out of the rental market and it will free up rentals.... Because we don't have vacancy and rent control applied when people move out, whatever those people were paying for rent is not going to be what's available for new people moving in.

If there is a dependency to look at the whole housing system and the whole housing spectrum trickling down, regulations need to be put in place. It doesn't seem that government has an appetite for that, certainly not around vacancy control. If that's not going to happen, we'll have to focus on non-market housing, and that's the point.

If we're talking about taxpayers' money, the private market will do what the private market will do. It will look out for itself. However, if we're looking at government investments and regulations, this is where they need to be focused.

If we had a higher representation of non-market housing, it might have a chance to compete with purpose-built rentals and the private market. It certainly won't when it represents only 3.5%.

There's a lot I could say. I'm afraid I strayed—

The Chair: You'll have more opportunities. We're well over our time.

We are going into our second round, members and witnesses, and we are starting with MP Morantz, for five minutes.

Mr. Marty Morantz: Thank you, Mr. Chair.

Mr. Boswell, I want to pick up where my colleague left off with respect to the issue of market inquiries. Michael Geist, the professor you're probably familiar with, has expressed concerns that the provisions of Bill C-56 relating to inquiries by the Competition Bureau into the state of competition in the market or industry could undermine the bureau's independence from the government by allowing the minister to order an inquiry not only if he believes an offence or contravention of the act has been committed but also on the basis of public interest. Do you share his concern?

Mr. Matthew Boswell: I wasn't able to hear everything you said. I apologize.

I can reiterate that we did caution in our recommendations to the government on the future of competition policy that it's very important to maintain the independence of the bureau. It's important to maintain the public's perception that the bureau is an independent entity that is able to make the decision of where it's most appropriate to engage in market studies and to seek to use its powers to compel information.

Mr. Marty Morantz: Is there any other country you're aware of that provides this type of power to a politician?

Mr. Matthew Boswell: Yes. I believe it's in New Zealand, but I'll let Mr. Durocher reply.

Mr. Anthony Durocher (Deputy Commissioner, Competition Promotion Branch, Competition Bureau Canada): I believe New Zealand is one example. If I'm correct, Australia has a dual model where I believe the minister, or the agency, can initiate a market study.

Mr. Marty Morantz: Did I understand you correctly when you said you were unclear as to whether you would have the authority, should this bill pass, to initiate a market study on your own?

Mr. Matthew Boswell: Yes. The way it's worded in new subsection 10.1(1) of the bill, the minister can direct a market study inquiry. That would be done in consultation with the commissioner, as would the resources and scope of the inquiry, but it wouldn't be the commissioner of competition initiating a market study inquiry under new subsection 10.1(1) of the bill.

Mr. Marty Morantz: To be clear, right now, with the way the existing legislation is written, you do have that authority.

Mr. Matthew Boswell: No.

Mr. Marty Morantz: Who does? Not this bill...

Mr. Matthew Boswell: We conduct market studies, but... I'm sorry. I guess the trick here is that if you do an inquiry under the act, as it stands now, it gives certain powers to the commissioner of competition to do things like go to court or seek orders, but that's related to enforcement investigations. We do our market studies in our general competition advocacy role in Canada informally, if I can put it that way, but we don't have any powers to compel information when we do those types of market studies.

For the grocery market study, we decided it was appropriate to look into competition issues in the retail grocery sector. We said we were going to study it, but we didn't have any powers when we did that. The act will give the minister the power to initiate a market study inquiry. Once the minister initiates it, that will give the bureau the power to go to court under the market study to compel records from people involved in the study.

Mr. Marty Morantz: If we were to seek an amendment around this, what would you like Bill C-56 to say?

Mr. Matthew Boswell: As we said in our recommendations to the government, we'd like it so the commissioner can initiate a market study inquiry, whether that's in addition to the minister directing a market study inquiry or just the commissioner on his or her own.

Mr. Marty Morantz: Mr. Bester, the act is named the affordable housing and groceries act. Do you think the name of the act actually reflects the provisions of the act?

Mr. Keldon Bester: As I said, I think this act is an investment in the future of competition in markets much beyond grocery. We've seen a particular focus on anti-competitive agreements.

With the restrictive covenants, clearly there is an onus on grocery, but I think the great part about the Competition Act is the economy-wide framework. If you strengthen it with one market in mind, you really are strengthening the approach across the economy.

The Chair: Thank you, MP Morantz.

Now we'll go to MP Baker.

Mr. Yvan Baker: Thanks very much, Mr. Chair.

Thanks to all the witnesses for being with us today. I won't have a chance to ask questions of all of you, but I appreciate your input and look forward to asking some of you some questions.

I'm going to focus the questions toward you, Mr. Ross, at the outset.

I know you said that we don't want to politicize housing, and I agree we shouldn't, but I share my colleague Mr. Blaikie's concern about what Pierre Poilievre said about co-op housing. Let's depoliticize it for a moment.

Some hon. members: Oh, oh!

Mr. Yvan Baker: For my constituents who are watching and who want to understand what co-op housing is, what is co-op housing?

Mr. Timothy Ross: Housing co-operatives in Canada are not-for-profit associations incorporated under provincial or territorial legislation or federal legislation, like a business act or a non-profit act. They are an association of members whose mutual purpose is to develop and provide housing at cost on a not-for-profit basis. Members elect a board of directors to oversee the co-operative and hire the management to ensure the co-operative is well run, runs as affordably as possible and maintains a good state of repair.

Those are some essential elements of a housing co-operative in Canada.

Mr. Yvan Baker: Who owns the housing in a co-op?

Mr. Timothy Ross: The members who live in the co-operative own the co-operative.

Mr. Yvan Baker: There's nothing "Soviet-style" sounding in that to me.

The irony is Mr. Poilievre's concern about co-ops being a "Soviet-style takeover of housing", which they're clearly not, while he seems to be okay with a "Soviet-style takeover" of Ukraine. However, that's a conversation for another day.

Mr. Ross, could we talk about the GST rebate for a moment and how that is going to impact housing supply? We all know housing supply is one of the key reasons we've seen the price of housing go up. The GST rebate is focused on purpose-built rentals. We've had witness after witness come forward here at the finance committee and tell us the GST rebate on purpose-built rentals will help increase the supply of purpose-built rentals. Obviously, all things being equal, if you increase the supply, that should help with the price of housing.

I'm wondering what your thoughts are on this. If you build more purpose-built rentals and folks move into the new rental units that are constructed, presumably they vacate other units—other forms of housing of all kinds. Do you think the GST rebate will impact the pricing, the affordability or even the supply of other forms of housing outside of purpose-built rentals?

Mr. Timothy Ross: I would agree with the many experts who have indicated that the rebate will incentivize the creation of multi-unit residential rental housing, now including co-ops thanks to this legislation.

As to whether that supply is affordable or not, I would say it's very difficult to create affordable supply in today's market with the high cost of land and construction, the supply and labour issues and the high cost of borrowing. The starting rents that are being asked for new multi-unit residential housing today will not be affordable to those with low and moderate incomes. That's why it's important to complement this with other initiatives that directly invest in funding and financing of new supply of non-market housing, non-profit housing and co-operative housing.

Research indicates that in 2021 we had a supply deficit of 1.4 million homes affordable to low- and moderate-income households. This rebate is very important, because it will increase supply and will be the difference between making some projects go forward or not. However, it's also important to complement it with strong investments in community housing and co-operative housing to make sure that everybody has access to housing in Canada.

The Chair: Thank you, MP Baker.

MP Ste-Marie, go ahead, please, for two and a half minutes.

[*Translation*]

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

Mr. Castiblanco, in my party, we prefer to provide more support for social housing, which includes cooperatives, as a housing intervention measure or strategy. We have problems with the term "affordable", because affordability is not based on ability to pay, and affordable housing is very often not really affordable. The Minister was very clear earlier: in Bill C-56, the GST credit is for all housing units, not just affordable units. The Minister would have had the power to define it, but she decided that what is wanted is simply more housing.

Since the bill was presented to us, we have been asking the Minister and her team to show us their studies, their projections, their figures, and we have been given an undertaking by them that they will do so. The measure is expensive and targets all housing, so we wanted to know what more it would provide. Just now, the officials seemed to say that there had been no studies, and the Minister quoted a study by an academic, Mike Moffatt. That is all.

My question is this: is the GST credit for all housing units a good measure? Should we support it? Can you remind us of what has to be done and, if you have the time, the importance of having data or models on which to base decisions of this kind?

Mr. Carlos Castiblanco: Thank you for the question.

The measure as it stands in the bill is clearly insufficient. Yes, it is intended to stimulate supply, but it is not very precise. There are

a lot of low-income people who will not necessarily benefit from it. We welcome the inclusion of housing cooperatives in all new apartment buildings, because that will expand the supply that is more intended for the communities that really need them.

We also have to understand that this is just one mechanism. Increasing supply is not about just increasing one type of supply; it is not just about increasing the supply of rental units. We also have to increase supply in general, to give everyone the right to have decent housing. It is important to base decisions on studies that may show this. According to a number of presentations that have been made, in Canada it is only 3.5% while in other countries in Europe it is 15 to 30%.

We are also not wanting to eliminate the construction of rental housing. We are really wanting to increase general supply so that everyone, regardless of their income, has access to decent housing.

Mr. Gabriel Ste-Marie: Thank you.

Thank you, Mr. Chair.

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

[*English*]

MP Blaikie, go ahead, please.

Mr. Daniel Blaikie: Thank you.

This is for either Mr. Ross or Ms. Houle.

I'm curious to know whether in your travels you've become aware of non-profit or non-market housing projects that received or were awarded federal grants, federal funding or federal financing under the national housing strategy and that have since been put on pause because of rising interest rates. Do you think applying this GST rebate to those projects might help them get back under way?

Mrs. Marie-Josée Houle: Do you want to speak to that, Tim?

Mr. Timothy Ross: Yes.

We know of many projects that are stuck right now because of the rising cost of borrowing, so it's important that we do two things. One, the rebate certainly helps, but from the co-operative housing sector's point of view, the second very important thing is that the federal government launch as soon as possible the co-op housing development program first committed to in budget 2022. There is a lost opportunity cost in the time that it has taken to get this program to market, and we know of many projects that are waiting for this program to launch that would be ready to go.

We are very appreciative of the rebate. We know that the fall economic statement has also increased the contribution level to the co-op housing development program. That is absolutely critical to making the program create projects that are economically and socially viable and at an appropriate affordability level. All that being said, we would really love to see the program launch as soon as possible.

Mr. Daniel Blaikie: I hear you.

Ms. Houle, are you aware of projects in that vein?

Mrs. Marie-Josée Houle: Yes, absolutely.

I think Ray Sullivan from the Canadian Housing and Renewal Association commented on the GST rebate moving forward, especially wishing that it could also be applicable to projects that were started a couple of years ago and then stalled. Through interim financing and the interest rate going up, the numbers have changed from the inception to what's happening now, so a lot of projects have stalled and it's unfortunate because they're not housing people.

Mr. Daniel Blaikie: Where CMHC is involved, do you think it would be useful to lock in the interest rate earlier in the project? I'll put this to both of you again, perhaps Ms. Houle first and then Mr. Ross.

Mrs. Marie-Josée Houle: Well, at least you know what you're looking at. When you do construction—and I was a developer for many years—you have your interim financing and you have your rate for that. Then, when you're ready to move in and you get your occupancy permit, you lock in your interest rate, and the ground has moved so quickly.

However, there are ways to decrease that amount. It's to have a direct relationship with government and not have all these middle groups having their cut along the way—so relationships with banks. Co-ops and non-profits need a direct funding relationship with government to decrease that rate.

The Chair: Thank you, MP Blaikie.

Now we'll go to MP Chambers.

I haven't heard from you.

Mr. Adam Chambers: Thanks very much, Mr. Chair.

I'm okay. I'm here. I'm glad to participate, as always.

The Chair: That's good.

Mr. Adam Chambers: Mr. Boswell, there were a number of significant Competition Act changes made in the first budget bill in 2022. Is that correct?

Mr. Matthew Boswell: That's correct.

Mr. Adam Chambers: The process, as I understand it, was that draft regulations were proposed and there was a round of consultations. Normally in such a case, the government would circulate final regulations for a final round of consultations. That didn't happen. Is that correct? Are you aware of the process?

Mr. Matthew Boswell: Was that in 2022?

Mr. Adam Chambers: Yes, it was 2022.

Mr. Matthew Boswell: No, I don't believe that happened. I believe it was part of budget 2022 and flowed from there.

Mr. Adam Chambers: Right. At the time, the government billed these Competition Act changes as monumental, but only provided industry an ability to comment on them once. Fast-forward another year, and they made off-budget cycle changes to the Competition Act with a separate bill, and they also called them monumental. They obviously forgot about them in the budget just a couple of months ago but came up with these new ideas just a few months later.

Are you concerned that we have significant changes to Competition Act law being driven a bit more by politics than by good public policy?

Mr. Matthew Boswell: I don't want to get into the political sphere; that's clearly not my role, but what I can say is that a very extensive consultation on the future of competition policy in Canada was undertaken by Innovation, Science and Economic Development. There were some officials here earlier. We participated in that as one of the multiple parties that were interested in the future of competition policy.

I think there were 400 submissions, including from business organizations and the Canadian Bar Association. It was extensive and long; it went on for a while. We put in a lengthy submission of over 50 recommendations, and lots of other parties responded to our recommendations and put forward their own.

As somebody who was involved and also an observer, I would describe it as a pretty comprehensive consultation.

Mr. Adam Chambers: I can appreciate that. I guess what I'm a bit concerned about is that every three or four or six months, the government comes out with what they call monumental changes to the Competition Act, which is kind of on a piecemeal basis and with not as much time to consult on the final version of what they're proposing.

I mean, this is the consultation on the final version of significant Competition Act changes, when they could have put it in the budget just a couple of months ago.

Mr. Matthew Boswell: I'm sorry. I'm not really placed to comment on what they can or can't do. I'm just a lowly government employee.

Voices: Oh, oh!

Mr. Adam Chambers: Listen, with what's going on in the world, I appreciate that you're in a very tough spot.

Mr. Lee, thank you for coming back to committee. I always love having you here.

The government talks about significant houses that will be built as a result of cutting the GST off of purpose-built apartment rentals. I'll concede that point. It's something that the Conservatives had proposed previously.

At the same time, Natural Resources Canada has come out with proposed changes to Canada's building code. They proposed these changes in 2017. No department, as far as we can tell, because we've asked officials, has done an analysis on how much additional cost that will add to each unit.

Don't you think that's a number we should want to know?

Dr. Ian Lee: Well, of course, because we're talking about the problem of housing today. As you've already heard from the other panellists, we have a problem with housing. Whether the figure is CHMC's 2.5 million or 3.2 million, we have an enormous supply shortage. Second, because of the land prices going up, it's far more costly to build a unit. Anything that drives up the cost now will make it even more acute. We should at least have a good cost-benefit analysis of what the cost is before we go forward and make a policy decision.

Mr. Adam Chambers: Thank you very much, Mr. Chair. I think that's my time.

The Chair: Thank you, MP Chambers.

Now we go to MP Dzerowicz, please.

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

I want to thank everyone for answering questions and being here with us this evening to answer questions on Bill C-56.

My first question is for you, Mr. Boswell. We had officials here earlier, and I asked questions about all of the ways we're trying to improve competition policy in Canada. For me, it didn't seem like it was willy-nilly. It seemed like there was a very deliberate plan to improve competition in Canada. It was very thoughtful in terms of how they were going about doing it.

One thing we are worried about here in Canada is around productivity and business investment. Can you comment on the changes we've made to competition policy? Do you think it will have a positive impact on improving productivity and business investment here in Canada?

Mr. Matthew Boswell: Well, more competition in the economy, however that's generated, will result in a bunch of very positive outcomes. I'm sure you've heard about it all day today in terms of lower prices, more choice, more innovation and better service. It also drives productivity growth, though, which we all know Canada is in desperate need of at this time, and GDP growth. Improvements to the competition law framework over time will, we believe, improve competition in Canada.

I should say, though, and Mr. Lee referenced this in his opening statement, that this is not the end of the discussion. One of the big problems we have in Canada is regulatory barriers to competition. We at the bureau have been pointing this out for some time now. We really need to take a whole-of-government approach to competition in our economy, at all levels of government, to examine the regulations we have that might unnecessarily hinder competition.

These reforms are important to give the bureau more powers to be an effective law enforcement agency. The government increased our budget, which had been stagnant for a very long time. They did that in 2021. In 2022 there were amendments. There are amendments in Bill C-56. As we heard last week in the fall economic statement, there's more to come.

That's all very important for the policy framework and for the enforcement of the law, but we also have to be a country that takes competition seriously in the organization of all its affairs, including how governments regulate and how they can unintentionally hinder

competition through regulations without analyzing the competitive impact.

Ms. Julie Dzerowicz: Thank you, I appreciate that.

My next question, because I have only another two minutes left, is for Mr. Ross.

Mr. Ross, you have been in my riding a number of times, because I have a number of co-ops, and co-ops are very popular. I want to thank you for your leadership in promoting the co-op housing development program we announced in 2022. We hear your message very loud and clear in terms of getting that launched AS-AP, so thank you for that.

Our federal government has also invested in supporting co-ops in terms of providing top-ups, I think for 10 years. Can you remind us of how federal government investment in co-ops has been supportive of them and keeping them going and healthy in Canada?

Mr. Timothy Ross: I believe you may be referring to the federal community housing initiative, which is a program that doesn't subsidize housing co-operatives but helps low-income members of housing co-operatives with their cost of housing so that they can remain affordably housed and stably housed within the communities they're so much a part of. That was a \$500-million investment through the national housing strategy.

That program did replace stable rental assistance to low-income households that had been in place for decades previously, so we welcome the 10-year reinvestment to create security of tenure for low-income members of housing co-operatives, though 2028 is coming quite soon, so we will certainly be seeking solutions to make sure co-ops remain inclusive, mixed-income communities and affordable to low-income households as well.

The Chair: Thank you, MP Dzerowicz.

Members and witnesses, we're going into our third round, which will be our last round.

We are starting with MP Lawrence for five minutes.

Mr. Philip Lawrence: Thank you very much.

I'd like to thank you guys for all being here late on a Monday night. That's terrific—thank you very much for your commitment to Crown and country, as it were.

Mr. Boswell, I have a question for you, just a technical question. With respect, of course, to the fanfare for the elimination of the efficiencies defence, the amendment does leave in section 90.1(4), which has similar language to section 96. Are you concerned at all that the efficiencies defence stays in place or could potentially be in place without the elimination of section 90.1(4)?

Mr. Matthew Boswell: Yes, we believe it should be repealed as well in section 90.1(4), because it doesn't make sense that competitor collaborations could benefit from an efficiencies exception whereas mergers no longer can. We said in our lengthy submission to the government that 90.1(4) should be repealed. We've also made other submissions on how 90.1 could be improved that align with what Mr. Bester said earlier, because to a great extent, it's a toothless section.

Mr. Philip Lawrence: That's perfect. Thank you very much.

I hope all the members were listening, because there might be an amendment to that effect.

I want to change course a bit to talk about restrictive covenants. It's my understanding that the intention is to remove those restrictive covenants, where they say, for example, you can't have a bakery within 1,000 miles of the other bakery. My question is, first, is that true? Secondly, is it retroactive, or is it only going forward in your understanding?

Mr. Anthony Durocher: The way it's framed in Bill C-56 right now is such that it would be going forward and take effect a year from royal assent. Part of what that provision for that change to section 90.1 would do is that it would enable us to address anti-competitive agreements between parties that are not direct competitors, so to address vertical agreements, including in the form of restrictive covenants, when appropriate.

To add on restrictive covenants, it's certainly an issue that we examined in the context of our grocery market study. One of our key recommendations to governments, particularly at the provincial and territorial level, was that these can be very harmful to competition, particularly in the grocery sector, and that provincial and territorial governments should consider limiting their use or banning them outright.

Mr. Philip Lawrence: Mr. Lee, I see you nodding your head there.

Would you agree with those comments about the removal of restrictive...?

Dr. Ian Lee: Yes, and I don't want to leave the impression that I don't think the Competition Bureau is doing a great job. I think they are.

Mr. Philip Lawrence: Oh, oh!

Dr. Ian Lee: They're doing a fabulous job.

However, that's the sort of... Those kinds of anti-competitive practices are what should be pulled out, banned and abolished. Absolutely.

Mr. Philip Lawrence: That's perfect.

I'm sorry. Is it "Mr." Lee or "Dr." Lee?

Dr. Ian Lee: It's Ian Lee.

Mr. Philip Lawrence: Oh, oh! All right. It's Ian Lee.

Moving on from there, I've talked a bit about—and the other side's eyes will start glazing over when I mention it—the carbon tax in this. We're talking about competition. The Fraser Institute has

done reports on the carbon tax. Many other reputable...such as C.D. Howe have done studies on the impact of the carbon tax.

My belief is that how it hurts competition is twofold.

One is the fact that, of course, it has another cost. Countries like the United States, India and the People's Republic of China do not have a carbon tax, so it makes us less competitive.

It also hurts us as we compete to eliminate emissions and become more green. What's happening is that our green companies are moving over to places like India and West Virginia, where they're powered by coal. Instead of clean natural gas, our manufacturers are putting.... We're moving them aside, so we're actually greenwashing, creating more emissions and losing out on that.

I'd like to get your thoughts, in general, with respect to the carbon tax and competition.

Dr. Ian Lee: Okay. I'll be very quick.

I talk about this in my classes. I don't think anyone should deny the Pigou tax. Professor Pigou created the idea of putting a tax on something. Make it more expensive, and we consume less of it. That's a Pigou tax—a carbon tax, a cigarette tax or an alcohol tax. They work.

The problem is, in this instance, we're in a unique market. We think we're huge in Canada, and we are, geographically, but we're very small. We're smaller than the state of California. There are fewer people in Canada than in California, and they do not have a carbon tax. They are our largest competitor. Pierre Trudeau said they are our best friend, whether we like that or not.

Some hon. members: Oh, oh!

Dr. Ian Lee: There are 330 million...and they are the largest, most productive and most dynamic economy in the world. China is actually declining as a percentage of U.S. GDP. Europe is declining. People don't realize that. The United States keeps getting bigger, larger and more competitive, and we have to take that into effect. For GDP and income per person, the gap between us and the States is widening. We have to pay our government services, universities, health care and so forth with the revenues that come in. However, our GDP per person is not increasing, so our standard of living is declining relative to that of the United States. That's going to precipitate a brain drain to the States.

There are all kinds of things we should take into effect when looking at our relationship vis-à-vis the United States.

The Chair: Thank you, MP Lawrence.

MP Thompson.

Ms. Joanne Thompson: Thank you.

Thank you, again, to the witnesses for staying with us. It's been a long evening. I'm sure it's been, for you, probably, a long day as well.

I will start with you, Mrs. Houle.

You referenced—thank you for this—housing as a human right. I absolutely agree with you. I would go so far as to say it's also very clearly part of the determinants of health. I think the link in the accelerator fund to transit and to understanding how we live in a broader community is very important. We are realizing that housing is a link to well-being, connectivity and all those things that enable people to be well in the place they live. Obviously, it's complex. There are many players who need to be at the table, and there are many solutions.

You also referenced, as part of that link, rent stabilization across the country. Would you speak about that for a moment and about what role the federal government can play, if any, in terms of creating a lead?

There are provinces, provincial links, and I also want, in my little preamble, to talk about the link to the municipalities in the accelerator fund, because it's closer to the ground and very strongly in the lead in terms of bringing three layers of government to the table.

Ms. Marie-Josée Houle: Absolutely. I'll start with rent stabilization. These mechanisms could be brought in by the federal government through their bilateral agreements with provinces, because the provinces certainly have the jurisdiction over vacancy control and rent control, but it can be imported as part of the agreement. It has been done in Canadian history, not too long ago, where it was a temporary measure until the housing market was stabilized, so this can be done again.

It is absolutely primordial that the federal government and the provinces really come to some agreement, because the pointing of fingers and saying, "This is terrible, but it's them," has to stop.

This is one mechanism, and this is where we always say that the federal government needs to take leadership around the question of housing. It is a national issue. People's circumstances cannot change the minute they cross over an invisible line, and this is exactly the case whether it's a municipal line, a provincial line or a territorial line, or, if you're indigenous, over your community line.

People migrate in this country, so we need something that people can expect—that they're treated equally and that their human right to housing is realized equally, regardless of where they live.

That is one. That's why we need federal leadership on this.

I'm sorry, what was the other question, Mr. Chair, if I could ask the honourable Ms. Thompson to repeat it?

Ms. Joanne Thompson: Thank you.

It was on the link to engaging municipalities in a very specific way, because obviously I can certainly speak to the challenges sometimes with zoning. We need to do something substantial in a short period of time. We need all players at the table, so if we could have your thoughts there....

Mrs. Marie-Josée Houle: Again, these are amazing opportunities. I think we are sitting on a once-in-a-lifetime opportunity, and I see the window closing very quickly. This is very concerning to me.

With the housing accelerator fund, this is an attempt for the federal government to have a direct relationship with municipalities

that are willing, with the exception, unfortunately, of municipalities in Quebec, but, again, to really build in these conditions, because it is a substantial amount of taxpayers' money.

I come back to the fact that this is taxpayers' money. It is precious. It needs to have real results, and the results need to be affordability and perpetuity. How do you build that in? Here's our chance.

Ms. Joanne Thompson: Thank you. I agree.

Mr. Ross, if I could, I would like to finish with a quick question for you. I meet with the local branch of the federation of co-operatives in Newfoundland and Labrador in my riding. Unfortunately, there are not a lot of them, but they're very enthusiastic, and I'm always very pleased to support them in any way I can. How do we get the message across the country that co-operatives are a wonderful way to ensure affordable rents? It's, to some degree, stabilized rent for people. How do we get the message out to really clear up the misconceptions about what a co-operative is?

Mr. Timothy Ross: I think the best way to get the message out about new co-op homes is to build new co-op homes. That's why we really look forward to, and anticipate, the launch of the co-op housing development program as soon as possible.

We have, as a sector, worked to co-design that program with the federal government. We aim to create as many co-op homes as possible and to create an ongoing sector finance capacity, because government funding and financing comes and goes. It's very important that we leverage this opportunity to maintain a continuing finance capacity as a sector.

The answer is to get building, and then more people can benefit from co-op housing.

Ms. Joanne Thompson: Thank you.

I think I'm out of time. I'll just say that I want to see more in my riding.

Thank you.

The Chair: Thank you, MP Thompson.

Now, we will go to MP Ste-Marie, please.

[*Translation*]

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

I quite agree with your comments, Mr. Ross.

Ms. Levac, do you have anything to add concerning the Competition Act?

Ms. Sara Eve Levac: In addition to our recommendations regarding the powers of the Competition Bureau, another of our recommendations would be to repeal the efficiencies defence for anti-competitive agreements as well, not just for mergers.

Mr. Gabriel Ste-Marie: Can you explain that a little more, please?

Ms. Sara Eve Levac: Right.

At the international level, to my knowledge, that defence does not apply to anti-competitive agreements. If that defence is being repealed for mergers, we do not understand why it should be preserved for anti-competitive agreements, since that kind of agreement can have negative effects on competition.

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

Mr. Castiblanco, on the point of the importance of better collaboration among the various levels of government, I imagine that the answer is not found in Pierre Poilievre's bill, under which the transfers to municipalities would be cut if there is not enough construction. However, Ms. Freeland seems to have adopted that perspective in her economic statement.

In your opinion, what does better cooperation among the different levels of government look like?

Mr. Carlos Castiblanco: The current agreement between Ottawa and Quebec does not involve municipalities directly, but it does allow for the rights of each province to be respected. In the case of an interdepartmental agreement, better cooperation also allows the expectations of a provincial government to be conveyed to the federal government and allows for the federal and provincial expectations to be communicated to the municipalities. That suits everyone and means that the needs of all levels can be analyzed, instead of jumping from the federal level directly to the municipalities.

Even though excellent results were achieved in Ontario, a number of agreements were signed with certain cities under the same program. We agree that it also works for the agreement we have between Quebec and Ottawa.

Mr. Gabriel Ste-Marie: Thank you.

Bill C-56 proposes to remove the GST for the construction of rental housing. Would it have been useful for the government to consult the provinces so they could better align their tax policies in this regard?

Mr. Carlos Castiblanco: For the moment, what the government has done is rather to encourage the provinces to take similar measures of their own. The economic statement established that some provinces were going to do that and were going to eliminate their own taxes on new buildings.

That is a good approach. However, the federal government also cannot force the provinces to take measures of this kind. It can only suggest that they follow the measures it has already taken.

Mr. Gabriel Ste-Marie: Thank you.

[*English*]

The Chair: Thank you, MP Ste-Marie.

Now we'll go to MP Blaikie.

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

Mr. Boswell, obviously in Bill C-56 there are some important new powers that the bureau will be getting, and presumably there are some commensurate expectations as well. I'm wondering, does your office need some time after royal assent in order to prepare for managing those new powers, or are these powers that, in your opinion, your office will be able to implement immediately?

Mr. Matthew Boswell: One of the amendments will come into effect only the year after, which is good. We can engage, as we do, in transparent communication with the market about making changes so that they're in compliance with that amendment when it comes into effect.

The repeal of the efficiencies exception defence will not require us to do a heck of a lot, because it will in fact take a lot of work—complicated, expensive work—off our plate that we've been engaged in since 1986. That will be very positive.

On market studies, as I say, we already do them. We're excited about the idea of having the ability to compel information in connection with a formal market study power. That won't add a tremendous amount to our workload either.

As I said in the opening statement, when there are amendments to the law... With the 2022 amendments to the law, we engaged in a process of publishing guidance for the business community about how we were going to approach the different amendments, and we will do that on a regular basis with any amendments to the act.

Mr. Daniel Blaikie: Is it normal, that 12-month period for implementation of things that require acceptance in the market, for lack of a better way of phrasing it? You can put it better if you like.

Mr. Matthew Boswell: I don't know the history of delayed implementation after royal assent in all different areas, but I suppose it's fair to the marketplace to allow people to organize their affairs, which may have been in place for a long time, so that they're in compliance with the law.

For example, when a criminal provision to prohibit wage-fixing and no-poach agreements was added to the Competition Act in June 2022, it did not come into effect until June 2023—just this summer—to allow businesses that had no-poach agreements in place to get rid of them so that they weren't criminally violating the law.

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

The Chair: Thank you, MP Blaikie.

MP Williams is next, please, for five minutes.

Mr. Ryan Williams: Thank you, Chair.

PepsiCo hiked their prices earlier this year, and the CFO is on record as saying that they can charge whatever they want for their products.

Is this something that, given new powers, you would investigate? When we look at big studies, we know that PepsiCo is not alone in manufacturing.... We talk about shrinkflation and other big problems occurring across the manufacturing sector.

What do you think off the hop? Would it constitute an investigation from the Competition Bureau?

Mr. Matthew Boswell: No.

Generally, the Competition Bureau and competition enforcers around the world are not price regulators. We enforce the law as it's set out and don't get into the business of regulating prices in the economy. That's what competition is supposed to do. If somebody is charging too much, there are other competitors, like Coca-Cola, for example. Coca-Cola will sell its products for cheaper and that will take market share from Pepsi. That's how competition regulates things.

We've been pretty clear about this over the years. We don't really want to be a price regulator. We're a law enforcement agency. We apply the competition laws as you folks here in Parliament set them, and that's what we do.

There are other avenues that the government can regulate if they feel it's appropriate, but we would prefer it wasn't us.

Mr. Ryan Williams: We need easier barriers to entry. Maybe we need to see RC Cola re-enter the market or something like that.

I want to swing around and look at the distribution side of the industry for a second.

As you know, the food wholesale industry is dominated by the same companies that dominate grocery sales. Particularly, the middle mile supply is dominated by our two American food giants, Costco and Walmart.

With price margins getting slimmer and a looming recession on the horizon, what is the chance of Canadian wholesalers getting squeezed out of the middle mile and further entrenchment and dominance by our American wholesalers?

Mr. Anthony Durocher: We took a deep dive in our grocery market study but really focused on the retail side of the issue to customers. There is a wholesale component that's very important, particularly because some of the large retailers are vertically integrated and distribute to some independent grocers. That's something we're very alive to.

Beyond grocery, there are high levels of concentration across the economy and across the food production landscape. I think our continued voice in that debate is to probe for open competitive markets, particularly if there are government regulations that can be at play to make sure we can bring new entry into the market and continue to see dynamism in our economy.

Mr. Ryan Williams: We talked to the minister today about the grocery code of conduct.

It was industry-led, but I guess it was made optional. Is a grocery code of conduct effective if participation is not mandatory?

Mr. Anthony Durocher: While it's certainly something that is important, we have not studied that particular issue, about the benefits of the code being mandatory versus voluntary. What we can say is that we have been closely watching and speaking with stakeholders about the grocery code of conduct. We recognize its potential importance to giving suppliers the certainty they need to innovate and invest, which can be good for the entire food segment as well. It's something on which we continue to monitor the developments closely in relation to the code of conduct.

Our role in this is to lend our voice as to how it can be as pro-competitive as possible.

Mr. Ryan Williams: We've heard from a lot of industry members about the revised promise of a second phase of the modernization of the Competition Act. I know that you submitted, through consultations, many recommendations.

Do you have any indication from the government...besides what we call this almost drip, drip, drip? We have lots of little parts that are making up some good changes, but we need a really good modernization of the act.

Do you have any indication that it is coming at all? Have you heard that?

Mr. Matthew Boswell: Well, we heard what everyone else heard in the fall economic statement, that there are four key areas where they intend to further amend the Competition Act.

We're looking forward to seeing what that involves, what the language is, and the specific amendments to the act. Obviously, we're hopeful that they align with some of the recommendations we made.

I think they also indicated that they are going to amend the Competition Tribunal Act on the question of costs.

I have no more insight than anybody in this room on when that's going to happen or when that implementation bill will be put in front of Parliament.

The Chair: Thank you, MP Williams.

We are getting close to the finish line here with witnesses on Bill C-56.

Our final questioner is MP Weiler. No. PS Bendayan is our final questioner.

Ms. Rachel Bendayan: I'm bringing it home, sir.

[*Translation*]

I would like to thank the witnesses who are present on screen and in person. I understand that it is very late for a Monday evening, so I thank them for participating in this very important exercise with us.

[*English*]

My first question will be for you, Mr. Boswell.

I am wondering if you can help explain to Canadians what happened in June this past year. My understanding is that the Canada Bread Company was fined \$50 million, which is the largest fine, I believe, in competition history here in Canada.

I wonder if you can walk us through what exactly happened and, in your view, whether that was a significant step or a significant moment in competition law here in Canada.

Mr. Matthew Boswell: Canada Bread's criminal guilty plea in the summer related to our extensive investigation into allegations of criminal price-fixing in the bread industry in Canada over many years. Canada Bread was a co-operative party with our criminal investigation through what we call our leniency program, which is an established program that many of our colleagues around the world also have. The fine that it received was the highest price-fixing fine ever in Canada. We continue to pursue that investigation.

The way it works for us with criminal investigations is that we are the investigative body—we're the police force, for lack of a better term—and we go through all the facts and all the evidence we can uncover with respect to allegations of price-fixing or, in other cases, bid-rigging. We then provide that as a package to the Public Prosecution Service of Canada as a referral. It makes a decision on whether or not to lay criminal charges against other parties under investigation.

As far as it relates to other companies that are involved in our investigation, there's no finding of wrongdoing at this time, but we have benefited from the co-operation of both Loblaw and Weston Foods—and now Canada Bread.

Ms. Rachel Bendayan: How long did that investigation go on for? Is it still ongoing?

Mr. Matthew Boswell: The investigation has been going on for some time, and it's ongoing.

Ms. Rachel Bendayan: Can you be a bit more specific about “some time”?

Mr. Matthew Boswell: Do you mean when we started it? It was several years ago. I don't know the exact date.

Ms. Rachel Bendayan: Are there any recommendations that you might like to share with our committee in light of that experience you've just had?

Mr. Matthew Boswell: Fundamentally—and I'm not talking specifically about this particular case—in criminal investigations, the criminal standard of proof is very high, and it's important that we do our job carefully and well. The Public Prosecution Service of Canada expects that of us. It scrutinizes our referrals and applies a test to decide whether or not charges will be laid, whether there's a reasonable prospect of conviction and whether it's in the public interest.

This investigation—and this is public—is a very large, wide-ranging investigation involving many companies over an extended period of time, but as I said, there's no finding of wrongdoing at this point with respect to those other companies.

Ms. Rachel Bendayan: Do you think we should raise or modify the minimum fine in relation to matters such as that, or any other?

Mr. Matthew Boswell: The fines with respect to price-fixing are now at the discretion of the court, so there's no max. There used to be a max, and the Competition Bureau suggested that it wasn't appropriate to have a max. We were pleased to see that removed.

At the end of the day, it is a decision, first of all, for the Public Prosecution Service of Canada to make on what fine, upon a finding of guilt, it would advocate for. Ultimately, it's up to a criminal judge.

The fact that there's no cap, we believe, is important, especially in these criminal conspiracy cases, which can be quite significant.

Ms. Rachel Bendayan: In cases of price-fixing, Canadians are the ones paying the price.

Thank you very much, Mr. Boswell.

The Chair: Thank you, PS Bendayan.

To our excellent expert witnesses, thank you for your hard work and for your advocacy on housing and competition. We thank you for your testimony before our committee on Bill C-56.

We are suspended until Wednesday.

[The meeting was suspended at 9:29 p.m., Monday, November 27, 2023]

[The meeting resumed at 4:37 p.m., Wednesday, November 29, 2023]

The Chair: We are resuming meeting number 121 of the House of Commons Standing Committee on Finance.

Pursuant to the order of reference of Thursday, November 23, 2023, the committee is resuming its study of Bill C-56, an act to amend the Excise Tax Act and the Competition Act.

I'd like to provide members of the committee with a few comments on how the committee will proceed with the clause-by-clause consideration of Bill C-56.

As the name indicates, this is an examination of all the clauses in the order in which they appear in the bill. I will call each clause successively, and each clause is subject to debate and a vote.

If there is an amendment to the clause in question, I will recognize the member proposing it, who may explain it.

I'd like to remind committee members that pursuant to the order adopted by the House on Thursday, November 23, all amendments had to be submitted to the clerk of the committee by noon yesterday.

As a result, the chair will allow only amendments submitted before that deadline to be moved and debated. In other words, only amendments contained in the distribution package of amendments will be considered.

When no further members wish to intervene, the amendment will be voted on. Amendments will be considered in the order in which they appear in the package each member received from the clerk.

In addition to having to be properly drafted in a legal sense, amendments must also be procedurally admissible. The chair may be called upon to rule amendments inadmissible if they go against the principle of the bill or beyond the scope of the bill—both of which were adopted by the House when it agreed to government business motion 30 and the bill at second reading—or if they offend the financial prerogative of the Crown.

Amendments have been given a number in brackets in the top right corner to indicate which party submitted them. There is no need for a seconder to move an amendment. Once it has been moved, you will need unanimous consent to withdraw it.

During debate on an amendment, members are permitted to move subamendments. Subamendments must be provided in writing. Those subamendments do not require the approval of the mover of the amendment. Only one subamendment may be considered at a time, and that subamendment cannot be amended.

When a subamendment is moved to an amendment, it is voted on first. Then, another subamendment may be moved, or the committee may consider the main amendment and vote on it.

Finally, pursuant to the order adopted by the House, if the committee has not completed the clause-by-clause consideration of the bill by 11:59 p.m., all remaining amendments submitted to the committee shall be deemed moved, the chair shall put the question forthwith and successively without further debate on all remaining clauses and amendments submitted to the committee, as well as each and every question necessary to dispose of the clause-by-clause consideration of the bill, and the committee shall not adjourn the meeting until it has disposed of the bill.

I thank members for their attention and wish everyone a productive clause-by-clause consideration of Bill C-56.

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'd like to make a few comments for the benefit of the witnesses and members.

Please wait until I recognize you by name before speaking. For those participating by video conference, click on the microphone icon to activate your microphone, and please mute yourself when you are not speaking.

Regarding interpretation for those on Zoom, you have the choice at the bottom of your screen of floor, English or French audio.

For those in the room, you can use the earpiece and select the desired channel.

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. We therefore ask all participants to exercise a high degree of caution when handling the earpieces, especially when your 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 avoid manipulating the earbuds by placing them on the table away from the microphone when they are not in use.

I will remind you that 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, and we appreciate your patience and understanding in this regard.

In accordance with the committee's routine motion concerning connection tests for witnesses, I've been informed that all witnesses have completed the required connection tests in advance of the meeting.

Members, just before we welcome our witnesses, you should have received the budgets that we need approved. Could I just get a thumbs-up?

(Motion agreed to)

The Chair: That's great. Those are approved.

Thanks to you and to the clerk.

Today, we are studying Bill C-56, an act to amend the Excise Tax Act and the Competition Act.

With us today are our witnesses. From the Department of Finance, we have Robert Ives, who is an expert adviser on real property and financial institutions. From the Department of Industry, Mark Schaan is with us. He is the senior assistant deputy minister of the strategy and innovation policy sector. Also from the Department of Industry, we have Samir Chhabra, who has joined us. He is the director general of the marketplace framework policy branch. Finally, we have Martin Simard, who is the senior director in the strategy and innovation policy sector.

Those are all of the officials who are with us today.

I saw MP Ste-Marie.

[*Translation*]

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

I have a few comments to make concerning the conduct of the study we are doing of Bill C-56. I don't know whether this is the right time to talk about it. If not, I will do it when I speak to the first amendment I am going to suggest.

I want to let you know that I will shortly be withdrawing two of the amendments that I submitted. I am not happy about withdrawing them, because they reflect needs that have been expressed by groups of experts in the field who are directly affected by Bill C-56. However, as they stand, those amendments would have adverse effects that might outweigh the benefits they were supposed to provide.

I am talking about this because we have a serious problem. We had to submit our amendments at the same time as we were listening to the witnesses in committee. Why? Because, as a result of the super gag order, we did not have enough time to do our work properly in committee. This is very serious. The fact that the government has an agreement and everything will be passed does not mean that we should bypass the work that members do in committee. This kind of contempt for parliamentarians is rarely seen. We cannot do our work properly.

I will give you an example. On day 1, at the briefing on Bill C-56, we asked the finance department officials to send us the projections they had concerning the GST rebate. What effects were expected? How many more buildings and units would be built? How many fewer condos would be built? What figures is the bill based on? The day before yesterday, I again asked the Minister for these figures, and she said yes and they would be sent to us.

Now we are shortly going to be starting the clause by clause study of the bill, but we are going to be voting blindly, in a fog, because we still do not have those figures. The Minister named an academic who she said had done a study that the officials seemed not even to have read. That is not a serious way of doing things; it is not disciplined. We are still waiting. Ordinarily, I would not be prepared to vote, because I have not received the finance department's answer, even though the Minister of Finance undertook to send us the information.

On this point, I want to reiterate that the finance department seems to regard members of Parliament with contempt. For the last two years, when in camera studies of the budget or the economic statement took place, there were no officials on site to answer our questions, despite our repeated requests. Journalists, however, get in-person access to the officials. We are given only hard copy documents, while journalists have access to the same documents on USB keys. It is as if the media were more trustworthy than members of Parliament, the people's elected representatives. It reflects the finance department's perception of the House of Commons and its members. It is unacceptable.

This week, in addition, we received a notice of ways and means motion five minutes before the briefing started. I would reiterate that there was no summary. There was nothing. We received 529 pages of incomprehensible legislative and tax gibberish and we had only five minutes to read the whole thing before asking the officials our questions. That shows the contempt that the department has for Parliament. I have an assistant who does research and has worked in the party for 25 years, and he says he has never seen things done this way in 25 years. As well, during the presentation, the sound quality of the official's remarks was so bad that we did not understand half of what he said. I was the only member who asked questions. I asked two questions. The answers were clear, but we did not have the means to prepare.

Then they will be coming to us with Bill C-60, the follow-up legislation, and I warn you. There are two weeks and a bit left before the work of the House is adjourned for the winter break. Does the government seriously want to get through the entire process to enact this mammoth bill and still think we are going to be able to do our job well? Does it not care at all about our work? This is not acceptable.

Some of the amendments I will shortly be proposing and I will not be withdrawing may create inconsistencies in the act. They were drafted with the help of the Office of the Law Clerk, but it was done quickly. The message I am sending to the government is "tough": if my amendments are adopted and create inconsistencies, it will be up to you to introduce other legislation to solve the problems, because you do not respect the work we do here, and that is unacceptable.

I hope that for the next budget implementation bill acceptable time is allowed so we are able to do our work properly.

In Bill C-60, for example, there should be the follow-up to the reform of the Competition Act. This is the first time in 37 years that there has been such a reform. However, if we want it to be enacted by Christmas, we can expect that we will not even have time to study it. Ultimately, there will be a reform of the Competition Act, when there has not been one for 37 years and there have been 20 years of calls for reform, but we will not even be able to do our work on it properly. This is not a serious way of doing things and it is undisciplined.

I oppose gag orders. Obviously, my party will always be in opposition here. I do not like it when Parliament is gagged. The government, which is in charge of how the work is done, could at least allow enough time for us to be able to hear witnesses and experts in committee, to talk to officials, and be able to delve a little more deeply into things and do our work properly.

That has not been possible with Bill C-56. That is why I am shortly going to withdraw two of my amendments and why some of my other amendments might create problems in the overall structure of the bill. However, we have no choice, because of the super gag order that limited us to a single day of study before going to the vote. That is unacceptable.

During the pandemic, it might have been excusable; that was a special situation. Now, however, we have had two years of the finance department not respecting members of Parliament by preventing us from doing our work properly, both in camera and in committee and the House. This has to change, please.

Thank you, Mr. Chair.

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

[*English*]

On MP Ste-Marie's point of order, go ahead.

Mr. Philip Lawrence: In brief, I think that was extremely well said—eloquent, I might say as well. I realize that we are where we are with respect to Bill C-56, but Conservatives would agree almost entirely with your comments, Mr. Ste-Marie.

As we go forward into the fall economic statement, I know Mr. Blaikie particularly to be an advocate for good process. I'm hoping he will use his voice and his power to make sure that we have a good process with respect to the fall economic statement.

The Chair: Thank you, MP Lawrence.

I have PS Bendayan.

[*Translation*]

Ms. Rachel Bendayan: Thank you, Mr. Chair.

I would like to thank Mr. Ste-Marie for his introductory comments.

I would just like to point out that we had over 20 hours of debate on Bill C-56 in the House, in addition to six hours of debate on motion number 30. We debated this bill at great length in the House. I understand that it was a bit tight this week, but we are 10 days from the end of the parliamentary session. As well, I think that everyone around the table agrees that this is a bill that should be passed before the holidays.

[English]

The Chair: Thank you, PS Bendayan.

Now members, as per the annotated agenda pursuant to Standing Order 75(1), consideration of clause 1, the short title, is postponed. The chair calls clause 2.

(On clause 2)

The Chair: On clause 2 we have Bloc-1.

MP Ste-Marie.

[Translation]

Mr. Gabriel Ste-Marie: Thank you.

As was said at the meeting on Monday, we have been contacted by many entrepreneurs to tell us that in their opinion, there are vague points in the bill when it comes to the GST credit that will be applied to projects. This is an example that comes up often: a project has been started, but the ground floor, which will house commercial premises, has not yet been begun. They want to build rental housing above. These entrepreneurs want to know what point marks the start of the project, so they know what it consists of.

If the first shovel of earth has been turned, we can assume that it is for the commercial part. They are in the process of deciding how many storeys they want to build and wondering what to do with the rest of the project. Whether they will have access to credit will change their financing arrangement and what will be built. They have to know this information in order to determine whether they will construct a five-storey building or an eight-storey building, for example. That is what we are being told.

We have therefore requested clarification. Because we have not received any clarification from the Minister, or at least this is my understanding of what has been said, this is what we are proposing here: for a project that has been started but for which the housing component did not start before September 14, 2023, we suggest that the project be considered to be eligible, in order to provide more stimulus for building housing.

[English]

The Chair: Thank you, MP Ste-Marie.

I have PS Bendayan who would like to speak to this.

[Translation]

Ms. Rachel Bendayan: Thank you, Mr. Chair.

I have had the opportunity to speak with my colleague. I have a lot of respect for amendment BQ-1, but there are a few points I would like to clarify.

The intent of the bill, and in particular the measures to encourage housing construction, is really to provide an incentive for new supply, not to reward existing supply.

In addition, we understand that the change proposed in amendment BQ-1 would actually involve new spending. On the government side, we would like to spend on building more housing, not rewarding the existing supply, as I said.

For those two reasons, I will not be able to vote for the Bloc Québécois amendment.

[English]

The Chair: Thank you, PS Bendayan.

Is there anyone else to speak?

Shall amendment BQ-1 carry?

Ms. Rachel Bendayan: I'd like a recorded vote, Mr. Chair.

(Amendment negatived: nays 6; yeas 5 [See Minutes of Proceedings])

(Clause 2 agreed to)

(On clause 3)

The Chair: Clause 3 has amendment BQ-2.

No, it's withdrawn. We are now at amendment NDP-1.

Mr. Blaikie, go ahead.

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

This amendment essentially is to allow the commissioner to conduct—

The Chair: Mr. Blaikie, you are moving this.

Mr. Daniel Blaikie: I am.

The Chair: Okay, just let me read something into the record here.

If amendment NDP-1 is adopted, members, amendment CPC-1 cannot be moved because of a line conflict. The *House of Commons Procedure and Practice*, third edition, states on page 769:

Amendments must be proposed following the order of the text to be amended. Once a line of a clause has been amended by the committee, it cannot be further amended by a subsequent amendment as a given line may be amended only once.

That's just so members are aware of that.

MP Blaikie, go ahead.

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

The purpose of this amendment is to allow the commissioner to initiate, on their own authority, a market or industry inquiry. There's some allowance for consultation with the minister, but it does not allow the minister to prevent the commissioner from moving ahead.

That is the essence of the amendment, Mr. Chair.

The Chair: Okay.

MP Lawrence, go ahead, please.

Mr. Philip Lawrence: Thank you very much, Mr. Chair.

We'll make a decision as to whether we want to go forward with the CPC one or the NDP one, so I will, at this point, make an argument for why I believe it should be the CPC one.

The CPC one would give solely the commissioner the ability to make a decision about an investigation, thus taking it out of the political realm. This is what the commissioner asked for fairly clearly with respect to the testimony. Conservatives fear that if investigations are allowed to be directed by a minister, they could be politicized and used as a weapon to attack companies that are unfavourable to the government.

Not to be antagonistic, but we certainly have seen, in the past, governments that have utilized their powers to promote one company over another. Therefore, Conservatives are in favour of a completely and 100% depoliticized situation in which it is a non-partisan, independent commissioner who decides who will be investigated.

Thank you.

The Chair: Thank you, MP Lawrence.

We are on amendment NPD-1.

Is there anybody else to speak to NDP-1?

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

The Chair: We are onto amendment BQ-3.

MP Ste-Marie, go ahead, please.

[*Translation*]

Mr. Gabriel Ste-Marie: This amendment is in the same vein, and, according to the legislative clerk, it may also be adopted, and be added to the others. Its purpose is to give the Competition Bureau the power to initiate its own inquiries without needing to consult the minister. The commissioner would also have the power to extend an inquiry if they considered it necessary. The commissioner would therefore have more independence.

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

[*English*]

Is there anybody to speak to this?

Go ahead, MP Blaikie.

Mr. Daniel Blaikie: My impression is that NDP-1 provided sufficient authority for the commissioner to be able to initiate his own studies. I appreciate there are some differences, but my plan is to vote against.

Thank you.

The Chair: Thank you, MP Blaikie.

Is there anyone else?

We will have a recorded vote.

(Amendment negated: nays 10; yeas 1 [*See Minutes of Proceedings*])

(Clause 3 as amended agreed to on division)

The Chair: Members, we do have the next four clauses and if we have unanimous consent we can adopt all of those. Those are clauses 4, 5, 6, and 7.

Mr. Philip Lawrence: I'm sorry. I just need a clarification there.

Has BQ-4 been withdrawn?

The Chair: No, that is clause 7.1. That's a new clause.

Mr. Philip Lawrence: Okay, I'm ahead of the game.

The Chair: We do have unanimous consent.

(Clauses 4 to 7 inclusive agreed to)

The Chair: We are at new clause 7.1, BQ-4.

No...? Okay, that has been withdrawn.

We are onto BQ-5.

[*Translation*]

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

The purpose of amendment BQ-5 is to incorporate an element of the bill introduced by Jagmeet Singh, the leader of the NDP. In our opinion, it is a very important point. It was raised on Monday during debate. When a business has a regional monopoly, there is no room for competition, as in the case of a service station located in the middle of an isolated highway. Given the fixed costs, no competing business could ever be more efficient in that location than the one that has the monopoly. When profits and prices are considered to be too high, there must therefore be a power to intervene.

I am also thinking of situations in villages. In the village where my parents live, there is room for only one grocery store. The residents of the village are lucky because the grocer is a good one who doesn't try to sell their products at prices that are too high. However, if prices were too high, the small number of residents would not make up a big enough market for a second grocery store to open, given the fixed costs.

In our opinion, this is a very important provision in Mr. Singh's bill that is entirely appropriate here. That is why we are moving this amendment, which creates a new section.

[*English*]

The Chair: To speak to this, yes, go ahead, MP Blaikie.

[*Translation*]

Mr. Daniel Blaikie: Mr. Chair, I am very familiar with Mr. Singh's bill, to which Mr. Ste-Marie refers, and I am also very familiar with the arguments that Mr. Ste-Marie has made. I am happy to support his amendment.

[*English*]

The Chair: Thank you.

Now I will give my ruling on this. There is a ruling from the chair.

The amendment seeks to amend section 78 of the Competition Act. *House of Commons Procedure and Practice*, third edition, states on page 771, “an amendment is inadmissible if it proposes to amend a statute that is not before the committee or a section of the parent Act, unless the latter is specifically amended by a clause of the bill.”

Since section 78 of the Competition Act is not being amended by Bill C-56, it is therefore the opinion of the chair that the amendment is inadmissible.

[*Translation*]

Mr. Gabriel Ste-Marie: Mr. Chair, I respectfully challenge your decision.

[*English*]

The Chair: There's been a challenge to the chair. It's not debatable.

We will ask the clerk to take the vote.

(Ruling of the chair overturned: nays 6; yeas 5)

The Chair: Is there more debate on BQ-5, members?

(Amendment agreed to: yeas 11; nays 0 [*See Minutes of Proceedings*])

The Chair: Now we are on NDP-2.

MP Blaikie, would you like to move this?

Mr. Daniel Blaikie: Yes, I will be moving it.

I'm happy to follow up one good amendment with another.

This one does two things. One is that it lowers the threshold for abuse of dominance, so that you don't have to prove dominance, intent and harm, but you have to prove dominance and either intent or harm.

It also adjusts the penalties in the act to make them more severe, including having a higher penalty for subsequent offences.

The Chair: Thank you.

Is there anybody else?

Go ahead, MP Lawrence.

Mr. Philip Lawrence: Conservatives are very supportive of amendments in legislation that improve competition. We will be supporting this.

The Chair: Members, shall NDP-2 carry?

(Amendment agreed to: yeas 11; nays 0 [*See Minutes of Proceedings*])

(On clause 8)

The Chair: Members, we are at clause 8, and it's CPC-2.

MP Lawrence, are you speaking to this? Are you moving this?

Mr. Philip Lawrence: Yes, I am.

This removes the many efficiencies defence. The commissioner stated full support for this amendment, so what this actually did

was.... I asked the commissioner the question directly, and he's concerned that, if we delete the efficiencies defence without deleting subsection 90.1(4), there's a back door for the efficiencies defence to still exist.

We would accept a subamendment to keep subsections 90.1(5) and 90.1(6), so long as subsection 90.1(4) is still being deleted—if that's clear.

The Chair: Members, is there any debate or discussion on this?

MP Blaikie.

Mr. Daniel Blaikie: Yes, it's just to say that I'm happy to have consistency through the act by eliminating the efficiencies defence in all its forms, and I'm glad to support the amendment.

The Chair: Members, shall CPC-2 carry?

A recorded vote has been requested.

(Amendment agreed to: yeas 11; nays 0 [*See Minutes of Proceedings*])

(Clause 8 as amended agreed to)

(Clauses 9 to 13 inclusive agreed to)

The Chair: Shall the short title carry?

Mr. Philip Lawrence: Can I talk?

I am actually going to comment on this.

I did have numerous questions for our colleagues, and actually, to Mr. Ste-Marie's point, I did ask the officials if they could provide me with any evidence that this bill would either restore affordability to housing or restore affordability to groceries.

Could the officials tell me whether they have any information or any data to prove that?

Mr. Samir Chhabra (Director General, Marketplace Framework Policy Branch, Department of Industry): Thank you for the question.

I think there's a long-standing history in evidence-based economic research that demonstrates that enhanced competition across the economy does result in greater consumer choice, as well as improved price competition and lower prices for consumers.

That's as far as I think we can go on that.

Mr. Philip Lawrence: Thank you, Mr. Chair.

Do you have any evidence as to the actual reduction, when the reduction will occur and how much it will be?

Mr. Samir Chhabra: Thank you for the question.

Given that the Competition Act applies broadly across all markets in all sectors in Canada, it's impossible to estimate what kind of price reduction would happen across the board. The number of sectors, the number of competitive dynamics at play and the number of competitors in a given space or market all kind of speak to the challenge of determining exactly how prices would vary.

That's not to mention the exogenous variables that would need to be taken into account as well.

In that sense, it's fairly difficult to pinpoint a single number here.

Mr. Philip Lawrence: Thank you.

I know you're doing your job. I know that you're all working hard in the civil service. You did use some nice big words like “exogenous” and other nice big words. I think the answer there was “no”—wasn't it, sir?

You don't have any evidence showing me a timeline or how much it will cost.

Mr. Samir Chhabra: Again, just to be clear, the Competition Act is a broad framework act of general application. Its implications in change are very well founded in terms of economic research that demonstrates that increased competition does drive lower prices over time and does increase consumer choice.

To tie a specific figure to it is very challenging, given the number of variables at play and the number of markets and sectors that would be impacted by it.

Mr. Philip Lawrence: Once again, I do thank you for your work. Yours is not the political. I will respect that and perhaps put my more pointed questions toward the government.

I think it's pretty clear and on the record that there is no evidence that this act will reduce the affordability of housing and groceries. Perhaps it's just because it cannot be determined, or it is not.

Perhaps it could also be as Mr. Ste-Marie said. Maybe we just haven't given it enough time. If the officials were given the appropriate amount of time or we could enlist private economists who could calculate such things, we would have the ability.

It is Conservatives' intention to oppose this short title. We have absolutely no evidence that it will restore affordability for housing and groceries to the way it was, I might say, eight years ago.

The Chair: Thank you, MP Lawrence.

I have MP Dzerowicz to speak to this on the short title.

Ms. Julie Dzerowicz: It's always good just to be clear. I'm assuming we're doing.... The short title is “Affordable Housing and Groceries Act”. Then the title right now is “An Act to amend the Excise Tax Act and the Competition Act”. Am I right on that?

Okay, I just wanted to make sure.

Thank you.

The Chair: Thank you.

Members, shall the short title carry?

(Clause 1 agreed to on division)

The Chair: Shall the title carry?

Some hon. members: Agreed.

The Chair: Shall the bill as amended carry?

Some hon. members: Agreed.

The Chair: Shall the chair report the bill as amended to the House?

Some hon. members: Agreed.

The Chair: Shall the committee order a reprint of the bill as amended for the use of the House at report stage?

Some hon. members: Agreed.

The Chair: Members, thank you very much.

On that, we are suspended until our next meeting.

[The meeting was suspended at 5:18 p.m., Wednesday, November 29]

[The meeting resumed at 4:14 p.m., Monday, December 4]

The Chair: We're resuming meeting number 121 of the House of Commons Standing Committee on Finance. The committee is proceeding to the consideration of matters related to committee business, more specifically the motion of PS Rachel Bendayan and the amendment of MP Lawrence.

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 the benefit of the members.

Please wait until I recognize you by name before speaking. For those participating by video conference, click on the microphone icon to activate your mic, and please mute yourself when you are not speaking. For interpretation, for those on Zoom, you have the choice, at the bottom of your screen, of floor, English or French audio. For those in the room, you can use the earpiece and select the desired channel.

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. We therefore ask all participants to exercise a high degree of caution when handling the earpieces, especially when your 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 their headset is plugged in to and to avoid manipulating the earbuds by placing them on the table away from the microphone when they are not in use.

This is a reminder that 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, and we appreciate your patience and understanding in this regard.

I see that MP Ste-Marie's hand is up, and then I will go through the speakers list that we had when we last left off.

MP Ste-Marie, go ahead, please.

[*Translation*]

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

On a point of order, I would like to ask the analysts a technical question. All fall, we held numerous consultations in order to submit the report on our pre-budget consultations to the Minister and the House. I would like to know where we stand.

I will take this opportunity to remind my colleagues that we are deadlocked. If we had used all the meetings we spent debating this motion to work on writing and adopting the report on our pre-budget consultations, it would be done.

The House is asking us to present it in December. I hope we will be able to adjourn the debate on this deadlocked motion today and come back to adopting the report. I would therefore like to ask the analysts where they are in writing the report.

Thank you, Mr. Chair.

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

[*English*]

MP Hallan, was it on this?

Mr. Jasraj Singh Hallan: No, I wanted to ask you a question.

The Chair: This is a point of order from MP Ste-Marie. I want to reply to MP Ste-Marie.

First off, I want to thank the committee. We have done a tremendous job on pre-budget consultations. I'm thanking, of course, the clerk, the analysts and everybody here who has put in this great effort. We did get an opportunity, as members know, to travel the country and get to pretty much every province. From that, we've gathered a lot of evidence for pre-budget consultations, so we are in a good place.

I know there are conversations happening to see if we can take it further. Hopefully, we can get something done. That's where we are right now. I just had an opportunity to speak with Brett Capwell, our analyst. He said he has a structure and everything put together. I know recommendations have come in from the NDP and the Bloc, and we're looking for any other recommendations that may come in from members.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you.

[*English*]

The Chair: Thank you very much for that, MP Ste-Marie. I appreciate it.

Did you have a point of order, MP Hallan?

Mr. Jasraj Singh Hallan: No.

The Chair: We'll get to the business of our committee. We were dealing with the motion by PS Bendayan, and the amendment by MP Lawrence.

On our speaking order, I had MP Blaikie. He had the floor last, so he will have the floor.

I then had MP Genuis, MP Lawrence, MP Majumdar and MP Soroka. That was the list I had.

Ms. Rachel Bendayan: I have a point of order, Mr. Chair.

The Chair: Go ahead, PS Bendayan, on a point of order.

[*Translation*]

Ms. Rachel Bendayan: Mr. Chair, I would like to speak on the point of order raised by my colleague Mr. Ste-Marie.

I wonder whether one of the two analysts could tell us where we stand. I think that is what our colleague wanted to know. Maybe the analysts would like an opportunity to reply to him.

[*English*]

The Chair: Yes, we'll hear from Brett.

Go ahead.

Mr. Brett Capwell (Committee Researcher): The body of the report is mostly prepared at this point. I think there are a few small aspects that are still being drafted or are in translation. I would say that the next.... If the committee were to meet on the report, the most logical place to start would be to begin going through the recommendations.

The Chair: Good.

Thank you, PS Bendayan.

Now we'll go to MP Blaikie.

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

Just with respect to those pre-budget consultation issues, I will say that I'd be happy for the committee to be able to move on to that in the very short term. I think we just.... With the minister appearing on Thursday, that gives us two more meetings after today in our regular schedule. It would be wonderful to be able to spend those meetings on the pre-budget consultation report.

I think that the best way to do that is to get to a vote on the amendment and the motion that we have before us. I'm going to spend a little time talking, but with the caveat that I'm very happy to stop talking at any point if we have unanimous consent to give each party another two or three minutes to speak and then proceed to a vote on the amendment and a vote on the motion.

Mr. Jasraj Singh Hallan: We don't need to speak anymore.

Mr. Philip Lawrence: We're ready to go to a vote.

Mr. Daniel Blaikie: If there's agreement to go to a vote on the amendment and then on the main motion, I'm prepared to do that, Mr. Chair. Otherwise, I'm sure I can dream up a few things to say.

Mr. Philip Lawrence: I'm sorry. I don't want to crosstalk, but we are prepared to go to a vote on the amendment. I can see a path to finishing today.

That's what I can give you right now.

Mr. Daniel Blaikie: I won't stand in the way of that, Mr. Chair. We're prepared to have votes, as I say, on the amendment and the main motion today.

Let's get going.

The Chair: What I'm hearing is that members are asking for a vote on the amendment and then on the main motion.

Mr. Philip Lawrence: We want the amendment. I want to be clear. We are agreeable to vote immediately on the amendment.

I'll put all of our cards on the table. We have another amendment that we want to put forward, but we don't want a lengthy debate on that. Then we'll proceed to the vote on the main motion.

Mr. Daniel Blaikie: Okay.

The Chair: We are going to a vote on the amendment.

(Amendment negatived: nays 7; yeas 4 [*See Minutes of Proceedings*])

The Chair: Go ahead, MP Blaikie.

Mr. Daniel Blaikie: I think we can go to Mr. Lawrence.

The Chair: Okay.

MP Lawrence, the floor is yours.

Mr. Philip Lawrence: I'd like to move the following amendment to the main motion. We're replacing paragraph three with "Stands with Canadians who wish to protect the CPP and encourages Albertans to remain in the CPP so that it can be secured for all Albertans and Canadians".

The Chair: Okay.

MP Blaikie, you have the floor.

[*Translation*]

Mr. Gabriel Ste-Marie: I have a point of order, Mr. Chair.

The interpreters are signalling that they do not have the text of the motion, so they would like to have the French version of the motion.

Thank you.

[*English*]

Mr. Philip Lawrence: We'll send it right now.

The Chair: Let's give them some time.

Would you like some time, MP Ste-Marie, to get it in French?

[*Translation*]

Mr. Gabriel Ste-Marie: I would like the clerk or the Conservative members to send us the motion in French.

Thank you.

[*English*]

The Chair: We'll suspend then.

• (1620) _____ (Pause) _____

• (1625)

The Chair: Okay, members, you should have received the French translation.

I'm looking at MP Ste-Marie, and he's giving me a thumbs-up. It is good.

On this amendment, is there discussion or debate?

Mr. Daniel Blaikie: Yes, I'm happy to offer a couple thoughts.

First of all, I want to say thank you for what I think is a reasonable amendment.

Although it's not one I intend to support, I do think it's constructive, and I think it's the right kind of dialogue to have around this table. I don't think it's a terrible amendment, but I think part of what's been at stake in the debate so far is the appropriateness of having some criticism for other levels of government. Of course, we see many times members of the House offer criticisms of various levels of government.

For me, I'm very much of the view that this initiative coming from the Smith government is political from the get-go. It's a political criticism that's meant to create a certain kind of political discontent, and I think it's unfortunate. There are many ways that provinces can do that, and it's fair game to criticize the federal government. However, when it comes to the CPP, the wide level of consensus that's there about the CPP and the good performance of the CPP over a long time, I do think it's not something that should be brought into some of the typical debates between provinces and the federal government.

I don't really think, in this case, that the federal government is the one that's going to suffer for this debate, and I talked at the last meeting a little bit about how even the spectre of these changes has the potential to do damage and to do damage now. Canadian workers and people who depend on the CPP are most likely to get hurt. It's not Justin Trudeau and the Liberals. It's not the federal government generally. I think being able to name that in the motion is an important part of what we're doing here, and it's why I don't intend to support the amendment.

Thank you.

The Chair: Thank you, MP Blaikie.

Is there anyone else? No, okay.

We'll go to the vote.

(Amendment negatived: nays 7; yeas 4 [*See Minutes of Proceedings*])

The Chair: We're going to the main motion.

Who would like to speak to the main motion?

Go ahead, MP Lawrence.

Mr. Philip Lawrence: Thank you.

I'll be true to my word. It won't be a lengthy debate. I just want to get a couple of comments on the record.

As you can see from these amendments we've brought forward, particularly the second, Conservatives stand in full support of the CPP, and our encouragement is that Alberta stay within the CPP regime.

That being said, unfortunately, the divisive rhetoric of this motion is really just meant for purely political reasons, and that's what's come across. It's clear from this that the goal is not to show solidarity or support for the Canada pension plan but instead to pick fights, unfortunately, with our provincial counterparts, which I don't think is productive. Quite frankly, I don't think calling names is a way to encourage Albertans to stay in the CPP.

Obviously, Conservatives stand alone. That's not unusual, and we will continue to stand for what's right.

With that, we Conservatives would like to call for a vote on this.

The Chair: We are now on the main motion. Is there any further discussion?

We will go to a vote on the main motion.

(Motion agreed to: yeas 10; nays 1 [*See Minutes of Proceedings*])

Mr. Philip Lawrence: Mr. Chair, before you....

The Chair: Actually, since don't have anything else, we're adjourned at this time.

Published under the authority of the Speaker of
the House of Commons

SPEAKER'S PERMISSION

The proceedings of the House of Commons and its committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the Copyright Act. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the Copyright Act.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Also available on the House of Commons website at the following address: <https://www.ourcommons.ca>

Publié en conformité de l'autorité
du Président de la Chambre des communes

PERMISSION DU PRÉSIDENT

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la Loi sur le droit d'auteur. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre des communes.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la Loi sur le droit d'auteur.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante :
<https://www.noscommunes.ca>