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Chair

Mr. James Rajotte

Standing Committee on Finance

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•(1220)

[English]

The Chair (Mr. James Rajotte (Edmonton—Leduc, CPC)): The Standing Committee on Finance is now in session.

We will go to Ms. Glover to present her motion, please.

[Translation]

Mrs. Shelly Glover (Saint Boniface, CPC): Thank you, Mr. Chair.

I would like to introduce the notice of motion that you have before you and that reads as follows:

That the Standing Committee on Finance, consistent with the Private Members' Motion M-559 (40th Parliament, third session) sponsored by the Member of Parliament for Kitchener-Waterloo and unanimously adopted by the House of Commons on March 2, 2011, undertake a comprehensive study of no less than twelve (12) meetings on the current tax incentives for charitable donations with a view to encouraging increased giving, including but not limited to (i) changes to the charitable tax credit amount, (ii) reviewing the possible extension of the capital gains exemption to private company shares and real estate when donated to a charitable organization, (iii) considering the feasibility and cost of implementing these and other measures; and that the Committee report its findings to the House.

Mr. Chair, I see that we have agreed to proceed with the study, but I would like to hear what my colleagues have to say about the ideas suggested in the notice of motion.

Thanks a lot.

[English]

The Chair: Merci beaucoup, Madame Glover.

Ms. Nash, please.

Ms. Peggy Nash (Parkdale—High Park, NDP): Thank you for presenting this motion.

Yes, we did discuss earlier that we would study the whole issue of charitable organizations, so I understand where this is coming from. But if we look at our schedule over the fall, our pre-budget hearings are going to take up most of our fall. If we look at the amount of time you are requesting, 12 meetings, I wonder whether we need anywhere near that amount of time.

While we've all agreed that this is an area we're going to be studying, but given that there are other things that have come up, like tax havens, that we've agreed to revisit, and other things—obviously the budget in the new year and there will be other things that come up—my recommendation would be, and maybe I'll propose an amendment, that we have an initial four meetings and then review where we're at to see if we need further meetings. To block off a guaranteed minimum of 12 meetings seems like an enormous

amount of time. So my recommendation, my proposal, is, as an amendment, that we have a minimum of four meetings, followed by a review, with the possibility of extending, based on our preliminary review of the subject.

The Chair: So you would undertake a comprehensive study of the current tax incentives with at least four meetings. If you say “at least”, that pre-supposes we may have more.

Ms. Peggy Nash: Yes.

The Chair: Okay.

Thank you, Ms. Nash.

Mr. Brison, please.

Hon. Scott Brison (Kings—Hants, Lib.): I have a similar concern to that raised by Ms. Nash. The pre-budget consultation report is due on December 2, and if we're going to devote a minimum of 12 meetings to this, we wouldn't be able to look at any other issue until March 2012, based on the current parliamentary schedule.

Given the global economic situation, the IMF's report on Canadian unemployment today, and some of these other issues, I think it would be irresponsible for us to devote 12 meetings to this. I agree that it's an important subject and one that we could do. I would have proposed two meetings, but I can live with four meetings. I very strongly support the subject, I support the analysis we're going to undertake, but given what's going on globally and within Canada, I think it would be irresponsible to take more than four meetings to study this.

The Chair: Thank you, Mr. Brison.

I have Ms. McLeod, and then Mr. Marston.

Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC): Thank you, Mr. Chair.

Looking at the calendar, we finish up in late November, so certainly we could start to tackle this in December. We would be looking at not too far into the winter session to actually be completing this. I think it's complicated. It's very important. It's a motion that was very well supported. So again, I obviously have to speak in favour of the importance of the 12 meetings, noting that we do have time to tackle this and many other subjects in late fall and into the winter.

•(1225)

The Chair: Thank you.

We'll go to Mr. Marston, please.

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): I just want to agree with Peggy and with Mr. Brison. It seems to me we're not closing the door to the potential of 12 meetings by amending this motion to say four and by re-evaluating as we go, but rather we are setting aside our calendar for the four meetings. There are going to be other issues, I'm sure, that we'll want to be looking at, perhaps including some brought forward from the last session. I think the idea of having four cast in stone and slated is good. Then we can review this, and if we deem it necessary to continue to 12, we can do that.

The Chair: Thank you.

Mr. Hoback, go ahead, please.

Mr. Randy Hoback (Prince Albert, CPC): Thank you, Mr. Chair.

Colleagues, welcome back from summer in your ridings.

Just looking at the motion and thinking back to all the people who actually wanted to come in front of this committee on this specific issue, the last thing we want to do is cut any of that short. We want to make sure we give them a lot of opportunity or a timed opportunity to actually make their requests. This does have tax implications. This has implications in terms of how charities go about doing their business. I don't think we want to shortchange them or not do a full study on this. So I think we're going to need the 12 meetings in order to do this properly. I'd ask the opposition members to consider that as we look at this proposal.

The Chair: Thank you.

I have Mr. Jean, Monsieur Mai, and then Mr. Brison.

Mr. Brian Jean (Fort McMurray—Athabasca, CPC): I would also speak in favour of this. I've been involved with charities in the past. We have so many different provincial regulations, different ways charities can deal with the government for those kinds of things. So I think it's very important to have a thorough examination. If we need to put other things in between, I'm sure the committee can decide that at the time. But it seems to make a lot of sense because of the nature of the complications with charities and with provincial and federal regulations.

The Chair: Thank you.

Monsieur Mai, s'il vous plaît.

Mr. Hoang Mai (Brossard—La Prairie, NDP): I agree that the subject is very important. I believe that with the amendment that was proposed we're not closing the door on studying the subject. Obviously we should be able to listen to all the witnesses.

We are saying that right now, given what's happening and given the importance of the finance committee in terms of trying to find solutions for everything that's happening right now, saying 12 meetings right away is closing the door. The amendment that was proposed does not say that we're not going to have 12 meetings. It just says let's start with four for sure, and then once we go ahead.... The finance committee has to look at a lot of things. To focus on only one subject, I think, is a bit dangerous right now.

Thank you.

The Chair: Thank you.

Mr. Brison, go ahead again.

Hon. Scott Brison: Again, we all agree that we should study the subject. But at the time the private member's motion was passed in Parliament, the world was very different from the one we exist in today, with a global sovereign debt crisis, with a European bank crisis, and potentially a full-scale contagion in the European banking system. If the House of Commons finance committee basically books itself until March, the 12 meetings, the credibility of the committee is going to be shredded.

There are issues that are really important for the future of the country that we can undertake in a non-partisan way. And I think it's important that we all agree to do a thorough study of this in four days. As a parliamentary committee we can keep ourselves busy, and this may be good parliamentary Gaines-Burger to keep us quiet and eating, but I really think we can do it in four days if we apply ourselves. We can have a comprehensive study, and we can actually study some other issues that are really important in terms of the economy. This is a very difficult economy right now, globally and for a lot of people here in Canada. I think we have to keep some flexibility. That doesn't mean we won't have 12 meetings. But it might mean that after four we will be compelled to focus on some really important economic issues that are germane right now.

• (1230)

The Chair: Thank you.

Mrs. Glover and Ms. Nash.

Mrs. Shelly Glover: Thank you, Mr. Chair. I appreciate the comments made by my colleagues.

Following Budget 2011, which reiterated our willingness to proceed with this very important study, a number of calls were received from charities like Imagine Canada and Habitat for Humanity. The scope of this study is going to be large.

As I say, we've already received numerous requests to appear that would more than fill four meetings, just to start with the charities that have specific tax implications, etc. We also have to look at the tax experts and how this will affect taxes and the incentives for donors to donate. We're going to want to hear from people who might be affected by that. Four doesn't even come close.

We talk about the world situation. It is absolutely something that is being monitored, and I know that's something that all parties here in this committee agree to admit to: we're all monitoring it. There is no crystal ball. No one can predict what's going to happen with that, which is why our committee has in the past worked collaboratively to put those issues forward in an emergency situation.

We saw just this past summer a request to discuss the global economy and to discuss where we're at. We were willing to do that. All of us came back from summer break and did that. Nothing that we plan right now says there is no room for urgent situations that arise to be dealt with. I think this committee will work well together to do those things, but right now we need to plan our agenda so that the clerks and the analysts can move forward to start booking rooms and people.

Again, if something urgent comes up, I encourage all members of this committee to bring it forward and to bring your motions forward. Absolutely, it will be considered, and we'll proceed as we always have.

Pre-budget consultations are coming. Many of the issues that have been brought up while we're discussing this motion will in fact be discussed during pre-budget consultations by many of the witnesses. We've received more than 300 requests. We're slowly but surely making plans to consult Canadians with regard to the upcoming budget for next year.

Those things will be discussed. There is an opportunity for people to speak to this committee on those issues, but we need to plan ahead. Four meetings won't even cover the charities that have asked to appear here. We've all agreed not to stack our meetings with too many people, because they don't get the benefit of a true voice here. We want to have a fulsome discussion. We want to make sure that our meetings are not so over-stacked that nobody gets to actually put forward their position.

I would again suggest that we stick to the 12 meetings. I know we're talking about the amendment now; I'll be voting against the amendment for that simple reason. It would not even encompass all of the requests that we're going to get, and for the purpose of preplanning, I think it's important that we start to plan. I hope members will take that under consideration when they vote for or against this amendment.

The Chair: Thank you.

Ms. Nash, please.

Ms. Peggy Nash: If I look at our schedule, the first date we have open to begin examining this issue is November 29. We do of course have lots of time to plan, and if I understand our schedule correctly, it looks like we'll get a handful of meetings in on this topic before the end of the calendar year. So I appreciate the point that...I don't know how many charities have requested to come before us. I don't know how many are out there. I'd be interested to know that. But we may be in a very different situation in December in terms of the global financial situation than we are today.

I guess I want to echo other comments that were made that we're going to look a little bit out of touch if unemployment is rising, if the economy is increasingly fragile, and we are locked into studying tax exemptions for charities, as important as that subject is. I thought our proposal of doing four meetings and then reviewing it made sense. It doesn't mean we won't have 12 meetings.

But let me try to phrase that in a different way. I just heard you say, Ms. Glover, that there is flexibility should circumstances change, should some other topic present itself, should financial conditions change. Is there some other way than my amendment, which I thought captured that idea, that we can build in that notion of flexibility? My concern is that we become locked in and are unable to respond if conditions do change.

• (1235)

The Chair: I can respond to that as the chair. The chair actually has discretion, if the committee adopts the motion as it's presented—12 meetings. But it doesn't mean we set the 12 meetings in and never shall the chair change it. Obviously, for instance, if we get another

budget implementation act...bills generally take precedence over what the committee is studying.

If this committee decides there is a financial issue that deserves immediate attention, and they have six meetings prior to Christmas and six meetings booked after Christmas, but the committee says this issue is in fact more important so they move the other six meetings of the charity back four meetings, that's entirely within the committee's discretion. So there is some flexibility to do that if the motion is adopted.

I hope that addresses your concern.

Ms. Peggy Nash: I hear the chair and I respect your helping us through the interpretation of that. Is there a way to build that into the wording?

The Chair: I have Mr. Brison.

I think I'll go to Ms. Glover first.

Do you want to speak before she...?

Hon. Scott Brison: I will. Perhaps it would be helpful because she mentioned the list of witnesses. If she could table the list of witnesses at this meeting, that would help inform our discussion. But I would also cross-reference it with the list of charitable organizations and experts who are appearing before the finance committee during the pre-budget consultations who will be bringing a very similar message. I suspect we'd have a fairly small list if you took the ones who present to the pre-budget consultations. I think by cross-referencing we'd probably end up with a fairly small list left over for this.

Again, I think the credibility of the committee is in question here.

The Chair: Mr. Brison, on that point, and just for the information of the committee, you and I were here when the private member's bill from Ms. Guarnieri came forward, and I can tell you there were an awful lot of requests from charities to appear.

Hon. Scott Brison: I'm glad you raised that, Mr. Chair, because that did inform our thinking. We have a report from that. We have a lot of analysis from that, and much of that analysis could be used to inform our discussions and study now. You're right, we've already done a lot of that.

The Chair: It could be used, but I think only three members here were on that committee. I would just point that out.

We'll go to Ms. Glover.

Ms. Nash is looking for flexibility. I think that's her question.

Mrs. Shelly Glover: Mr. Chair, I appreciate Ms. Nash's intervention, and I thank you for so eloquently explaining how flexibility is already built into committee systems.

I know we're supposed to be speaking to your amendment, Ms. Nash, but if you would allow me to suggest, if in my motion we were to add the word "non-consecutive", so that where it says no less than 12 meetings we would put no less than 12 non-consecutive meetings, would that help?

• (1240)

The Chair: So it would be no less than 12....

Mrs. Shelly Glover: Consecutive or non-consecutive.

The Chair: Does that address your concern, Ms. Nash?

Ms. Peggy Nash: Yes, that's fine. I would withdraw my amendment. That, I think, would....

It doesn't mean they can't be consecutive, but it allows us the flexibility, if we need to, to push some to a different date.

An hon. member: It's a friendly amendment from the mover.

The Chair: Okay.

So it would be to undertake a comprehensive study of no less than 12 consecutive or non-consecutive meetings.

Ça va? Okay.

I have two speakers on the list, but I'm sensing unanimity, so....

All in favour of the motion?

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

The Chair: Thank you, colleagues.

We do have our logistics person back. Kate Bourke is our logistics lead for the pre-budget hearings. She's given me some notes here to explain and answer your questions, hopefully.

We should go back in camera for this.

[*Proceedings continue in camera*]

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