HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

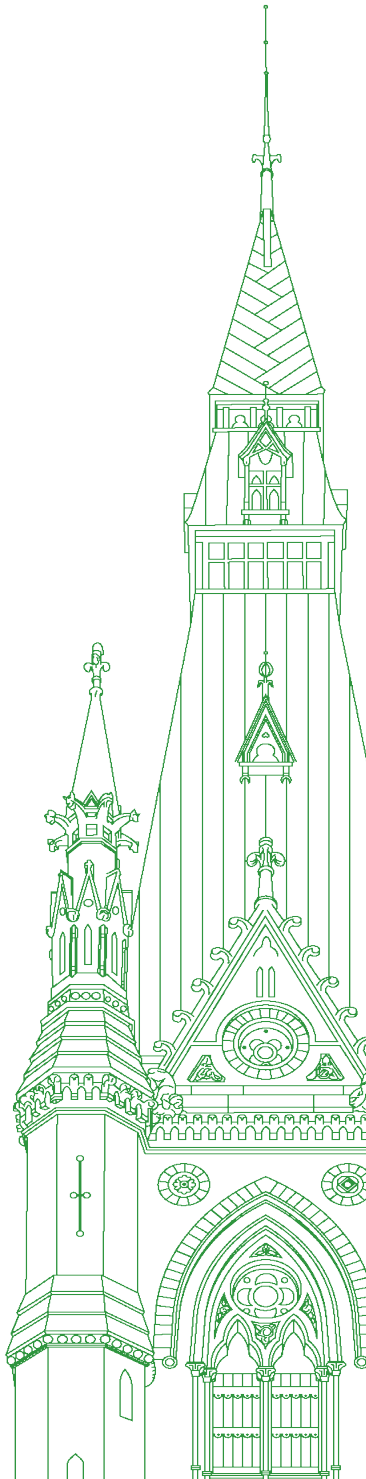
43rd PARLIAMENT, 2nd SESSION

Standing Committee on Industry, Science and Technology

EVIDENCE

NUMBER 030

Tuesday, April 13, 2021



Chair: Mrs. Sherry Romanado

Standing Committee on Industry, Science and Technology

Tuesday, April 13, 2021

● (1105)

[*English*]

The Chair (Mrs. Sherry Romanado (Longueuil—Charles-LeMoyne, Lib.)): I call the meeting to order.

Good morning, everyone. Welcome to meeting number 30 of the House of Commons Standing Committee on Industry, Science and Technology.

Today's meeting is taking place in a hybrid format, pursuant to the House order of January 25, 2021. The proceedings will be made available via the House of Commons website. So that you are aware, the webcast will always show the person speaking rather than the entirety of the committee.

To ensure an orderly meeting, I'd like to outline a few rules to follow. Members and witnesses may speak in the official language of their choice. Interpretation services are available for the meeting. You have the choice at the bottom of your screen of floor, English or French. Please select your preference.

This is a reminder that all comments by members and witnesses should be addressed through the chair, and when you are not speaking, your microphone should be on mute. I also ask that you not talk over each other so that the interpreters can do their work.

As is my normal practice, I will hold up a yellow card when you have 30 seconds left in your intervention, and I will hold up a red card when your time for questions has expired. Please make sure that you are on gallery view so that you can see me giving you these indications.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on February 23, 2021, the House of Commons Standing Committee on Industry, Science and Technology is meeting today to undertake a study on competitiveness in Canada.

I'd like to now welcome our witnesses. We have Yelena Larkin, associate professor of finance from York University. We have David Vaillancourt, partner, Affleck Greene McMurtry. From the Canadian Federation of Independent Business, we have Laura Jones, executive vice-president and chief strategic officer. From C.D. Howe Institute, we have Mr. Benjamin Dachis, director of public affairs. From the National Coalition of Chiefs, we have Dale Swampy, president.

Each witness will have five minutes to present, followed by questions.

With that, we will start with Yelena Larkin.

You have the floor for five minutes.

Dr. Yelena Larkin (Associate Professor of Finance, York University, As an Individual): Thank you so much.

Good morning, committee members, fellow witnesses and everyone else. I appreciate the opportunity to present my views at this committee.

All of the statements I am about to make are based on the draft of a research paper that my co-author Ray Bawania and I completed in 2019. In this paper, we asked whether the nature of the Canadian economic environment has changed over the past few decades. Our research question was motivated by the trends revealed in the U.S. markets, as well as academic articles that argue that product markets in the U.S. have become more concentrated over the past two decades.

In the project that underlies this statement, my co-author and I examined the business environment in Canada from the standpoint of financial markets. By analyzing the data that is typically used in corporate finance research, my work provides some descriptive statistical analysis of Canadian financial markets that potentially can serve as a starting point for future and more detailed research.

In the centre of our analysis are Canadian publicly traded firms. We first focus on the number of firms traded on the Toronto Stock Exchange, the TSX. Since publicly traded firms are typically the key players in the economy and tend to be much larger compared with private firms, the falling number of public firms could be the first sign of a structural change.

This is what we found. The number of non-financial firms—that is, firms that are not set up as an investment vehicle, such as investments funds, mutual funds and so on—have indeed dropped, by around 30%, since its peak around 2006 to 2008. To ensure that the trend could not be due to industry composition, we also split the overall number of firms into major sectors, and found that the decline in the number of firms is not limited to a specific sector but rather has affected firms across the entire spectrum of Canadian industries.

Next we turned to examining the size of public firms, measured as the market capitalization in constant Canadian dollars of 2002. Market cap measures what a company is worth in the open market and, therefore, serves as the most updated indicator of its perceived value. In addition, it reflects the market's perception of the firm's future prospects and incorporates both tangible and intangible components.

We found that the mean firm size has been persistently rising over the last 35 years. However, the growth has not been equal. Large firms have essentially grown at a much steeper rate over the past 10 or 15 years. For example, the inflation-adjusted market cap of firms in the top quartile of size distribution has swelled from a quarter-billion dollars in 2008 to almost $1 billion in 2016.

We also explored the combined effects of firm number and firm size by constructing a measure of concentration, the Herfindahl-Hirschman index, which is defined as the sum of squared market shares of all the firms within the same industry. We found that concentration has increased in most industries and this increase has been economically significant. Further, consistent with the increase in concentration, we found that the largest firms in each industry have become more dominant. The share of sales by market leaders compared to the total industry sales has also increased substantially over the same period.

In the second part of the paper, we examined possible implications of the systematic increase in concentration along with the decline in the number of publicly traded firms. It is possible that the increase in dominance of large firms could reflect barriers to entry. In general, barriers can be driven by a number of various factors, which include economies of scale and large capital requirements, regulatory changes that potentially discourage new firms from entering the market, and the increasing role of technology behind all this.

To examine the barriers-to-entry explanation, we performed several tests. First, we looked at the link between concentration and profitability. If markets are becoming more concentrated due to greater barriers to entry, we should find evidence that profit margins are increasing in those industries. Consistent with this argument, our analysis showed a positive and significant link between accounting measures and concentration.

It looks like I am running out of time.

In this case, let me mention that, going forward, I would like to set this result into a large frame and consider the relevance of Canadian public firms becoming more valuable and obtaining better investment opportunities. More research is needed to understand the reasons behind the secular decline in the number of firms, which is accompanied by an increase in size and vibrant M and A activity.

● (1110)

I hope these findings can provide an opportunity for policy-makers to further examine the trends of the increased concentration.

The Chair: Thank you very much.

Now we will hear from Mr. Vaillancourt.

You have five minutes.

Mr. David Vaillancourt (Partner, Affleck Greene McMurtry LLP, As an Individual): Thank you, Madam Chair.

Madam Chair and members of the committee, my name is David Vaillancourt. I'm a partner at the law firm Affleck Greene McMurtry. My practice includes competition law and commercial litigation.

I believe that the abuse of dominance provisions of the Competition Act should be amended to allow private litigants to challenge anticompetitive conduct by monopolists. Right now, the commissioner of competition is the only one who can bring such abuse of dominance proceedings.

Abuse of dominance involves acts undertaken by a dominant firm against competitors in the market that substantially lessen or prevent competition. This generally means firms with more than 50% of market share. It's about a monopolist using its position to squeeze out the competition and maintain or enhance its own market power.

When a victimized competitor has a problem with an anticompetitive monopolist, their only option is to make a complaint to the commissioner of competition. If the commissioner of competition does not decide to move forward with the matter, there is nothing the victimized competitor can do. The commissioner of competition has to be very selective with the abuse of dominance cases that he brings forward. Abuse of dominance tends to take a back seat to enforcement of the criminal provisions of the Competition Act, as well as merger review.

The commissioner of competition publishes annual statistics about the complaints he receives under the Competition Act's various civilly reviewable provisions, which include abuse of dominance. I've previously emailed a copy of these statistics to members of the committee. The vast majority of complaints are about abuse of dominance. In the 2019-20 year, it was about 80% of complaints. The stats show that there were 467 complaints that year, and out of those complaints, only 11 investigations were commenced, which turned into three inquiries. The enforcement activities were also very limited. There was one case with a consent order, one case with an alternative case resolution, which is another form of settlement, and one case before the tribunal.

The underenforcement of the abuse of dominance provisions is not a new trend. Since 1986, there have only been 14 abuse of dominance proceedings brought before the Competition Tribunal. The commissioner of competition does not have the resources he needs to robustly police monopolists in Canada. This is causing injury not just to competitors but to competition generally, and to Canadian consumers.

It's clear that the current abuse of dominance regime is not working. Change is needed. Enforcement would be enhanced if there was a private right of action allowing victimized competitors to hold monopolists to account. Even the threat of private action would encourage change in behaviour by monopolists to avoid litigation. The cases don't need to get litigated all the way through to trial.

There are already several reviewable matters in the Competition Act that do allow a private right of action, with leave of the Competition Tribunal. The right to bring a private application for those sections is contained in section 103.1 of the act, which sets out the mechanics for seeking leave of the tribunal. This section could be amended to also add the right to seek leave to bring an abuse of dominance proceeding. Private litigants should also be allowed to make a claim for damages suffered as a result of anticompetitive conduct. Obtaining a go-forward remedy changing a monopolist's conduct would be helpful, but economic loss caused by the anticompetitive conduct in the past should be compensated. Victimized competitors are more likely to incur the cost of following through with legal proceedings if there is some chance of monetary recovery.

The proposal I am making today is in line with the laws of our international peers. Both the United States and Europe permit private actions for abuse of dominance and monopolization. In fact, private action is the primary method of enforcement for monopolization in the United States, at a rate of about 10:1.

When a monopolist acts in an anticompetitive way, it hurts consumers in the long run by damaging competition. Less competition means higher prices and lower quality for consumers. Amending the Competition Act to allow private abuse of dominance proceedings would be procompetition and proconsumer, and would bring Canada in line with its international peers.

● (1115)

The Chair: Thank you very much.

We'll now go to Laura Jones.

You have the floor for five minutes.

[*Translation*]

Ms. Laura Jones (Executive Vice-President and Chief Strategic Officer, Canadian Federation of Independent Business): Good morning, everyone.

[*English*]

Thank you for inviting me.

I'm going to focus my comments today on the opportunity to improve competitiveness by modernizing our approach to regulation. I'm the chief strategic officer for the Canadian Federation of Independent Business, so I bring the perspective of small business to the table. My comments are also informed by my recent experience chairing the external advisory committee on regulatory competitiveness.

I have some slides, if you want to follow along, to support my comments.

Slide 2, on regulatory modernization, shows you that it could also be described as regulatory competitiveness or regulatory—

The Chair: Ms. Jones, I've paused the clock. I'm going to let you know we do not have the slides because they have to be provided to us in both official languages. If you provided them to the clerk in only one official language—

Ms. Laura Jones: We provided them in both.

The Chair: Okay, I wanted to let you know we don't have them.

The Clerk of the Committee (Mr. Michael MacPherson): We'll distribute them around.

The Chair: Thank you so much.

If you're wondering why we're not following along, that's why.

Ms. Laura Jones: That's fine. Thank you.

I will speak to them and I think you have them in both official languages, so they can be distributed.

Regulatory modernization can be described as both excellence or competitiveness. Certainly, those terms were used interchangeably by the external advisory committee. It really includes three important things. One is red tape reduction. The second important thing is supporting innovation. Often new innovations require some regulatory support and doing that in a nimble way would be consistent with regulatory excellence. Finally, of course, there is maintaining high levels of health, safety and environmental protection, which are things that Canadians care about. Those would be the three things—a minimum of red tape, support for innovation and maintaining excellence in the outcomes that Canadians care about—that would be consistent with regulatory competitiveness or excellence.

In our view, this requires a sustained culture shift within government. The good news is that COVID-19 has created some of those conditions for the culture shift with more nimbleness and more focus, for example, on outcomes of regulation. However, there are some challenges in this regard. One of the challenges is that there's not a lot of great data available—particularly data from government—on either the cumulative regulatory burden or our progress towards reducing that burden. With the lack of data comes a lack of accountability. There's also a lack of reporting.

When we look at what data are available, the World Bank is one that's often cited, and Canada gets very low marks on that. To give you a sense of the data challenges there, for example for permitting, our rankings are based on a sole warehouse in Toronto. That establishes our ranking and how long it takes to get a permit and it establishes the ranking for the whole country.

The Canadian Federation of Independent Business has done some of its own research. You can see some of that in the report I have cited in the presentation. I'll run through a couple of stats to help you understand the challenge from that perspective. The cost of regulation to businesses of all sizes in Canada is now $39 billion a year. This estimate was done earlier this year. It doesn't include the cost of complying with COVID-19 regulations, which we know is significant for a small business. Of course, not all of that cost is red tape. The estimate of the amount of it that could be eliminated without affecting the outcomes we all care about is about $11 billion a year or about 28% of that total cost.

The other thing we find is that these costs are very regressive. The smaller the business, the higher the per-employee cost. I think that is something worth paying attention to.

Another finding from the report is that nearly two-thirds of businesses are now telling us they would not advise their children to start a business in Canada based on the current cost of regulation. This is up 15 percentage points from the last time we did this survey in 2017. Nearly nine out of 10 are saying that this regulatory burden adds significant stress to their lives. Eight out of 10 are saying excessive regulation significantly reduces productivity.

In terms of recommendations going forward, I think regulatory excellence is a huge opportunity for Canada to be more competitive and also to reduce the barriers for small business. We have three recommendations.

One is to make this a priority right across government, leveraging the new-found agility from some of the things we did differently in COVID-19. For example, approving a vaccine in a year was something that would normally take the better part of a decade.

The second recommendation is measurement. We need better measurement. Both British Columbia and Manitoba provide good models that the federal government could look at. We recommend reducing that burden by 25%.

Finally, we recommend setting up a place where citizens can highlight red tape, such as a digital portal where they could go. Those examples would be distributed to deputies who could take action on them.

Thank you very much.

● (1120)

The Chair: Thank you so much.

We'll now turn to Mr. Dachis.

You have the floor for five minutes.

Mr. Benjamin Dachis (Director, Public Affairs, C.D. Howe Institute): Thank you very much for the invitation to join you today.

I want to relate the economic harm of excess permit costs to Canadian homebuyers and small businesses today.

First, let's look at permit costs to people looking to get into the housing market. Restrictions on housing supply and extra costs hinder the efficiency of the housing market. Recent C.D. Howe Institute research has found a persistent gap between the cost of building new homes and their market price in major Canadian cities. This is a regulatory and permit tax on housing. A well-functioning housing market results in the market price of housing being pretty close to the cost of just building it. If prices persistently exceed this construction cost, it's often due to the barriers that inhibit new construction. These barriers often stem from excessive regulations and permit requirements. This regulatory tax is huge in some places.

We estimate that homebuyers in Vancouver see an extra cost of $644,000 for the average new home because of supply limits. Across Canada's largest and most restrictive cities—this is mostly in B.C. and Ontario—homebuyers paid hundreds of thousands of dollars more than the construction cost of a newly built house because of limits on supply. It's an extra $112,000 for homebuyers in Ottawa. In Calgary, it's an extra $152,000, and it's an extra $168,000 in the greater Toronto area.

Vancouver's cost of housing restrictions are, by far, the largest in Canada, resulting in a 50% extra cost—

[*Translation*]

Mr. Sébastien Lemire (Abitibi—Témiscamingue, BQ): Madam Chair, the interpreter is telling us in French that she's having great difficulty hearing Mr. Dachis's remarks. She can do her job because Mr. Dachis provided his text. However, she's having a very difficult time hearing his remarks.

The Chair: Okay. Thank you.

[*English*]

We're just going to check with the room. We're having some connectivity issues.

You're coming across very scratchy, Mr. Dachis. I want to make sure that the interpreters can hear you. Could you hold for one moment? I have stopped the clock.

● (1125)

Mr. Benjamin Dachis: Let me know if you want to do an audio test.

The Clerk: Actually, if you could just unplug and plug back in that headset, sometimes that fixes the issue. It doesn't look like it's connectivity-related. Sometimes it's just that the headset needs a reboot.

Mr. Benjamin Dachis: How's that? Is that better?

The Chair: We can hear you now.

Mr. Benjamin Dachis: Perfect.

I'll continue. Apologies for that.

The Chair: No, not at all.

Thank you.

Mr. Benjamin Dachis: Vancouver's cost of housing restrictions are by far the largest in Canada, resulting in a 50% extra cost that's on par with similar studies measuring the extra costs in places like Manhattan. At the other end of the spectrum, home-buying costs in Montreal have stayed pretty close to construction costs.

Why are housing costs so high elsewhere in Canada? We find that restrictions in extra costs on building new housing such as zoning regulations, development charges—which don't apply in Quebec, by the way—and limits on land development are dramatically increasing the price of housing.

What about small businesses? The World Bank conducts an annual “Doing Business” survey that's become the global standard of every country's regulatory and permitting burden. As Ms. Jones mentioned, among the 10 major measures of business regulation and process, the World Bank includes the process time to obtain a construction permit for a small business looking to develop a warehouse in Toronto. This is the only Canadian city that the World Bank considers, and I'll get back to how to fix that oversight that Ms. Jones mentioned.

It would take 248 days. It takes 28 days in South Korea, 36 in Singapore and 65 in Denmark or Finland. Major U.S. cities like New York and Los Angeles see approvals within two to three months, yet Toronto is over eight months.

How do we fix this? To expedite approvals, cities should increase their use of e-permitting. E-permitting is an online platform that connects all relevant building permit and planning processes. Such systems already have a proven track record of success across the globe and are starting to gain traction here. Leading by example, governments should also enact policies that set certain design and development standards for their own projects. The federal government could set an e-permitting system requirement and standard in conjunction with willing provinces.

The problem with e-permitting is not technological, but it is training people currently working in and with today's permitting system, both government and industry. Better training can be funded, in part, by the federal government.

However, e-permitting is just a technical workaround of convoluted permit rules. It addresses the symptom but not the cause. The fundamental root cause is too many different permit requirements for development approvals. Much of this is in the hands of provincial and municipal governments, so what can Ottawa do?

First, the federal government could require that infrastructure grants such as for transit or highways only go to areas in which development is expedited. For example, Ontario can designate affected residential or employment lands as subject to what is called the “development permit system”. This system eliminates multiple application streams and sets strict timelines for approvals. Ottawa can require that provinces adopt that or a similar approval process for nearby areas when they get a federal grant.

However, as Ms. Jones noted, the World Bank study only applies to the City of Toronto. What about other places like York Region or Ottawa? The World Bank only measures the permitting cost in the largest municipal government in the country, unless the government specifically requests that the World Bank take on a subnational study. The federal government could pass a motion asking the World Bank to apply its cost of doing business study across the country.

With that, I look forward to your questions.

The Chair: Thank you very much.

We will now go to Mr. Dale Swampy.

You have the floor for five minutes.

Mr. Dale Swampy (President, National Coalition of Chiefs): Good morning.

Thank you for the opportunity to speak to you today on the study of competitiveness in Canada.

My name is Dale Swampy. I'm a Samson Cree Nation member and a COVID survivor. I'm honoured to be presenting to you from the traditional territory of the Tsuut'ina Nation and the Treaty 7 first nations in southern Alberta.

I'm the president of the National Coalition of Chiefs, or the NCC, a coalition of industry-supportive chiefs. Our mandate is to defeat on-reserve poverty through participation in our country's development of its natural resources. We work in co-operation and in partnership with natural resource proponents in an effort to enhance the economic prosperity of reserve communities. We also support indigenous-led natural resource projects.

I appreciate that you have included an indigenous perspective on the panel today, because Canada's ability to attract investment is a major challenge, more so today than at any other time in our country's history.

As you are aware, Canada has experienced a significant loss in its ability to compete on the international market, as well as within its own boundaries. We are no longer able to trade effectively even between our own provincial borders. Many would agree that this is a direct result of restricting regulatory barriers that have been introduced over the past few years.

For example, we believe the tanker ban, or Bill C-48, was passed in order to ensure that Alberta's oil does not cross the borders of British Columbia and on to tidewater. International trade of our most valuable commodity would have increased the standard of living of all Canadians, including first nations. First nation communities in B.C. and Alberta lost $2 billion in benefits when the northern gateway project was cancelled. The cancellation had no effect on world greenhouse gases. It only created uncertainty for would-be investors in Canada's economy.

The new national regulatory regime, or Bill C-69, was forced onto an existing regulatory process, the National Energy Board, which was already a world leader in safety, integrity and environmental protection. We feel there was no need to amend this process.

The new UNDRIP legislation, Bill C-15, will create additional uncertainty and legal ambiguity in an economy that is already hindered by major project delays caused by lawsuits that challenge our own Constitution. The NCC has already expressed its issues and concerns regarding this legislation, and has asked, through its participation in hearings, that the federal government consider alternative legislation to fulfill its promise for reconciliation with first nations in Canada.

The NCC believes that increased indigenous community participation in the natural resource industry, through employment, contracting and ownership, will increase Canada's competitiveness. We want the federal government to give first nations a share in ownership and control of Canada's natural resources in a manner similar to what the U.S. gave the 13 tribes in Alaska.

Who better to give ownership of natural resources and natural resource development than first nations. Our people have lived on this land for thousands of years. We respect and want to protect the land. Many people will come and go, but first nations people will never leave this land. We have a spiritual tie to the land. We will never sell our lands or resources. Since 1971, the Alaskan tribes have had the authority to sell their lands and resources, and not one tribe has ever considered selling their land.

We have missed out on 150 years of natural resource development in this country, along with countless billions of dollars' worth of projects, projects that would have supported thousands of jobs in indigenous, rural and remote communities. It is time for Canada to grant first nations the right and ownership of their natural resources.

Instead of using new legislation, such as UNDRIP, as a form of reconciliation, the NCC requests that the federal government consider an act similar to that of the Alaskan tribes, which will provide ownership of lands and resources currently owned by the Government of Canada.

In 1996, the Royal Commission on Aboriginal Peoples, in a report issued by the Liberal Party under the leadership of Jean Chrétien, recommended that the federal government grant to aboriginal peoples of Canada 30% of all the lands and resources owned by the federal government as a form of reconciliation. Through this report, the federal government possesses the ability and justification to grant this to all first nations in Canada.

We are hoping your study will provide our chiefs with an opportunity to create a reconciliation process that provides real and tangible benefits for first nation communities and supports Canada's economic growth and competitiveness. Together we can defeat on-reserve poverty.

Thank you, and I look forward to your questions and further discussion.

● (1130)

The Chair: Thank you very much.

We'll now start our round of questions.

Mr. Poilievre, you have the floor, for six minutes.

Hon. Pierre Poilievre (Carleton, CPC): Thank you very much, Madam Chair.

So often red tape and regulation are portrayed as something that the corporate sector is worried about. In fact, large corporations love having red tape, because it's a great way to keep out competitors. It makes it advantageous to be large and to be able to afford lawyers, consultants and lobbyists and to have connections to people in power.

As Ms. Jones, from the Canadian Federation of Independent Business, points out, small businesses—

[*Translation*]

Mr. Sébastien Lemire: Madam Chair, could you ask Mr. Poilievre to bring his microphone closer to his mouth, please?

● (1135)

[*English*]

The Chair: Mr. Poilievre, could you put your mike between your upper lip and your nose please. We're having trouble hearing you? Thank you.

Hon. Pierre Poilievre: There you go, more rules and regulation here.

Large corporate entities have no problem with red tape, because they can hire lawyers, lobbyists and other powerful insiders to influence government to write the rules to shut out competition and keep themselves on top, to protect the incumbent by keeping down the challengers.

Ms. Jones, you said in your testimony that, according to Canadian Federation of Independent Business surveys, the heavy red tape burden falls disproportionately on the smallest firms.

Do you have more detail on that finding?

Ms. Laura Jones: Yes. The smallest firms pay five times the cost per employee, if you look at it on a per-employee basis, because, of course, bigger firms have more employees over which to spread the costs. It is absolutely a barrier to entry for those firms as well as a regressive tax, if you want to look at it that way.

For firms with fewer than five employees, they pay $7,000. [*Technical difficulty—Editor*] more, you're looking at about $1,200, just to give you a sense of those costs.

Hon. Pierre Poilievre: Well-established corporate entities have no problem with regulatory red tape that shuts out their competitors. In fact, it was funny. The other day the Enbridge CEO actually said the current government and the anti-pipeline movement make his existing pipelines more valuable. In other words, all the governmental blockades against pipelines are actually enriching those pipeline companies that already have pipe in the ground, because now they face less competition from new pipelines.

The same goes for a warehouse. Mr. Dachis, you pointed out that in Toronto it takes much longer to get a warehouse approved than it would in South Korea, Singapore or elsewhere. Those who already have warehouses can then charge very high leases to their tenants, because there's no risk those tenants would go off and build their own warehouse. Again, this favours the rich and well-established incumbents.

Then we go to housing. Of course, the red tape that prevents housing construction is wonderful news for millionaire mansion owners, because it drives up the value of their real estate while making the young, the poor and the renters much worse off. That's a huge wealth transfer from the working class to the superwealthy.

Mr. Dachis, can you comment on what the $600,000 of extra governmental costs in Vancouver to build a house, or the $250,000 in Toronto to build a house, will do to poor and working-class people who are trying to aspire to the dream of home ownership?

Mr. Benjamin Dachis: Let me put those numbers in the context of some of the broader debates that we have heard around the world over the last 60-plus years.

Think about wealth and equality. You think of the findings you have seen around the world of wealthier people getting richer and richer. If you look at the trend around the world, the increase in housing costs has driven almost all of that. This broad societal problem, which we think is fundamental to so many things, is fundamentally a housing issue. That's just on the wealth and equality side.

Studies in the United States have shown that the increase in housing regulations there have been one of the single most important detractors of U.S. economic growth.

Hon. Pierre Poilievre: Right. What you have is what I call a “snob mob”. These are the very wealthy aristocratic elite who already own houses in these leafy, beautiful neighbourhoods. They want to keep everyone else out, so they lobby against construction of new housing to drive up their own home prices and prevent the poor and the working class from ever having a home.

This is happening mostly in über-progressive towns like San Francisco, but it's also happening in Vancouver. In downtown Vancouver and the ritziest communities of Toronto, they are blocking and lobbying against the construction of new, affordable housing with the effect of keeping their own property values up at the expense of the poorest people around.

Don't you think we could solve some of the poverty and equality problems if we got governments out of the way and allowed people to build houses?

Mr. Benjamin Dachis: I do absolutely.

The key is to find the right balance of local input into planning processes, so that people who are residents of an area, whose largest investment is their home, have a stake in their ability to see the future of their community but at the same time not so much power that they restrict development.

This is where the development permit system in Ontario and other provinces might make the most sense. It brings the planning process up a level.

● (1140)

Hon. Pierre Poilievre: I know some will say, this is all municipal and provincial. Remember, the same municipal governments that are driving up housing prices are coming to the federal taxpayer asking for more housing dollars. They think it's a federal issue, or else they wouldn't be bringing it here.

We should protect taxpayers and future homebuyers by holding governments accountable for how much they're driving up home prices and other costs of opportunity.

The Chair: Thank you very much, MP Poilievre. That's your time.

We'll now go to MP Jaczek.

You have six minutes.

Ms. Helena Jaczek (Markham—Stouffville, Lib.): Thank you, Madam Chair.

I'd certainly like to thank all of the witnesses today. Competitiveness in Canada is a very broad subject, and you've each brought your own perspective to the issue. I would like to focus on the Competition Act itself.

First of all, I'd like to ask Monsieur Vaillancourt about some of his testimony in relation to one section of the act, the abuse of dominance provision. Just so you know, Monsieur Vaillancourt, we've heard many opinions related to the Competition Act. Another area involves the efficiencies defence and some people feeling that it should be very much modified, if not done away with.

I have a fundamental question. Is it time for the federal government to conduct or commission an in-depth review of the act as a whole?

Mr. David Vaillancourt: Thank you for the question.

That's a fair question. Likely it could do with a wholesale revision and review. There have been a few times when there were large amendments—1986 being one and 2009 being another, although at a smaller scale—particularly with issues around the digital economy.

I think that some of the amendments made initially—now that we have the track record to see how these have panned out—particularly this private access to the tribunal.... Initially, a limited right was granted. The reason it wasn't broader and inclusive of abuse of dominance is that there was a “floodgates” concern, which really hasn't been borne out at all over the last 20 years or so.

I agree that it would make sense to give a more in-depth review to the act.

Ms. Helena Jaczek: Thank you.

Concerning the number of complaints that are actually investigated, you pointed to the fact that those were just a very small proportion. Would you say that the lack of investigation is due to a lack of resources, or is there something particular within the Competition Bureau's mandate that does not allow them to pursue the complaints?

Is it more one than the other? Could you elaborate? You talked about a lack of resources.

Mr. David Vaillancourt: I have the perspective of a private practitioner, whereby we hear reports from the bureau on such things as these statistics. Ultimately, we're not in the decision-making room, where priorities are set.

The bureau has enforcement priorities, which they publish every year. From my observations, it seems that if you have a matter that falls outside one of those priority areas, it's more difficult to get the interest of the bureau.

I think ultimately it comes down to a question of resources. Of the 467 complaints, I doubt that all of them were worthy of carrying forward to the next level, but surely more were than the bureau was able to take a look at, with its budget limitations, given that other parts of its mandate, such as criminal enforcement and the mandatory merger review, face more fixed costs. When there's some squishiness and money has to be cut, my perception is that it is more on this type of stuff, the reviewable matters.

Ms. Helena Jaczek: Thank you.

In respect to the Competition Tribunal, we as committee members received a brief through the clerk from a former member of the Competition Tribunal. He was very much of the opinion that it seems to have become a rubber stamp. He also felt that the tribunal should be able to hear consent agreement cases.

Do you have an opinion on that?

● (1145)

Mr. David Vaillancourt: I think that, just as in a criminal matter where a judge in sentencing retains discretion, perhaps some residual discretion to the tribunal may be warranted, but the settlements that are negotiated tend to be very complex and based on a lot of very complicated factors. I think there is a risk that it's sort of like a Jenga tower where, if the tribunal wants to pull out one piece because they don't like that, then it can have an unintended consequence of blowing the whole thing.

I'm not incredibly passionate about that recommendation.

Ms. Helena Jaczek: Thank you.

Mr. Dachis, you did have your hand up. Did you want to get in on the conversation on the Competition Act?

Mr. Benjamin Dachis: Yes, very much so, the reason being that the C.D. Howe Institute has a competition policy council, and this is comprised of top-ranked academics and practitioners active in the field of competition policy. I wanted to point the committee to that group's work. It's on a number of these points that you've asked about and the committee has raised.

I'll just mention two. One is on private remedies and the Competition Act group did endorse that request. The other is on the need for the bureau to have more resources, so there's lots that you can use from that group.

Ms. Helena Jaczek: Thank you very much.

Is there anything, Professor Larkin, that you would like to add on the Competition Act? I saw you nod at one point.

Dr. Yelena Larkin: Yes, thank you so much.

I agree with a lot of the things that have been said here.

This idea of who can gain an efficiency on one side is something that needs to be looked more into, because it's a vague issue. It's hard to interpret, and it's not clear who those benefits of efficiency apply to.

Ms. Helena Jaczek: Thank you very much.

The Chair: Thank you.

[*Translation*]

Mr. Lemire now has the floor for six minutes.

Mr. Sébastien Lemire: Thank you, Madam Chair.

First, I want to ask whether we could invite Mr. Poilievre to appear before the committee. It would be helpful if he could give an initial five- to seven-minute presentation. We could then ask him questions about his desire for more pipelines. That could be really useful.

I'll now turn to Ms. Jones from the Canadian Federation of Independent Business.

First, thank you for your presentation. It's obviously very valuable to have access to statistics on the impact of businesses, particularly independent businesses and small businesses.

In your opinion, what top two or three regulatory and administrative relief measures should be implemented first to continue to effectively reduce the administrative burden that the federal government imposes on businesses?

Ms. Laura Jones: Thank you.

[*English*]

It's a very good question, and it's a question we often get asked: Give me the top five things we can do to make life easier for a small business.

It's a difficult question to answer because it isn't any one thing. It's hundreds of things, thousands of things, that businesses have to comply with. That is why one of the things we're recommending is that, in order for businesses to better communicate with government departments, there be portal, a kind of a consultation, wide open like a suggestion box, where businesses can go and say, "There's a broken link on this page," or "[*Technical difficulties—Editor*] difficult to understand," or "This regulation conflicts with this other regulation, and I don't know what you want me to do," or "I phoned your helpline 10 times, and I got different answers, and I was waiting for five hours to get those answers."

These are the kinds of things that I think deputies across government need to hear, so they can focus on not just fixing the big things but fixing the hundreds of thousands of small things that cumulatively add up to a very big burden, not just for small business owners but for citizens. You know we hear these things whether you're applying for welfare or maternity leave. The forms are difficult to understand. Imagine the time savings we would give back to Canadians and the improvement in the relationship between government and the citizens it serves. I think that kind of accountability and transparency is very important.

● (1150)

[*Translation*]

Mr. Sébastien Lemire: The example of the digital portal is quite useful. I'd like to explore this issue further.

In your opinion, what steps should be taken to promote better co-operation among the various government and business players and to establish a better game plan?

[*English*]

Ms. Laura Jones: That's another very interesting question and a very good one.

One thing I've heard over and over, from those both inside and outside of government, is that COVID-19 has changed the world in terms of the openness with respect to the dialogue between those outside and inside of government. I think we need to build on that foundation. There's a lot more work to be done.

Consulting with those outside of government early in the process—not once the regulation is such that there's only some tweaking to do concerning how the regulation might be implemented, but very early in the process, when the policy ideas are being developed—is something that we on the external advisory committee heard loudly and clearly from those outside of government. That would be one important suggestion.

[*Translation*]

Mr. Sébastien Lemire: What's the best way to work together to create a consistent approach to the regulatory burden and to establish a common benchmark for government and business players? Can this be done?

[*English*]

Ms. Laura Jones: You're asking a question that brings us back to one of the big challenges when it comes to regulation. There's very little data available with which to evaluate what is happening. There are some individual studies, but within government there's very little. You can't answer, with government data, the question of how big the cumulative regulatory burden is. You don't have the data to answer that question.

You don't have the data to answer the question of whether we are making progress in reducing that burden. You don't have the data for that. It brings us back to a very fundamental problem with this file. Contrast that with the data we have available concerning taxes.

[*Translation*]

It's unbelievable that we don't have this data.

Mr. Sébastien Lemire: How do you feel about the federal government's past and present efforts to reduce the administrative burden?

[*English*]

Ms. Laura Jones: This has been a long-standing issue for small businesses, and I think a growing issue for Canadians, as we heard concerning the cost of housing and other frustrations that Canadians have had—big businesses have their own issues—for decades and decades. I think it's becoming less and less affordable for Canadians.

The external advisory committee that I chaired until it recently came to an end was a good start, but it's really just the beginning of what we need to do.

One good thing in Canada, I'll say, is that it has been non-partisan, in the sense that all government parties seem to understand, at least, the definition of regulatory excellence that I put forward: reducing red tape while maintaining health and safety protection and also empowering innovation.

The heads seem to be nodding. We're fortunate here that this is the case.

[*Translation*]

The Chair: Thank you.

Mr. Sébastien Lemire: Thank you.

[*English*]

The Chair: Our next round of questions goes to MP Masse.

You have six minutes.

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

I'm going to start by returning to the Competition Bureau issues that we have, with Ms. Larkin and Mr. Vaillancourt.

The problem we're faced with right now is that there was a review of the Competition Bureau. I was around. It didn't really do a lot, although we did some.

Is there anything you would identify as being the top three things we could do right now, if there were consensus in Parliament? I think an extensive review is more than warranted, by all means, but are there some low-hanging fruit items that you would suggest right now that might find all-party support?

I think this is the biggest problem we have in competition in our country, and with a Competition Bureau that doesn't have the powers that even match, as you've identified, those in the United States or in Europe in several formats.

I'll go over to you, Ms. Larkin, to start, and then to Mr. Vaillancourt, to see whether there are some things you can identify that might find all-party support.

Dr. Yelena Larkin: Thank you so much.

I think the broad framework within which the Competition Bureau operates is correct. Every merger, for example, has its benefits and its costs, so you evaluate the net benefits to the consumer, and this is what you go with.

What I feel is happening is that the translation of this broad framework into the action that we end up seeing.... For example, there's this idea of evaluating efficiency gains against market power. It seems that, in many mergers that clearly seem to increase market power, the resolution is still to go ahead with the merger because there are some efficiency gains to be achieved. This may be correct; however, it is difficult for me to evaluate in many instances to what extent efficiency benefits outweigh market power.

Moreover, with the idea of efficiency gains, I want to mention that it is important to maybe redefine who the focus is of these efficiency gains, because if a company, as a result of the merger, can produce at lower cost, it definitely benefits the company—that is, the shareholders of the firm. However, it is not clear who else ends up winning from that. If prices go up, consumers are definitely hurt.

Moreover, improvements in efficiency often come at the expense of removing duplicate operations, which automatically leads to layoffs. This is another important aspect that I think is important to keep in mind, and I didn't see it fleshed out enough in the decisions of the Competition Bureau.

● (1155)

Mr. Brian Masse: Thank you.

Go ahead, Mr. Vaillancourt.

Mr. David Vaillancourt: The main one is the one that I've appeared on today, the private access for abuse of dominance, which not only, I think, would have broad cross-party support, but it's also pretty widely supported within the competition bar itself. The C.D. Howe Institute put out a paper a couple years ago on private access to abuse of dominance, and the members of that panel are senior economists and senior members of big, downtown Toronto law firms. The majority of that group thinks there should be access granted for abuse of dominance. I think that's really a no-brainer.

Another one, possibly, is dealing with the leave test itself. Some of the private action components where you can seek leave require that a company show that they've been directly and substantially affected by the conduct in question, and we have some tribunal jurisprudence where 22% impact on a competitor was found to not be enough of an effect to bring a case before the tribunal. I think that really hampers the effectiveness of private access to the tribunal.

Those are the two main ones that I see off the top of my head.

Mr. Brian Masse: Thank you.

I'm going to quickly move over Ms. Jones.

You mentioned, Ms. Jones, the length of time for members to get access to things, and it's interesting, because many of the regulations we have in place are because of bad actors.

Look at housing, for example. How many people are doing renovations under the table and without permits, affecting everything from insurance cost rates to public safety and so forth? A lot of people think that it doesn't really matter: “I don't have to get that deck permit,” “I don't have to get this,” or “I don't have to get that.” I know in my neighbourhood, on my street, somebody's had to have the municipal building inspector out on a regular basis just because they won't follow the rules. This is a person who owns a business and is very much known in the community who has to have enforcement.

What do we do about those situations? I don't get up any day and come to this job, thinking, “I can't wait to get another regulation in place.” That doesn't do any good for my small business people, but we have to pour in all kinds of money for the public. Is there anything we can do to maybe get the bad actors out of the way?

Ms. Laura Jones: I think there's a tremendous opportunity with digitalization and the use of AI to better categorize who your high-risk actors are and separate out those low-risk people who are consistently in compliance with the rules, but that does require modernizing the systems. There's a whole lot to say about that as well, but I think that's an important priority.

The Chair: Thank you very much.

We'll now start our second round of questions.

● (1200)

[*Translation*]

Mr. Généreux, you have the floor for five minutes.

Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC): Thank you, Madam Chair.

I want to thank all the witnesses for being here and for their very insightful presentations.

Ms. Jones, I'll speak to you directly.

I'm an entrepreneur myself. I founded my business with my partner almost 29 years ago. We started out as the only two employees in the business. Now the business has 30 employees. I'm a perfect example of a small business owner whose business has flourished. I say this with all due modesty. We've created good jobs. We entrepreneurs form part of the backbone of the Canadian economy.

In the document that you provided, I saw an absolutely outrageous statistic: 63% of small business owners wouldn't advise their children to start a business. That just blows me away. I believe that 90% of entrepreneurs should encourage their children to take over. In my case, my daughter will take over my business later on. However, the issue of financing won't be straightforward, since my company has increased in value.

By the way, I must tell the committee that I've been a member of your organization for 25 years, lest anyone think that I have a conflict of interest.

The percentage of small business owners who wouldn't advise their children to start a business has increased by 15 percentage points since 2017. That's huge. Based on your observations, what explains this result?

[*English*]

Ms. Laura Jones: I think there's a bit of a sense of hopelessness around this issue and a feeling that things continue to get worse: Will this ever be a high enough priority for government to turn the tide?

On top of that—and I'm speculating here because you didn't ask why my view has changed—although in the study we explicitly asked survey respondents to put aside COVID-related regulatory challenges so that we could have some data with which we could compare, my strong suspicion is that it was very difficult for business owners to do that, particularly when it comes to questions such as "Would you advise your children to start a business?"

The comment I would make is that, whatever caused it, the state we're in with respect to this is quite worrying from two perspectives. One, we have a number of boomers retiring from their businesses, so we have a generational business succession that we want to go well in Canada, independent of COVID-19. However, the second overlay is, with COVID-19, you have a number of small businesses—we've all seen it in our communities—that have closed their doors.

The economy overall is smaller. The small business economy is much smaller than it was going into COVID. I think we as Canadians want independent businesses to thrive and survive. That's going to require new businesses to start. If they're saying it's not worth it because of the red tape headaches they're going to have to deal with regarding the government, that's a big problem for all Canadians, because they are over half the private sector employment in this country.

[*Translation*]

Mr. Bernard Généreux: I was first elected in 2009, 11 years ago. I was in the penalty box for four years. During that time, I went back to work at my business. I still kept up with federal politics in that period.

When I returned to politics, the administrative burden on businesses seemed to be increasing rather than decreasing. I'm still seeing this today. There seems to be a stream of new barriers to entrepreneurship. You also said that the government doesn't have the data to see the progress year after year in reducing the regulatory burden.

As an entrepreneur and as a parliamentarian, I'm very interested in job creation. Based on what your members are telling you and what you're seeing as an organization, what could the government do quickly and instinctively to change the situation? When 63% of entrepreneurs are telling their children not to go into business, we have a serious issue.

[*English*]

Ms. Laura Jones: I apologize if I didn't understand the question completely. The translation seems to have—

[*Translation*]

Mr. Bernard Généreux: I'm talking too fast.

Ms. Laura Jones: Nevertheless, I understood a little.

[*English*]

I think you're asking what practically we can do to change the situation.

First of all, we have to get serious about measurement. The federal government has for a long time studied it, but we need to be serious about measuring it. I'm going to tell you right now, the measurement won't be perfect.

I think I'm out of time, but I'd love to say more.

● (1205)

The Chair: I'm pretty good at measuring the time. Unfortunately, that slot is finished.

We will now move to MP Jowhari.

Mr. Majid Jowhari (Richmond Hill, Lib.): Thank you, Madam Chair.

Thank you to all the witnesses.

I'm going to go back to you, Madam Jones. In your opening remarks, you talked about a culture shift that needs to take place or that is taking place. Can you expand on that?

Ms. Laura Jones: I'd be happy to expand on that.

The vaccine is a good example. Normally, that would have taken the better part of a decade. There was an understanding that we had an outcome here that we needed to achieve and that was more important than.... While we needed to continue to check all of the health and safety boxes, we needed to get rid of anything that was unnecessary in that process. There was some doing of things in parallel, for example, that helped speed that up. That's really a change in thinking.

At the municipal level the idea of approving a patio in less than 48 hours would have been just completely inconceivable. At the provincial level, we're allowing doctor's appointments to happen online.

There's a focus on what needs to happen. There's a focus on, yes, making sure that the health and safety environment is protected, but I think there has been a shift away from worrying about things that aren't aiding those two things. That culture change is—

Mr. Majid Jowhari: I'm sorry to interrupt, but what you're saying is that it's becoming more outcome-based. We need to become more outcome-based. We need to become more agile. We need to be strategic, to collaborate and to be able to do things in parallel, yet meet all the guidelines and work collaboratively to get it. Great.

Having said that, you identified data availability as one of the challenges. Are there other challenges, first of all, aside from data availability? You seem to spend a lot of time on data availability. Are there other challenges aside from data availability that you would like to highlight?

Ms. Laura Jones: Absolutely. On the challenges, which you just flagged, has to do with the culture. I would say those are the two big challenges. Being very risk averse is another piece of that culture. When you try to get risk down to zero, the problem is that you introduce other risks, and there's a lot of risk aversion in the system.

Mr. Majid Jowhari: Thank you.

You talked about data availability or lack of data availability, which you've said impacts the accountability and, therefore, restricts the amount and the frequency of the reporting that could be put forward. I know that this question was asked before, but what type of data would be most important to be made available at the earliest stages as we build more systems or processes to be able to gather more data?

Ms. Laura Jones: Of course you're going to want the data that looks at very specific rules, and we have some of that when you think about cost-benefit analysis. There's a lack of sector-specific data.

I would say that the biggest thing that's missing is a fairly simple and straightforward aggregate measure of the total burden of regulation. Here, we have a tendency to want to make the perfect the enemy of the good, but I would look at both Manitoba and British Columbia as good examples.

Twenty years ago, British Columbia set about reducing its burden by one-third in three years. They've actually cut it by about 50%, and they have a fairly simple way of measuring it. Is it perfect? No. Has it driven a lot of good changes and has it reduced the regulatory burden for citizens? Yes. They also do an annual report where they look at other things outside of the measure that have improved the lives of citizens—for example, simplifying forms for welfare applications.

Mr. Majid Jowhari: Okay. We end up back at the measurement. You've once again highlighted B.C. and Manitoba as the ones that have managed to reduce the burden by about 25%.

You didn't get a chance to finish your response to my colleague Mr. Généreux, but can you finish your thoughts on the measurement? I think that's the one that's really going to tie the challenge back into the cultural shift.

Ms. Laura Jones: In British Columbia, what they do is measure every time there's a “shall” or a “must” or some kind of prohibition. They count that not just in the regulation, but also in the legislation and the policy, which is important. They call this “regulatory requirement”. They had a count of about 380,000 when they started. That's what they set the target at to reduce. Manitoba did a more comprehensive measure, and they came out at close to a million regulatory requirements. They also have set a target to reduce those requirements.

What it does is it focuses the mind across all departments: What can we reduce without affecting those health and safety environment outcomes? I would say that the bureaucracy is very good at that. They're very good at protecting the health and safety outcomes.

● (1210)

Mr. Majid Jowhari: Thank you.

I apologize, Mr. Dachis. I didn't get a chance to allow you to respond.

The Chair: Perhaps in a subsequent round he could chime in.

[*Translation*]

Mr. Lemire now has the floor for two and a half minutes.

Mr. Sébastien Lemire: Thank you, Madam Chair.

I'll continue to address my questions to Ms. Jones from the Canadian Federation of Independent Business.

You said something particularly noteworthy if not shocking: the cost of the administrative burden is inversely proportional to the size of the business. Obviously, the smaller the business, the higher the cost per employee. SMEs want any changes to the interactions between businesses and the government to be at zero cost to businesses.

What do you think of the one-for-one principle? According to this principle, each time the government imposes a new formality, it should remove another one or the equivalent of the financial cost borne by the businesses.

[*English*]

Ms. Laura Jones: I'm sorry. I'm not sure the translation was perfect at the end of your question.

Did you ask what I would think of the government taking away some of the costs for a small business?

[*Translation*]

Mr. Sébastien Lemire: I wanted to know what you thought about the principle that the government should withdraw a regulation if it wants to create a new one. Also, if there are administrative costs associated with the new regulation, the costs of the existing regulations should be reduced by the same amount. The long-term goal of this principle is to reduce the administrative burden.

Ms. Laura Jones: I understand.

[*English*]

Yes, this is like a one in, one out policy. We have that in place, actually, federally in Canada. I think there was only one MP who voted against it at the time, so it was widely supported.

The challenge is that it's on a very narrow base. It only looks at regulation, but a lot of the burden from regulation comes in the form of the policies. Some of it also comes in things that are in the legislation, and those are left out. One simple recommendation would be to include those in your one in, one out policy, but I would suggest that this only maintains where you are and that federally we have an opportunity to reduce.

I would suggest a "one in, two out" policy for a time period to achieve that 25%. Then you go to the one in, one out policy. That's what British Columbia did, and they continued to reduce with that policy. They hit their reduction target of one-third. Since then, with one in, one out, they have gone to almost a 50% reduction. British Columbia maintains high levels of the health and safety environment, so it's an example of what can be done and how much reduction you can have while still protecting the things we all care about.

[*Translation*]

Mr. Sébastien Lemire: Thank you, Ms. Jones.

I'll ask you one last quick question.

In this situation, do you find that the federal government and its various senior officials and ministers are sufficiently accountable?

[*English*]

Ms. Laura Jones: The simple answer is no.

[*Translation*]

Mr. Sébastien Lemire: Thank you.

[*English*]

The Chair: Thank you so much.

Our next round of questions goes to MP Masse. You have two and a half minutes.

Mr. Brian Masse: Thank you, Madam Chair.

I'm going to return to the issues related to the Competition Bureau, because I think they're really important.

To go back to Mr. Vaillancourt and Ms. Larkin, what is Canada's reputation with regard to our current laws, which are out of step with those of the United States and Europe? I hear from different congressional and Senate members regularly about the fact that we are a bit behind. Concerns are expressed about our trade relations in that regard.

I'm just wondering whether there is a broad range, especially among the academic community and so forth, of an appreciation that Canada is out of step with the rest of the world, especially with the digital economy emerging to be quite the discussion point.

Mr. David Vaillancourt: I'll take that first, I suppose.

There's one area that I found a lot when we used to be able to go to conferences. At the American Bar Association antitrust conference, in speaking to my peers from the United States and Europe, I found that they were all gobsmacked by the lack of the private right of access to the Competition Tribunal for abuse of dominance matters. It just boggles the mind that it's not an option for Canadian businesses.

Given the length of time for this round, I'll cede the rest of the answer time to Ms. Larkin.

● (1215)

Dr. Yelena Larkin: Thank you so much. I appreciate it.

From the research standpoint, several big markets were examined, the U.S. in contrast to the European. Overall, the conclusion is that U.S. markets are characterized by very lax enforcement, starting with President George W. Bush and up until now, essentially. As opposed to that, the European Union stands on the other side of the spectrum.

When you look at the data there are studies of trends in concentration that are consistent with those two ranges. In the U.S., we saw an increase in the concentration. In the European Union, we did not. The European Union was the first one to prosecute Google, for example, when it comes to the digital economy. From that standpoint, Canada seems to be much closer to lax enforcement, and maybe even further to the other side of the spectrum.

The Chair: Thank you so much.

Our next round of questions goes to MP Cumming for five minutes.

Mr. James Cumming (Edmonton Centre, CPC): Thanks, Madam Chair.

Mr. Dachis, thanks for appearing today. You caught my ear with permitting time. I toured a Tesla facility in Nevada, and what struck me was how open for business they were. They asked what they could do to make things happen there, and they had a grading permit within two weeks, which would be unheard of in Canada.

That's not the only cost, is it, on competitiveness for Canada? When you look at competitiveness, it's not just zoning and development changes, but it's all the other associated costs, particularly for medium-sized and small builders: compliance costs, tax compliance costs, CPP going up, EI going up, the carbon tax. All of that is making us incredibly uncompetitive, and Canada has been on a nosedive on competitiveness.

Is it not a broader issue than just this regulatory framework under development projects?

Mr. Benjamin Dachis: For sure, and this will go back to some of MP Jowhari's questions related to some of the other things we can think of in the World Bank doing business measure. We mentioned dealing with construction permits. What about getting electricity hooked up? Canadian cities or businesses in the city of Toronto are way behind the rest of the world in terms of this metric. This is again where the World Bank doing a business metric can be a very good tool to understand the cost of doing business across the country. Asking the World Bank to do this kind of study will get into things like how hard it is to get electricity set up in, say, Edmonton or to access the court process in Quebec.

Mr. Cumming, so many things you mentioned in terms of the regulatory burden or other burdens are at the provincial and municipal levels. We don't know what a lot of these barriers are so we need better data. The World Bank has an off-the-shelf tool that we just need to ask them to apply to Canada.

Mr. James Cumming: Mr. Swampy, thank you for being here today.

Coming out of COVID, we're going to need enormous economic growth in this country, and we had anemic growth prior to COVID. We were about 1% of GDP, so it was quite slow. You're offering some alternatives, saying that first nations people want to participate and were willing to participate with northern gateway.

How frustrating is it for you, with the added regulatory burdens to try to stop major projects like this? Bill C-48 would be an example of that, the tanker ban, as well as Bill C-69.

I want to hear more from you. Are you frustrated, because it sounds like you want to be part of the solution?

Mr. Dale Swampy: I think our biggest problem was, first of all, that we didn't participate in the 150 years of natural resource development that went on in this country. I think it was probably partly our fault and partly the government's fault. Our ability to be able to participate in the natural resource industry as employees and contractors needed a little push. I think Canadians on average are very polite and progressive individuals. They treat people who come into this country with respect, help them get a job, get a house and so forth. We need that kind of consideration for first nations.

The ESG movement that's going on right now has enhanced our ability to be able to participate in the natural resource industry, and it comes at a time when the government has put on so many regulations that we're hindered in our ability to be able to get employees out there. For example, we have 12,000 self-identified indigenous [*Technical difficulty—Editor*] and that figure has increased to 14,000, even in consideration of the downturn and so forth. You're seeing more young people wanting to get involved in the natural resource industry, because it pays a lot more than any other industry and it gives you a lot more skills that you could transfer to other industries. We have to take advantage of that.

Last year we had over $1 billion in contracting opportunities for small businesses. Small business competition on first nation reserves has increased significantly. You have the Fort McKay First Nation, which has probably the most contractors per capita on a reserve in the country, with a zero unemployment rate. It took decades for them to transition from unemployment and despair to the kind of income that they have right now. We need the government's help to do this.

The only way we're going to get away from regulations is not to destroy the regulations but to bring in the first nations people who really are concerned about the environment, the land, the wildlife, fisheries, the air. First nations people aren't going anywhere, so they're the best equipped to handle that.

● (1220)

The Chair: My apologies but you're out of time, MP Cumming.

We'll now move to MP Lambropoulos.

You have the floor for five minutes.

Ms. Emmanuella Lambropoulos (Saint-Laurent, Lib.): Thank you, Madam Chair.

I would like to thank all of the witnesses for their particularly interesting testimony today.

I have to agree with my colleagues that many different angles have been looked at, so I really appreciate the information we've received today.

Many of you made reference to the fact that fewer investors are being attracted to the Canadian economy right now, that the number of publicly traded companies has significantly decreased since its peak in 2006, and that there isn't currently much recourse for companies that are trying to compete against the big players. My questions will revolve around those things.

Ms. Larkin, I'll go to you first. You mentioned a lot of the stats that you guys found. Did your study find any reasons for this decrease? Would you care to comment? I know you mentioned that you might be doing future studies or focusing on this in the future, but what are the main reasons you found?

Dr. Yelena Larkin: Overall, the nature of our study is more descriptive. We do find that companies are getting bigger. By the way, I want to make just a minor remark. It doesn't necessarily mean that investors shy away from Canadian markets. The overall market has remained stable, so there is still money going into the Canadian economy. However, this is concentrated, essentially, primarily, in large corporations. This is what we see. There is a shift in the distribution but the size remains fairly stable overall with growth consistent within the economy. However, essentially the money goes to large corporations.

The question of what the drivers are is an excellent question. Unfortunately, given the level of the data we have, we are not able to pinpoint the specific mechanism. Therefore, it would be important to look at more specific data in this case. However, it seems that the findings are, overall, consistent with the idea that, potentially, markets could be becoming less competitive.

We see an increase in concentration, which by itself, does not always point to a decline in competition. However, it comes hand in hand with more merger deals, more domestic merger deals, larger deals, horizontal deals. Those large companies are more valued by shareholders as we see in the market cap. It seems that all the signs together are consistent with the idea that, potentially, this could be a sign of decline in competition. Having said that, I still want to caution that this is aggregate data and a more detailed analysis, maybe industry-level analysis or specific market-level analysis, is something that would be warranted.

● (1225)

Ms. Emmanuella Lambropoulos: Thank you very much.

Mr. Vaillancourt, you spoke about the ways in which we could change the Competition Act to better deal with the most prevalent issue and complaint that is currently received by the competition commissioner, which is about abuse of dominance. You gave us certain ways in which we could change the act in order to allow people to deal more directly and be able to privately litigate and find recourse.

However, I was wondering if there were ways in which you think we could change the rule of the commissioner or change the reasons that only 11 cases were looked into and not more. What is blocking the commissioner from doing more, and are there ways in which we can change the system, the way that it currently works, to make it more efficient?

Mr. David Vaillancourt: I think one of the easiest practically but maybe not easiest politically would be to significantly increase the budget of the commissioner of competition. If the commissioner of competition had significantly more resources to deal with these issues, then one assumes that he would.

I don't think it's a question of any sort of wilful neglect or anything like that. I think, really, there are matters that take urgent priority. Criminal enforcement for price fixing and bid rigging, obviously, is one of them. The mandatory merger review is another. It's just a question of using whatever money is left to deal with these abuses of dominance and other civilly reviewable matters.

I don't think it's a question of structural change as far as what the commissioner's role is. I think that it's a matter of giving significantly more money to the commissioner to fulfill that mandate. One way to ease the burden would be to allow private litigants to bear some of that burden themselves.

Ms. Emmanuella Lambropoulos: Okay. Thank you.

I have 15 seconds left, so that's it for me.

Thank you very much.

The Chair: Thank you so much.

We'll now start our third round of questions.

MP Dreeshen, you have the floor for five minutes.

Mr. Earl Dreeshen (Red Deer—Mountain View, CPC): Thank you very much, Madam Chair.

Thanks to all the witnesses for appearing today.

Ensuring that Canada has an appropriate regulatory environment will be critical to maintaining our competitiveness and ensuring more jobs and economic growth in the future. On that point, I'd like to speak to Mr. Swampy. I know that one sector of our economy where there are regulations and regulatory concerns is the energy sector. I have met numerous people from first nations in my time at Aboriginal Affairs and Northern Development. They were amazing individuals. I think many people would be happy to have them as CEOs of their companies, but they're being restricted and there are limitations. We end up with the difference between regulatory burden and political considerations.

There are many ways in which we can support this vital sector. You mentioned the concern about the northern gateway decision, which was political. It had nothing to do with the environment. So many aboriginal groups wanted to be a part of this—39 first nations that produce oil and gas, and the over 100 that rely on the economic benefit from pipelines passing through their territories—but we can't get that message to the rest of the politicians who make these decisions. I'm just wondering if you can give a bit of an idea as to how we could change this so that there are no more decisions made in that manner.

Mr. Dale Swampy: I think we need more indigenous participation and dialogue and involvement in natural resource development. As you know, the northern gateway project guaranteed two billion dollars' worth of benefits for 31 out of the 40 communities along the corridor. It also included a guarantee that the funding partners—there were nine producers and Enbridge as an operator—would hire a CEO from one of the first nations from the communities in B.C. That was real participation that meant something. That meant that the industry itself and the producers themselves were willing to do what it took in order to get full participation from first nations to develop the project.

It's like when we organized the National Coalition of Chiefs so that the core members went to the funding partners after the cancellation and said, “Can we work toward getting the northern gateway project back?” The funding partners, who wrote off $630 million in development costs, including regulatory costs, said that northern gateway was done, but they would support an indigenous-led pipeline initiative. That was important. It got us, to a certain extent, to a level at which we thought, and a lot of first nations agree to this day, that we can develop our own projects.

That's what we want to do. I think one way to get the regulatory process in place is to have full participation from first nations. You won't have the consultation problem. You won't have the rights and title issues that go up to the Supreme Court. You will have indigenous people at the table, because they will lead these projects. That's what we're working toward getting, not just leading the projects but owning the natural resource itself.

● (1230)

Mr. Earl Dreeshen: There are other projects that have been presented and looked at. It seems as though, because they are energy projects, the regulatory burden that has come from Bill C-69 and so on is just putting roadblocks beyond that which you were speaking of.

Do you think governments would listen to you with regard to how damaging those regulations are, or are we just going to be spinning our wheels and talking about this forever?

Mr. Dale Swampy: No. We are under the impression and believe that two-thirds of the chiefs we canvass every year are in support of natural resource development. We are a group with 81 members right now from across Canada. We believe in the next year or so we'll have over 100. In the next three years, we may have as many as 400. We're in a big national movement. Right now there are no real indigenous organizations that are promoting first nations defeat of on-reserve poverty through getting involved in the economy. This is what we have to do. Let the governments worry about environmental protection when it comes to regulations, because we'll be leading these projects and we'll be doing the environmental protections that we're concerned about most.

We have to keep the drive going. We have to keep getting more members. As we become bigger, we'll be a voice to overturn the really binding regulatory legislation that really hurts our ability to be able to sell the biggest asset we have, and probably one of the world's biggest assets, which is our natural resources.

Mr. Earl Dreeshen: Thank you very much.

The Chair: Thank you very much.

We'll now go to MP Ehsassi. You have the floor for five minutes.

Mr. Ali Ehsassi (Willowdale, Lib.): Thank you very much, Madam Chair.

Thank you to everyone who has appeared before our committee today. I will start with Mr. Vaillancourt.

Thank you very much for your submissions today. I found them incredibly helpful.

We've been hearing for many years about the need to change the Competition Act for many years, particularly where the abuse of dominance provisions are concerned. You obviously have been following this discussion for many years.

In your estimation, for how long have these types of recommendations been made? If memory serves, we've been hearing about the need to make changes for the past 20 years, but I defer to you.

Mr. David Vaillancourt: Yes, I think that's an accurate estimation. When the initial changes, which permitted some private rights of access, were made in 2002, there was a discussion at that time about including abuse of dominance. Since then, the proportionate support for it has increased, in part because there wasn't a stampede to the tribunal of everybody trying to bring a private action for everything under the sun.

In attending conferences, events and whatnot, I have noticed that there are a lot more panels on whether there should be private access. That's happened in a more concentrated way, I'd say, over the last five years or so, but certainly it's been out there in the environment for at least 20 years.

Mr. Ali Ehsassi: As you know, there have been no abuse of dominance cases over the past five years.

Have you had the opportunity to look at other jurisdictions, other peer countries, and do you have a sense of how many cases they go through on an annual basis insofar as abuse of dominance is concerned?

● (1235)

Mr. David Vaillancourt: Just as a small correction, there actually have been two abuse of dominance cases over the last five years, one with the Toronto Real Estate Board and the other with the Vancouver Airport Commission.

I do not have any sort of empirical sense of how much enforcement is taking place elsewhere, but I did read an article that said it's being enforced in the United States at a rate of 10:1 by private entities versus a public enforcer. You could extrapolate from that how much you would expect to see in Canada.

Again, I don't know if the budgetary constraints in the United States, for example, are quite as severe as they are in Canada, so even the numbers of publicly brought abuse of dominance proceedings, I would guess, are higher on a per capita basis in the United States.

Mr. Ali Ehsassi: Ms. Larkin, do you have a sense of the numbers in other peer jurisdictions?

Dr. Yelena Larkin: When it comes to the U.S., I just have the numbers from the Sherman Act, which the Department of Justice uses, and they have also been quite low. In fact, there have been years in which they had zero cases, so it's been quite low in the U.S.

Mr. Ali Ehsassi: Okay.

I will return again to Mr. Vaillancourt. With respect to your suggestion that there be a private right of action, have you had an opportunity to look at the legislative frameworks in other peer jurisdictions? If you have and if you had to select one of them, which one would you consider the most appropriate for the purposes of guiding the members of this committee?

Mr. David Vaillancourt: The American model is based.... The wording of the statute in the United States is incredibly broad. I think that would probably be more of a model than the European model. I haven't gone into depth with the legislative scheme in Europe.

I think the framework that already exists in the Competition Act—the section 103.1, which already provides for private access to the tribunal for some of these other reviewable matters—could just be plugged into that. It would have to be subject to the earlier qualification about dropping the need to prove someone has been substantially affected in order to bring a proceeding, just based on how that term has been interpreted by the tribunal.

Mr. Ali Ehsassi: Thank you.

Ms. Larkin, do you have any further comments on that one?

The Chair: My apologies, Mr. Ehsassi. You're out of time.

Mr. Ali Ehsassi: Thanks.

The Chair: We'll now go to MP Lemire.

[*Translation*]

You have the floor for two and a half minutes.

Mr. Sébastien Lemire: Thank you, Madam Chair.

I'll ask Ms. Jones another question.

The red tape creates such a heavy burden for SMEs that they're forced to increase the price of their services. We could reduce the administrative burden on SMEs by significantly increasing the revenue threshold for collecting sales tax. This threshold was set at $30,000 in 1991. What are your thoughts on this?

[*English*]

Ms. Laura Jones: If I understand the idea correctly, it would be fewer charges for smaller businesses, less burden for smaller business—a divide.

Certainly we should do everything we can to keep the regulatory burden reasonable for all businesses, and there are certain areas where as you grow there may be a need for more regulations and some of those regulations and the burden associated with them could be limited to bigger businesses. You see some of that in the system, but there's probably opportunity to leverage that more than we do currently.

[*Translation*]

Mr. Sébastien Lemire: Thank you.

I want to bring up another issue related to small businesses, and particularly family businesses. You have taken a position on Bill C-208, by stating in particular that the current rules in the Income Tax Act discourage the sale of a business to a family member. The House is expected to begin consideration of the bill at third reading on May 10.

Why is the passage of this bill important to the Canadian Federation of Independent Business?

● (1240)

[*English*]

Ms. Laura Jones: We need to do everything we can to make it simple to pass on businesses to family members. Certainly, to make it fair, we need to ensure that it's not more expensive to do that, to sell to a member of your family than to sell outside your family, and that those successions go well. I think this is particularly true given where we're at demographically in Canada with a large number of these successions going forward.

That's why I think it's just common sense.

[*Translation*]

Mr. Sébastien Lemire: I have one last question for you.

The software that businesses use to file their taxes seems to be an issue. Is this because the federal government doesn't have access to the same software? Does everything need to be converted to a new software?

[*English*]

Ms. Laura Jones: I think this is one of the recommendations we're making that's very simple. If you're using existing software, just allow that to work with the back end of the government's software, instead of taking what you have in the software and then having to reinput it into the government software. Again, common sense says we should just be doing it. What's the problem?

[*Translation*]

The Chair: Thank you.

[*English*]

Our next round of questions goes to MP Masse.

You have two and a half minutes.

Mr. Brian Masse: Thank you, Madam Chair.

Ms. Jones, I asked you a question with regard to the bad actors and how to deal with that, and you didn't really get a lot of time to answer. You did talk a little bit about some of the innovation necessary for that and I'd like to have you conclude your remarks there, if you do have some additional comments about that.

Ms. Laura Jones: I would love to see us get away from having the lowest common denominator dictate the regulatory burden for all businesses. I think that it's very destructive, not just directly for the businesses but for all Canadians, because it undermines our economic growth and our productivity, our prosperity. These are things that are always important, but I think coming out of COVID-19 there's an extra importance on making sure we're doing everything we can to get back to a prosperous economy.

What does that take? Again, I said that technology can help with this. There are instances where we can use AI to determine the risk. I think we could do a much better job of giving businesses and individual citizens with good track records with government compliance a lighter touch when it comes to things like auditing. They can earn that and then have that good grade, and then there are ways to focus on the highest risks for Canadians and who the higher-risk actors are, the ones we need to pay attention to, maybe auditing them a little bit more. When we do that, health and safety outcomes will be improved across the board.

Mr. Brian Masse: Madam Chair, do I have any more time?

The Chair: You have 45 seconds.

Mr. Brian Masse: I'll cede that.

Thank you, witnesses.

The Chair: Thanks so much.

Our next round of questions goes to MP Baldinelli.

You have five minutes.

Mr. Tony Baldinelli (Niagara Falls, CPC): Thank you, Madam Chair.

Thank you to all the witnesses for being here today.

I'd like to quickly go to Ms. Jones first. I was actually looking at the “Canada's Red Tape Report: The Cost of Regulation to Small Business”. As we've reviewed, and you've indicated, of the $38 billion that's spent on regulatory burdens, 28% of that is in red tape alone. I notice the report talked about how you've actually seen that time spent on regulations by owners going down since 2017, but in fact that could be because of cost, that small and medium-sized enterprises are actually moving that burden by hiring consultants and other companies to do this for them.

I was wondering if you could follow up with an indication in terms of cost. Would you have information associated with that?

Ms. Laura Jones: You're absolutely right. For the burden in some areas we're seeing a slight decrease, but our measures are fairly broad and aggregate, so I would say, at best, we're holding ground. What we do know is that sometimes these things shift around. For example, as things get more complicated, you might have chosen to do some of your accounting yourself, but now you're going to have that go to an accountant or your legal fees will go up because you need legal opinions. Again, these are the ways in which the burden falls more heavily on smaller businesses, because they don't have entire departments associated with that. The business owner himself or herself is doing a lot of the compliance. We know that from our other studies.

We also know that they tell us that if they were spending less time on this, they would be doing a better job serving their customers, they would be investing more time in training staff and they would have more money to increase wages. These are the kinds of things that they would do if they were not spending more time. Many of them also say they would take the opportunity to get home a little earlier to spend a little more time with their own families.

● (1245)

Mr. Tony Baldinelli: Following up on that point, further in the report you talk about the notion and the survey with regard to productivity and reinvestment back into businesses. I was wondering if you could highlight some of those, not only federally but also provincially. It's huge, in terms of reducing those burdens, to have those small and medium-sized businesses quickly inject more strength into the economy by investing in their businesses, by being more productive.

Ms. Laura Jones: It's the number one answer to the question of what you would do if there were savings there. It would be to invest in your business, and you have over half of businesses saying they would have more to invest, which directly affects productivity for the sector.

Again, if we even come up a level from there and ask why that is important, let's remember that Canada's small and mid-sized businesses provide over half of the private sector jobs in our economy, and they've been absolutely hammered by COVID-19. They're important at the best of times, but we are not in the best of times for these business owners. When we ask them what they need for recovery, the tax burden is number one. By far and away, do no harm on the tax side, but very close, or a little bit behind that—not as close as it sometimes is—in the number two spot is reducing the burden of red tape. I think we can't underestimate how important this is for our country going forward.

Mr. Tony Baldinelli: Thank you, Ms. Jones.

Perhaps I'll go to Mr. Vaillancourt to talk about changes to the Competition Act, and as he's indicated in discussions, the notion of budgetary constraints. I believe even the commissioner himself has said resources have plagued the tribunal and the bureau. Regarding an ultimate review, I think there could be a consensus of opinion that it's time to look at the Competition Act.

In terms of that, are there any thoughts with regard to...? My one colleague mentioned earlier about section 96, as well as possibly an update to section 103.1. Are there any other changes that you think could be required?

Mr. David Vaillancourt: None that are top of mind at the moment. I think I've covered the main ones I think are due for a change.

Mr. Tony Baldinelli: Great. Thank you.

Madam Chair, I think that would probably take my time.

The Chair: Yes, you only have about seven seconds. Thanks so much.

Our next round will go to MP Erskine-Smith.

You have the floor for five minutes.

Mr. Nathaniel Erskine-Smith (Beaches—East York, Lib.): Thanks very much.

I want to pick up where my Conservative colleague just left off.

Mr. Vaillancourt, you have principally focused on extending the purview of section 103.1 beyond sections 75, 76 and 77 to section 79 and the abuse of dominance. What about section 81 and delivered pricing?

Mr. David Vaillancourt: As I understand it, there's never been a proceeding under delivered pricing. To be perfectly honest, because of that my familiarity with the section is kind of limited.

Mr. Nathaniel Erskine-Smith: I understand. The focus on abuse of dominance is because it has been the most heavily requested, but there has been great inactivity.

When it comes to early July of last year, we had the National Grocers Association in and they inexplicably talked about communicating with one another about reducing wages during the pandemic. I note that Sobeys, to their credit, has reinstated pandemic pay.

Would you support updating our wage-fixing laws? I know it would be a per se criminal offence in the United States, from my understanding of guidance there. Would you support that measure here?

● (1250)

Mr. David Vaillancourt: When I read in the news that consultation had happened, it was surprising to me, particularly given the issues in that industry with the bread price-fixing problems they have right now. It was a little bit of a surprise to hear that revelation.

Mr. Nathaniel Erskine-Smith: It may be something we want to consider then.

We heard from a witness, last week I think, in relation to the efficiencies defence needing to be updated. Do you have any comment as it relates to the efficiencies defence?

Mr. David Vaillancourt: I have no comment on that section.

Mr. Nathaniel Erskine-Smith: That's okay.

With respect to mergers and acquisitions, from speaking with some counsel, my understanding is that M and A transactions in Canada.... The competition commissioner confirmed for us at his last attendance that there's a statutory bar after one year. I understand that the FTC is looking at reviewing M and A transactions going back six and eight years.

Do you think that kind of misalignment is a problem and we should maybe look to update that?

Mr. David Vaillancourt: For business certainty, there's a point at which, if there are problems on a go-forward basis, I would think you could capture that with abuse of dominance, because the issue of substantially lessening and preventing competition is in both the merger section and in the abuse of dominance section.

I think if there are problems five years down the road, the abuse section might be the better way to deal with it than to try to unscramble a transaction from years ago.

Mr. Nathaniel Erskine-Smith: My understanding would be that the abuse of dominance provision relates to specific activities delineated in section 78, which is anticompetitive activities, whereas the idea as it relates to M and A would be.... We're concerned about—in some cases, like the Shaw-Rogers deal potentially—hyperconcentration of a particular sector. It may not be that they engage in anticompetitive activities, so it wouldn't engage abuse of dominance, but it may well be that it substantially lessened competition all the same.

I take your point on business certainty. One year seems strict, though. My understanding is that it used to be three years.

Do you see the penalties as particularly stringent enough in the act to date? I've heard some say it's the cost of doing business, that we should be looking at disgorgement as a key consideration, and that AMPs should be effectively equating the penalty with the benefit and properly extracted.

What do you think about disgorgement as a focus, as opposed to quite modest, administrative monetary penalties?

Mr. David Vaillancourt: I think that, with the private right of action and an ability to claim damages, that would achieve some of that effect. The AMPs are, I think, $10 million to $15 million. That's not insignificant, although I suppose with the size of the business that might be insignificant.

In terms of disgorgement, I think the better way to deal with that is through a private right of action.

Mr. Nathaniel Erskine-Smith: I understand. As far as disgorgement is concerned, for private right of action, is it fair to say we might want to consider updating the penalty amounts?

Mr. David Vaillancourt: I suppose that everything is subject to ongoing review.

Mr. Nathaniel Erskine-Smith: I have one other.... It's a small issue in some ways. We've heard from the commissioner, of course, that it's the chair of the tribunal who wields significant power and happens to be a judge.

Do you think the tribunal should be term-limited, as it is in other countries?

Mr. David Vaillancourt: No.

Mr. Nathaniel Erskine-Smith: Thanks very much. I appreciate it.

Mr. David Vaillancourt: Thank you.

The Chair: Thank you very much. That is the end of the third round. Seeing as there is not enough time to allow for all members to get another round in, we will end here today.

To the witnesses, thank you for being here and for your excellent testimony.

As a gentle reminder to our members, if you have not sent your list of witnesses to the clerk for this study, please do so immediately so that we can reach out to folks and schedule them with enough time for them to obtain the headset that is required. Also, if you have not provided the clerk with your witnesses for the next study, which is on green recovery and will be beginning in two weeks, please make sure to get those names in as soon as possible so that we can start contacting the witnesses.

With that, I thank everyone again for being here today.

[*Translation*]

I want to thank the interpreters for their hard work, as usual, as well as the IT services.

[*English*]

I thank the analysts and the clerk for their time today.

I call the meeting adjourned.