



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

44th PARLIAMENT, 1st SESSION

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# Standing Committee on Government Operations and Estimates

EVIDENCE

**NUMBER 130**

Monday, June 17, 2024

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Chair: Mr. Kelly McCauley





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Monday, June 17, 2024

• (1100)

[English]

**The Chair (Mr. Kelly McCauley (Edmonton West, CPC)):** Good morning, everyone. I call this meeting to order.

Welcome to meeting 130 of the House of Commons Standing Committee on Government Operations and Estimates, or—as the PBO calls it—the mighty OGGO.

Welcome back, Mr. Giroux, Ms. Giswold and Mr. Matier. It's wonderful to have you back.

We'll open with your five-minute statement.

As a reminder to everyone, please keep your headpieces away from your microphones at all times.

The floor is yours, Mr. Giroux.

**Mr. Yves Giroux (Parliamentary Budget Officer, Office of the Parliamentary Budget Officer):** Good morning, Mr. Chair and members of the committee. Thank you for the invitation to appear before you today.

We are pleased to be here to discuss our report on the supplementary estimates (A) 2024-25, which was published on May 30, 2024. With me today are Jill Giswold, the lead analyst on the report, and Chris Matier, a senior adviser in my office.

The government's supplementary estimates (A) 2024-25 outline an additional \$12.7 billion in budgetary authorities. Voted authorities, which require approval by Parliament, total \$11.2 billion. Statutory authorities, which the government already has Parliament's approval to spend through other legislation, are forecast to increase by a total of \$1.5 billion.

The forecasted increase in statutory authorities reflects updated forecasts from budget 2024 and is primarily attributable to two items. One is an increase of \$1.9 billion in public debt costs, primarily due to higher projected interest rates and higher borrowing requirements. Another is a decrease of \$533 million in elderly benefits due to revisions to the projected number of beneficiaries.

[Translation]

Almost two-thirds of the spending proposed in these supplementary estimates, or \$7.8 billion, falls within the indigenous portfolio and is primarily earmarked for indigenous settlements and claims.

Planned spending on professional and special services totals \$704 million, bringing the total proposed authority for 2024-25 to \$19.8 billion for this line item.

Approximately \$1.6 billion, or 12.5%, is allocated to 11 measures in the 2024 budget, including \$605 million for the incentives for zero-emission vehicles program.

To assist parliamentarians in their review of budget 2024 implementation, we have prepared tracking tables that list all budget initiatives, planned spending amounts as well as corresponding legislative funding authorizations. These tables, which can be viewed on our website, will be updated throughout the year as the government presents its legislative agenda.

Ms. Giswold, Mr. Matier and I will be happy to answer your questions about our analysis of the Supplementary Estimates (A) 2024–2025.

• (1105)

[English]

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

We'll start with Mrs. Kusie for six minutes.

**Mrs. Stephanie Kusie (Calgary Midnapore, CPC):** Mr. PBO, it's always wonderful to see you here. It's very much appreciated.

However, we're surprised by your appearance here today, considering the way you've been gagged. As you can see, we brought in the best from my caucus in an effort to question you—our House leader Mr. Scheer, our finance critic Mr. Jasraj Hallan and Mr. Lawrence.

With that, Mr. McCauley, I'll pass the time over to Mr. Lawrence.

Thank you very much.

**Mr. Philip Lawrence (Northumberland—Peterborough South, CPC):** Thank you very much.

Thank you, Mr. Giroux, for coming and for your brief statement. We appreciate it.

I'm going to talk a bit about debt and the continued spending of this government.

Of course, two years ago, the finance minister and deputy leader promised that the debt-to-GDP ratio would never go up. They appear to have shoehorned stuff in to keep the debt-to-GDP ratio within their projections. There are a number of projections that I think are a little optimistic, including getting an additional \$7 billion from the increase in capital gains.

I was wondering if I could get your comments on that, Mr. Giroux.

**Mr. Yves Giroux:** The revenue-raising capacity of the increase in the inclusion rate of capital gains is something we have not estimated independently yet. However, it's quite possible that the revenue raised in the first year of the measure will indeed reach \$6.9 billion, especially considering that the measure was announced two months in advance. This leaves time for some types of transactions to materialize before the higher inclusion rate kicks in.

That's not the case for real estate transactions, of course, but for stocks, for example, it's quite possible that the number of transactions will spike in anticipation of that increase. This means that the revenue of the outer years—year two and forward—is not certain to be at that level, given the number of transactions that are likely to have been advanced in time.

**Mr. Philip Lawrence:** If I hear you correctly, Mr. Giroux, what you're saying is that if, in fact, the transactions go through or are particularly robust this year—in other words, a fire sale—in the latter years, the next two or three years, we could see revenue less than expected.

Is that what you're saying?

**Mr. Yves Giroux:** It's quite possible, and that's why the profile as laid out in the budget has that bump in the first year followed by significantly less revenue in the outer years. It's in anticipation of a higher number of transactions between budget day and June 25, when the higher inclusion rate kicks in.

**Mr. Philip Lawrence:** I want to talk to you a little bit about the capital gains and the revenue expected. Former Liberal finance ministers like Mr. Manley have contemplated that, when they brought down the capital gains exemption from 75% to 50%, they saw an increase in revenue.

Isn't it possible that, even though the rate goes up, the revenue may stay flat or even decline because of the dynamics of the economy?

**Mr. Yves Giroux:** It's possible, and we refer to that phenomenon as elasticities of tax measures. In anticipation of lower taxes, there could be investment decisions that are changed and more investment flowing into Canada depending on the exact profile of these investors, but it's not a phenomenon that is very well understood or easily predictable, given the volatile nature of capital gains tax revenues.

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

Just going a little bit further on that as well, a number of venture capitalists and other investment organizations have even gone so far as to call the capital gains tax a tax on innovation and a tax on investment.

I know that the scope of it might be difficult to predict, but is it reasonable to think that it might have a dampening impact on investment in Canada by increasing the inclusion rate of capital gains exemption?

**Mr. Yves Giroux:** It's quite possible; however, there are a few things happening at the same time. There's the lifetime capital gains exemption on small businesses that is being increased. There's also a new incentive for entrepreneurs in certain sectors that is being introduced at the same time as the inclusion rate is going up. There are many things at play so it's quite possible that the innovation aspect will not be affected for smaller businesses but also negatively affected for most, if not all of the other sectors—those that trigger capital gains higher than the thresholds.

• (1110)

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

**The Chair:** Thank you, gentlemen.

Mr. Sousa, go ahead, please.

**Mr. Charles Sousa (Mississauga—Lakeshore, Lib.):** Thank you, Mr. Chair.

Thank you, Mr. Giroux, for being here today.

I noticed that some of my colleagues have questioned you about having a gag order, and that's how you were introduced by the opposition. As you know, you're an independent member of the House. You are there as a trusted, independent officer to direct all of us and provide information where necessary.

Mr. Giroux, are you being gagged by the Government of Canada?

[*Translation*]

**Mr. Yves Giroux:** This is a question I was asked when testifying before another committee and answered in my second language, which probably led to a misunderstanding.

The government doesn't muzzle me, obviously. I was referring to data that had been provided to my office and that the government, in this case the Department of the Environment and Climate Change, had explicitly forbidden me to disclose. That said, the government has not muzzled me with regard to the publication of a report or the content of any of the reports I have published.

[*English*]

**Mr. Charles Sousa:** You're like the Auditor General or the ombudsman or, for that matter, even the Governor of the Bank of Canada, who operate without political interference, and that's the way it should be. Is that not true?

When you mention that you have a report, what exactly are you getting at? What's so secret about this report?

**Mr. Yves Giroux:** Which report are you referring to, sir? Is it one in particular?

**Mr. Charles Sousa:** You referred to a report that you referenced in regard to outcomes. I'm not sure what you were getting at.

[Translation]

**Mr. Yves Giroux:** What I said was that the government had not muzzled me as to the content or as to the publication of any of my reports. I said that the government had provided my office with data that was useful to us in writing reports or that we would use for future reports, but that the government had prohibited me from disclosing that data. That said, the government has not prevented me from publishing a report, nor suggested that I not publish a report, nor dictated the conclusions of any of my reports.

[English]

**Mr. Charles Sousa:** You're not being gagged. You're not being restricted, and you have the privileges as a public officer to do what is necessary in regard to what's taken place. I just want to reinforce that, if I may.

In respect to the benefit to Ontarians, or Canadians, I should say, especially those who qualify for the rebate, you've stated in the past that eight of the 10 are better off. Is that correct?

**Mr. Yves Giroux:** To the best of my knowledge, yes, it is still true that the majority of households in Ontario will be better off, including what they receive in terms of carbon rebate, minus the fuel charge that they pay directly or indirectly.

**Mr. Charles Sousa:** Thank you.

Mr. Giroux, in regard to the capital gains tax, effectively, a husband and wife may own some assets, secondary properties, stocks, and they get up to half a million dollars in gains, of which 50% is tax-free. At that marginal tax rate, what would that be for those two individuals?

**Mr. Yves Giroux:** One would have to look at their province of residence, but if they have capital gains of that magnitude, it depends if they have other income, for example, investment income.

**Mr. Charles Sousa:** Let's assume they make \$250,000 each on that capital gain. What would their effective tax rate be, on average?

**Mr. Yves Giroux:** If you're asking about the marginal tax rate on somebody who has a higher income, at the federal and provincial level it would be 53%, but on capital gains, it would be 66% of that if they each already benefited from the \$250,000 exemption.

• (1115)

**Mr. Charles Sousa:** You missed my point. The husband and wife are making a half a million. They're each making \$250,000. It's not 66%. Is it not 50% taxable at that rate?

**Mr. Yves Giroux:** It would be half of 53%, if their only income is capital gains. It depends on each person's situation.

**Mr. Charles Sousa:** Absolutely. However, on average, that's probably a marginal tax rate of around 25%. Is that correct?

**Mr. Yves Giroux:** Roughly speaking, yes it is.

**Mr. Charles Sousa:** On anything above the half a million dollars per family, their effective marginal tax rate would be around 32% now. Is that correct?

**Mr. Yves Giroux:** Yes, roughly speaking, on capital gains, that is correct.

**Mr. Charles Sousa:** What is it in the United States? What are they proposing to do? Do you know?

**Mr. Yves Giroux:** I don't know off the top of my head, no. I'm not super familiar with the intricacies of the U.S. tax system.

**Mr. Charles Sousa:** We're being advised that they may be raising their marginal tax rate up to 44% on capital gains, which is well above what Canada is proposing here while still allowing us to be competitive. However, we do know that there's are some lifetime exemptions, as you mentioned earlier: about \$1.25 million, and about \$6 million or so for other institutions and innovations.

What was, in essence, the 75% inclusion rate? When was that lowered? Do you recall?

**Mr. Yves Giroux:** I think it was in the late 1990s or early 2000s, but I don't have the schedule in front of me.

**Mr. Charles Sousa:** I think a Conservative government had it at the 75% inclusion rate, and then it was the Liberals that reduced it to 50%.

**The Chair:** I'm sorry, but that's our time, Mr. Souza.

**Mr. Charles Sousa:** Thank you.

**The Chair:** Mr. Savard-Tremblay, welcome back.

The floor is yours for six minutes.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay (Saint-Hyacinthe—Bagot, BQ):** Thank you for welcoming me to your committee. I hope to live up to my colleague whom I'm replacing today.

Good morning, Mr. Giroux.

I'd like to talk to you about a case that made the headlines in La Presse just last Saturday. More than just a case, it seems to me to be widespread and part of the dynamic of a lack of verification as to where funds are subsequently channelled. This is an article by Isabelle Hachey entitled "*Quand les belles annonces d'Ottawa se dégonflent*". The number of registrations in the Indigenous Business Directory has increased by 40% in the past year, and the value of contracts had reached \$862 million by 2022-23. So far, this sounds like good news. However, no one has verified whether the contractors or the people working on the contracts are truly indigenous.

Already at the outset of the Procurement Strategy for Indigenous Business, a federal report was warning us about the lack of verification of the work being done. The ArriveCAN case confirmed that schemes were being used to allow all sorts of small businesses to get their hands on contracts that really should have been reserved for indigenous people. What's more, last year more than 50 financial institutions raised their hands to say that the strategy was encouraging the use of shell companies.

There's something I don't understand, and perhaps you'll be able to clarify it for me.

Personally, I have indigenous status and I have my card to prove it. I may not dress up as an indigenous person like some non-indigenous entrepreneurs do, including this man featured in Saturday's article. Yet, every time I deal with a government department for matters related to my status, I have to prove that I have indigenous status.

How is it that Ottawa, a bureaucratic behemoth that is fond of paperwork, suddenly turns a blind eye before pulling out the chequebook in this kind of situation?

**Mr. Yves Giroux:** That's a good question. It's something we haven't considered. We don't do *ex post facto* verification like the Auditor General does. She would probably be better able to answer that question than me.

On the other hand, federal programs, and this is in fact the case with our tax system, often rely on people's honour and good faith, and sometimes random, sometimes targeted audits are done. In the case of the article in La Presse, we can assume that checks to certify people's eligibility for this program are most likely rare and infrequent.

**Mr. Simon-Pierre Savard-Tremblay:** I fully understand that it's not your job to do the verification after the sums have been paid out, or the *ex post facto* verification, as you put it. However, there were warnings right from the start of the strategy. Insofar as what happens upstream is more your responsibility, can you tell us if there have been any changes or if you've had any instructions from Ottawa subsequently? I know your work is essentially enforcement, but have you been told about any changes after the 50 indigenous financial institutions raised their hands to point out problems?

• (1120)

**Mr. Yves Giroux:** I have not been made aware of any changes with respect to the administration and management of this procurement program.

**Mr. Simon-Pierre Savard-Tremblay:** Are we seeing cases like this in many other programs that could create scandals? In this case, we'll see how far it goes and whether, as you say, the Auditor General will have to intervene in the process to conduct more audits.

To your knowledge, how often are such warnings issued, truly upstream, to ensure that we go beyond good faith alone? As I said, I'm very surprised that a program to support indigenous entrepreneurship doesn't require the business to be truly indigenous. In my opinion, we're just being symbolic, once again. It's like making speeches that start with recognition of unceded land, but then don't change a thing about the regime indigenous people are subjected to. This is typical of the regime found in this beautiful country of Canada.

That said, do you feel that in many places there is a lack of upstream verification?

**Mr. Yves Giroux:** I won't comment on the management of specific programs, but I will make a general comment.

As an example, the government is committed to reducing the use of professional and special services, but the spending authorizations

in these supplementary estimates are already approaching last year's level, even though this is only Supplementary Estimates (A) and there are likely to be further spending authorizations in Supplementary Estimates (B) and probably in Supplementary Estimates (C) too. In the end, spending authorizations for external consultants may well resemble those of last year, when the government committed itself to reducing the use of external consultants. It's possible that the amounts that will actually be spent will be a little lower, but so far there's no indication that the government wants to significantly reduce the use of external consultants. That's one of the examples I can give you.

**Mr. Simon-Pierre Savard-Tremblay:** I read another article in La Presse last week about the Canada Border Services Agency's assessment and revenue management system, known as CARM. Not only did I read the article, but I participated by giving an interview in this context. There is already talk of cost overruns for this system.

Are you able to explain the reasons for this, in 25 seconds?

**Mr. Yves Giroux:** Unfortunately, I can't answer that, as it's not a question my office has looked into specifically.

[English]

**The Chair:** Thank you, gentlemen.

Mr. Green, welcome back. The floor is yours for six minutes, please.

**Mr. Matthew Green (Hamilton Centre, NDP):** Thank you very much, Mr. Chair.

It's a pleasure to be back with so many members whom I had the privilege of serving with in the last session here at the OGGO committee, and it's always a pleasure to have the opportunity to be able to explore the work that you do, sir, as the Parliamentary Budget Officer.

I want to follow up on the very, I think, legitimate questions of my friend from the Bloc. Budget 2024 made significant cuts to Indigenous Services, including sunseting for Jordan's principle.

Last time when you were at committee, MP Bachrach asked you what impact these cuts would have to Indigenous Services, and you said that it was too early to tell, but taking the information from the ISC and Crown-Indigenous Relations, you said, "there is no reason not to believe that information—it seems that there won't be a meaningful impact on Indigenous Services." However, since then we've now had multiple organizations that were supposed to be supported by Jordan's principle now going without funding. They're owed hundreds of thousands of dollars, and staff are going without pay.

On reflection of that, what impact will the cuts in budget 2024 have on the ability of these programs to get the funding they are owed and that they need to continue to deliver these valuable services?

**Mr. Yves Giroux:** Unfortunately, we still don't have data on that. We're waiting for some data from the Department of Indigenous Services.

**Mr. Matthew Green:** Is this a process in which the organizations could submit data directly, or are you only relying on information from ISC?

**Mr. Yves Giroux:** My information-gathering powers extend only to federal institutions.

**Mr. Matthew Green:** Okay. Perhaps for a future consideration of this committee, we can ask those community organizations to submit that in writing so that we may then be able to pass it forward on to you. I appreciate that, but I want you to note that these community organizations are very clear that there is a meaningful impact, not just in the short term but on the long-term horizons for their operating expenses.

In November, you did an analysis of the Canada disability benefit in which you estimated that it would take an average annual benefit of \$14,555 to lift 1,371,000 people with disabilities out of poverty, yet when the government announced its actual Canada disability benefit, it is only \$2,400 per year. That's less than half of even your lowest estimation of \$7,683 of annual benefit, which would have lifted roughly 276,000 people out of poverty.

This decision by the government has not gone over well, obviously, with people with disabilities, who are legislated to live in poverty, and their advocacy groups. How many people with disabilities are likely to be, quote-unquote, as the Liberals say, lifted out of poverty by the meagre \$200-a-month benefit?

• (1125)

**Mr. Yves Giroux:** I don't have the numbers off the top of my head about that report we did in November, but I remember when we did that report we wanted to give readers and parliamentarians a range of potential benefit levels that the government could introduce in response to that commitment to introduce a Canada disability benefit.

I remember that, at the time, my office and I were criticized for having the low end of that range as unrealistically low. It's unfortunate that I don't remember the data; otherwise I would give you an estimate of that low end of the range that was in our report. With the government benefit being a bit lower, that would mean even fewer people lifted out of poverty.

**Mr. Matthew Green:** Thank you.

Last week your office released a report focused on the expansion of SimpleFile by Phone and the implementation of an automatic tax filing system. I can share with you that, in our office, helping people file their taxes unlocks sometimes thousands, if not in some instances literally tens of thousands of dollars, in benefits that they otherwise wouldn't have received. I think about GIS, the way that CPP works, the Trillium and OAS, for instance.

Can you please take a few moments to discuss the report and the significant impact automatic tax filing will have for Canadians?

**Mr. Yves Giroux:** It's something that I've done in the past, personally helping people who hadn't filed for years, and it unlocked thousands of dollars in benefits flowing to low-income workers who were afraid of filing for fear of owing money when, in fact, they were receiving benefits. That's why it was an interesting report to do for my office. We estimate that by expanding the "Auto-fill my return" service by phone or electronically there would be potentially \$1.8 billion of benefits flowing to people who don't get benefits. They are fully entitled to these benefits but don't file due to the complexity of the tax system, or because they are just afraid of touching whatever relates to taxes for fear of owing money as opposed to not knowing that they would receive benefits.

**Mr. Matthew Green:** I can recall as a city councillor the number of roughly \$30 million a year that went unclaimed in rightful entitlements just in the city of Hamilton across all levels of government, yet as you have noted, in a simplified system...particularly I think about seniors, people with fixed incomes, and the way in which our system creates artificial barriers for them to be able to get what's rightfully theirs.

In your reporting and in your study, did you consider the impacts of their not having these benefits? I think about chronic housing issues. I think about health care. I think about the constant refrain we talk about with food banks.

What was the cost of their not getting this or, put another way, how would this make a meaningful difference for them?

**The Chair:** I'm sorry to interrupt, but you didn't leave time for an answer. Perhaps it could be answered in your next round.

**Mr. Matthew Green:** We'll come back to it.

**The Chair:** We're going to start our second round. Before we do, I understand we might have bells in a half-hour. At that time, if we do, I'll ask for unanimous consent so we can continue up until the vote time.

Mr. Scheer, go ahead for five minutes, please.

**Hon. Andrew Scheer (Regina—Qu'Appelle, CPC):** Thanks very much.

I will just correct the record concerning the misinformation the Liberal MP started off his round with.

I will read, for the record, the letter you received from Environment Canada on May 14. It said, “The data the Department is providing contains unpublished information. As such, I request you to ensure that this information is used for your office's internal purposes only and is not published or further distributed.” The Liberals also had many days to publish it themselves. It was only after the opposition put a production order on notice in the House of Commons that they ended up publishing it themselves.

The first question I have is this: Is that normal? Do you often receive requests from government departments not to publish information they provide to you?

• (1130)

**Mr. Yves Giroux:** It happens, especially when it's confidential data related to third party information—for example, commercially sensitive data or national security issues. It happened when we dealt with battery plants for electric vehicles and national defence issues. When it is purely an internal analysis or internal data, it's not that frequent.

**Hon. Andrew Scheer:** It's not that frequent. Therefore, the Liberals ranked this right up there with national security, keeping the cost of the carbon tax hidden from Canadians.

Have you had a chance to look at what the environment department published on the website?

**Mr. Chris Matier (Senior Advisor, Office of the Parliamentary Budget Officer):** Thank you for the question.

Yes, we reviewed the files that were provided. I believe it was on June 13. They are the same files. There are some additional, unrelated files that were also provided, but they were the files we received back in May.

**Hon. Andrew Scheer:** They put everything in that you saw originally when this letter was written to you.

**Mr. Chris Matier:** Yes, that is correct.

**Hon. Andrew Scheer:** Okay.

First of all, I believe the total hit to the economy, thanks to the carbon tax, is \$25 billion by...is it 2030?

**Mr. Chris Matier:** Yes.

**Hon. Andrew Scheer:** Okay. Is that adjusted for inflation?

**Mr. Chris Matier:** Yes, that is the impact on real GDP. It's been adjusted for inflation.

**Hon. Andrew Scheer:** Okay, that \$25 billion would include the inflation.

Can you talk a bit about what that would mean per household? What does \$25 billion in the global economy, on a per-household basis, work out to?

**Mr. Chris Matier:** We haven't prepared estimates related to the per-household impact.

For us, the GDP data that was provided was useful to compare with our previous results. It was more important to use in our actual analysis of the impact on, let's say, investment income and labour income in the economy. These would be the channels through

which households would be impacted. Those impacts are somewhat larger than the GDP impact.

As part of our updated analysis of the distributional impact of carbon pricing, we wanted to incorporate the results Environment and Climate Change Canada provided us, in order to provide a second set of results. If parliamentarians and outside organizations had concerns with our model, we could use their model.

**Hon. Andrew Scheer:** I'm sorry. I just got told I only have about a minute left.

Very quickly, do you still stand by your conclusion that the majority of Canadians are worse off with the carbon tax when you factor in all those economic costs—lost wages, lost investment opportunities and those types of impacts?

**Mr. Yves Giroux:** When it's a result of the fuel charge and the carbon pricing regime at large...so it's including the output-based pricing system.

**Hon. Andrew Scheer:** I have one more quick question.

Sometimes the Liberals criticize your reports because, they say, you haven't factored in the cost of climate change. However, my understanding is that it's because, with or without the carbon tax, Canada will experience consequences from climate change. In other words, the carbon tax doesn't magically wave away the impacts for Canada. It doesn't create a bubble around Canada at all.

Is that correct? Can you confirm that, under both scenarios—with or without a carbon tax—the cost of climate change would still be felt by Canadians?

**Mr. Yves Giroux:** I'm not a climate scientist. However, based on the scientific consensus, we need concerted global action for climate change to stop getting worse. Canada acting alone is not sufficient.

That's as much of a confirmation as I can give.

**Hon. Andrew Scheer:** Even with the carbon tax, Canadians will continue to pay the cost of climate change. Is that correct?

**Mr. Yves Giroux:** Yes, unless everybody else reduces their emissions significantly.

**The Chair:** Thank you very much.

Mr. Bains, go ahead, please.

**Mr. Parm Bains (Steveston—Richmond East, Lib.):** Thank you, Mr. Chair.

Thank you, sir, for coming once again to committee.

I wanted to talk a little bit about the spending review and the re-focused spending initiative. I think you did talk about the professional services. You said that there are still some in the upcoming budget. You saw that there are still services that are going to be procured or may materialize, and that may or may not change what the outcome is.



Can you talk a little bit about that, just to clarify that?

Then I will have a follow-up question.

• (1135)

**Mr. Yves Giroux:** I was referring to consulting services—external consulting services and special services—and to the fact that in these supplementary estimates (A), when combined with the main estimates, so far this year we are at authorities of \$19.8 billion, which will be close, assuming there's nothing else, to the more than \$21 billion of the previous year. However, there is likely to be also supplementary estimates (B) and (C), which may add further to the consulting services, which would bring the total authorities for the current year close to or maybe even higher than previous years.

These are authorities. It doesn't mean all of it will be spent. We could be in a situation where the total spent is close to or lower than previous years, but it's hard to say at this point. The signs are that it will be very close to last year's.

**Mr. Parm Bains:** Okay. Do you know what the change in total planned spending is on professional and special services now compared to this point last year?

**Ms. Jill Giswold (Senior Analyst, Office of the Parliamentary Budget Officer):** I don't have that number in front of us, so we could get back to you with that.

**Mr. Parm Bains:** My understanding is that it's approximately \$546 million lower now than at the same point in 2023-24. Perhaps you could get that to us if you don't have it on you now.

Can you touch on the standard analysis process that you and your office undertake when developing these reports? Can you share the process for information collection and situational understanding that is taken by you and your office?

**Mr. Yves Giroux:** When we produce a report, we gather information usually from government departments and agencies. When we receive a request, for example, we try to clarify the request as much as possible, if it's not already clear. We determine, based on internal discussions and the questions that are submitted to us, the type of information we will need. Then we proceed to discuss with government departments and institutions whether they have that information and what form it's in before sending the information request, so that we can send an appropriately worded information request to the department. Then I proceed with sending a letter to the minister with a copy to the deputy minister or deputy head, and we usually give them a few weeks to respond.

Once we get that information, we analyze it to ensure that it is usable, and from there on we proceed with the analysis and the drafting of the report.

**Mr. Parm Bains:** That process changes depending on the tasks that are undertaken.

How much do you need to pivot or how agile is the team to adapt to the direction of developing these reports?

**Mr. Yves Giroux:** It's a very small team of 30 analysts and supervisors, so it has to be able to pivot quickly, and it is very agile. The decision-making process is relatively flat and streamlined given the small number of individuals. Through proper discussions with the requesters and with the departments or federal institutions

that provide us with the data, we usually get what we need with a clear understanding of what is available before sending the information request.

**The Chair:** Thank you.

Mr. Savard-Tremblay, go ahead for two and a half minutes, please.

[*Translation*]

**Mr. Simon-Pierre Savard-Tremblay:** Thank you, Mr. Chair.

I'd like to continue discussing the indigenous issue.

We also note, on page 9 of your report, a significant drop for 2024-25. Could you explain this drop in funding?

**Mr. Yves Giroux:** I think a lot of it has to do with the fact that last year we resolved some claims regarding indigenous children who had been improperly placed in foster care and hadn't received the services to which they would have been entitled over multiple previous years. As a result, there was an increase in funding last year to settle these claims. As these claims are not recurring, this has resulted in a decrease for the current year.

• (1140)

**Mr. Simon-Pierre Savard-Tremblay:** It is more last year's increase that is out of the ordinary. Now it's stabilizing, and it's likely to continue to look like that over the next few years.

**Mr. Yves Giroux:** This will probably be the case, unless there are other changes in the portfolio, such as new government initiatives or the expiry of certain programs. We don't know for sure what will happen in the future, but in all likelihood, funding levels are likely to hold steady or increase more modestly.

**Mr. Simon-Pierre Savard-Tremblay:** In other words, we can see that it's down a little from last year, which you told us about, but it's not as low as it was the year before.

Page 10 refers to billions of dollars for the Accelerated Farm Claims Strategy, for the Federal Indian Day School Settlement, and so on. So, there are still settlements and claims regardless, right now.

**Mr. Yves Giroux:** Indeed, there are always a rather large number of claims or lawsuits.

**Mr. Simon-Pierre Savard-Tremblay:** Could you provide more details on the millions of dollars being spent to settle historic claims?

**Mr. Yves Giroux:** It's a bit of a nebulous point, partly because it's complex, but mostly because there's a lot of confidentiality surrounding this portfolio or envelope, for obvious reasons. The government doesn't want to reveal the amount allocated to each claim or lawsuit, because it doesn't want to weaken its negotiating position. So we have an overall amount for claims and for lawsuit liabilities, but we don't know the details of each of the lawsuits or claims pending against the Crown.

[English]

**The Chair:** Thank you very much.

Mr. Green.

**Mr. Matthew Green:** Thank you, Mr. Chair.

One of the first questions I had the privilege of asking at public accounts when I was newly elected was on the amount the government owes in settlements.

One of the first questions that I had the ability to ask was on the amount that the government owes in settlements versus what they've actually paid out in treaty settlements. Is that a number that you're aware of?

**Mr. Yves Giroux:** I'm not aware of that number because it would require tracking over a number of years—if not decades—the liabilities on the one hand and the amounts that have been settled. I'm not aware of that particular amount.

**Mr. Matthew Green:** The PBO published a note on its website on April 17 admitting that the economic analysis of the consumer carbon pricing done in 2022 and 2023 erroneously included the impact of the industrial carbon price. How was this mistake made not once but twice?

[Translation]

**Mr. Yves Giroux:** This is a question that has been asked a few times, and I think Chris Matier could shed a little more light on it.

I'd like to say one thing, though, before Mr. Matier answers it. We have sent our results to several people. We still have the capacity—

[English]

**Mr. Matthew Green:** I do require the answer because my time is limited. Thank you.

**Mr. Yves Giroux:** Okay.

Chris.

**Mr. Chris Matier:** Thank you for the question.

The error was made back in late 2021. The modelling that we used, a computable general equilibrium model, essentially combined...because there's one carbon price in the carbon pricing system and that carbon price affects both the fuel charge and the output-based pricing system.

That price was set to zero in our counterfactual, but it was hitting both parts of the system. We had thought that it was only that one part, the fuel charge, but it was both parts. That was the error, but in our April 17 notice we still believe that it doesn't invalidate our analysis—

**Mr. Matthew Green:** I would say that, at this committee and in Parliament generally, we deal with a lot of counterfactual points, so I would ask you this. Do you think your office did enough to ensure that the public was made aware of the misinformation?

[Translation]

**Mr. Yves Giroux:** Our responsibility is to inform parliamentarians. That's what we did by publishing a note on our website. We received a lot of questions from parliamentarians, but also from certain ministerial cabinets and climate groups. This gave us the impression that a lot of people interested in climate issues had noticed our note on our website, right from the first day it was published. Could we have done more? Yes, but did we feel we'd done enough? Given the nature of the questions we received and where they came from, we had the impression that a lot of people were aware of the issues. However, it seems that this impression was wrong.

• (1145)

[English]

**The Chair:** Thanks very much.

Mr. Hallan, go ahead, please, for five minutes.

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

Mr. Giroux, it's been nine years under this government. Canadian workers today get about 58¢ of investment for every dollar that American workers get, and this is even before the capital gains tax hike takes place. Do you think that this capital gains tax hike will negatively impact what businesses invest in their workers?

**Mr. Yves Giroux:** It's quite possible, given that the inclusion rate will increase for corporations, but it's also introduced at the same time as the lifetime capital gains exemption is increasing for small business owners and, at the same time, there is a new exemption for certain types of entrepreneurs. For larger businesses, there is no such exemption. Knowing that the behaviour of businesses is dependent on the overall tax rates they pay, it's quite possible that the amount of investment will be lower, other things being equal.

**Mr. Jasraj Singh Hallan:** Yes, exactly. Just for you to confirm, a higher capital gains tax could mean less investment in workers' paycheques, in investing in equipment, in growing the company or even in hiring more workers when we know that Canada is in a productivity crisis. Can you confirm that these are some of the knock-on effects of this?

**Mr. Yves Giroux:** That would be what you would normally expect, again, as I said, other things being equal. That may not happen equally in all sectors, especially in sectors where there are other tax incentives.

**Mr. Jasraj Singh Hallan:** Absolutely. The government admits that there are 300,000 businesses, most of them small businesses, that would be affected by this capital gains tax hike. That means that there are hundreds of thousands of businesses and millions of workers. Canada is in a productivity crisis, as per the Bank of Canada. They said this is a break-glass emergency crisis right now.

Could this also impact job creators and those businesses, making productivity even worse?

**Mr. Yves Giroux:** A number of groups have mentioned that it will impede or lower investment that would otherwise take place and, de facto, also reduce employment, again, other things being equal.

**Mr. Jasraj Singh Hallan:** That would, in other words, reduce productivity.

**Mr. Yves Giroux:** It's not something that is favourable to increasing productivity—that's clear.

**Mr. Jasraj Singh Hallan:** Exactly. Over the last nine years of this government, because of their policies, we've seen \$460 billion of investment outflow to the U.S. We've seen that the U.S. GDP per person has increased 50%, whereas in Canada it's only grown 4.7% in the same given time.

Do you think that investors are less likely to invest in Canadian workers? Would or could this capital gains tax hike have a knock-on effect of having U.S. workers getting a higher paycheque due to investment leaving Canada?

**Mr. Yves Giroux:** As a general rule, if you tax something, there is less of it. If you tax investment, other things being equal again, it's likely and evidence or literature suggests that there should be slightly less of it if you tax something.

**Mr. Jasraj Singh Hallan:** That's fair enough.

I want to continue on with the conversation that my last colleague had about the carbon tax scam. When the report was released, it was admitted that about \$25 billion is what the hit to the economy would be because of this carbon tax scam, and it took Conservatives pushing on this for this report to be released by the department.

Have you done an analysis on or is there an estimate of what impact this would put on government revenues at all?

**Mr. Yves Giroux:** Chris will answer.

**Mr. Chris Matier:** In our March 2022 and 2023 reports, we provided estimates of the potential budgetary impact related to carbon pricing.

• (1150)

**Mr. Jasraj Singh Hallan:** Did that include this \$25-billion hit to the economy?

**Mr. Chris Matier:** It included our estimate of the impact on real GDP. I don't have the dollar figure of our estimate at that time, but it was 1.3% in terms of the reduction in real GDP. That's compared to the 0.9% reduction.

**Mr. Jasraj Singh Hallan:** What does that mean? Is it because businesses would invest less in their own businesses and workers would have less?

**Mr. Chris Matier:** Essentially, that reflects the economic impact of the distortion created by carbon pricing, so it's households having to shift—

**Mr. Jasraj Singh Hallan:** They'll have less.

I just have one last quick question. I want to confirm one more time that, even given this report and given all the information we have today, including whatever error—which I think was corrected by you, and rightfully, Mr. Giroux—at the end of the day, the majority of households will be worse off when you factor in the economic and fiscal impacts of the carbon tax scam.

**Mr. Yves Giroux:** We know it's true if you factor in the fuel charge and the output-based pricing system. We are in the process of updating our analysis to isolate the impact of the fuel charge.

**Mr. Jasraj Singh Hallan:** That conclusion will not change, though, in your opinion.

**The Chair:** Thank you, gentlemen.

Mr. Kusmierczyk.

**Mr. Irek Kusmierczyk (Windsor—Tecumseh, Lib.):** Thank you, Mr. Chair.

Thank you, Mr. Giroux.

You have the price on pollution, which is what Canadians and businesses pay, and then you have the Canada carbon rebate, which is what Canadians get back in their bank accounts on a regular basis. They get it four times a year. My Conservative colleague Mr. Lawrence once asked you whether there was more money coming into Canadians' pockets or leaving their pockets. You responded that most families are better off. You estimated that around 80% are better off.

Do you still believe that?

**Mr. Yves Giroux:** I still believe that. The government has also been quoting that number. I assume it's based on its independent estimate, when taking into account the amount of fuel charge paid, directly and indirectly, minus the rebate provided to them.

**Mr. Irek Kusmierczyk:** How many households are better off, in your estimation?

**Mr. Yves Giroux:** I don't know the number by heart.

**Mr. Irek Kusmierczyk:** Out of five households, how many are better off?

**Mr. Yves Giroux:** I would say about four.

**Mr. Chris Matier:** Again, it's across provinces and different income quintiles.

**Mr. Irek Kusmierczyk:** Can you just tell me how many households out of five are better off?

**Mr. Yves Giroux:** It's hard to have a definitive number because it varies across jurisdictions, but roughly speaking, we've been saying eight out of 10 or four out of five. It's in that ballpark.

**Mr. Irek Kusmierczyk:** Eight out of 10 families are better off with the carbon rebate. Four out of five households are better off. Is that correct?

**Mr. Yves Giroux:** That's our understanding, as well as that of the government.

**Mr. Irek Kusmierczyk:** Okay, so based on that analysis, if Mr. Pierre Poilievre eliminates the Canada carbon rebate, how many households will be worse off in, let's say, my community of Windsor-Essex?

**Mr. Yves Giroux:** It depends on precisely what policy action is being taken.

**Mr. Irek Kusmierczyk:** Let's say the carbon rebate is eliminated, which is what the Conservatives and Mr. Poilievre want to do. How many families in my community, based on your analysis, will be worse off?

**Mr. Yves Giroux:** I don't know the exact profile of people in your community. We've done—

**Mr. Irek Kusmierczyk:** The median household income is \$70,000 to \$75,000 in my community. Based on that information, how many will be worse off if the carbon rebate is eliminated?

**Mr. Yves Giroux:** That would depend on the exact profile of the people in your community.

**Mr. Irek Kusmierczyk:** I'm sure it does, but on average.

**Mr. Yves Giroux:** For an average, you could do some reverse engineering on the numbers we have been citing.

**Mr. Irek Kusmierczyk:** Okay, and what would that be, sir?

[Translation]

**Mr. Yves Giroux:** It could be around eight out of 10, but it always depends on the profile specific to your community.

[English]

**Mr. Irek Kusmierczyk:** Sir, I realize that, but how many would be worse off? Knowing that four out of five are better off under this system, how many would be worse off if the rebate was eliminated?

[Translation]

**Mr. Yves Giroux:** This is a hypothetical question that would be risky to answer without having the precise profile of people in your community, unfortunately. I know it's not the answer you'd like to have.

[English]

**Mr. Irek Kusmierczyk:** I know, but you said four out of five families are better off with the carbon rebate. If that was eliminated, how many would be worse off?

[Translation]

**Mr. Yves Giroux:** It depends on what you eliminate, whether it's just the fuel charge, or that and the performance-based pricing system that applies to large emitters.

However, as I said, if we think that these measures benefit eight out of 10 households in strictly financial terms, we can follow the opposite reasoning and find that the reverse will also apply.

• (1155)

[English]

**Mr. Irek Kusmierczyk:** What would that be?

[Translation]

**Mr. Yves Giroux:** Logically, it could be about the same, eight out of 10. That said, it depends on the profile of people specific to your riding.

[English]

**Mr. Irek Kusmierczyk:** Eight out of 10 would be worse off.

[Translation]

**Mr. Yves Giroux:** This could be a scenario that applies in your riding if the consumption profile is roughly the same as the country average.

[English]

**Mr. Irek Kusmierczyk:** Sir, you've been here in front of this committee now about 20 times since I've been here. I always welcome your testimony and your insights. I feel we're always better off when you come here. You always carry yourself with the highest integrity—with pride—and I know that your reputation is very important to you. Your word carries a lot of weight.

My Conservative colleagues are trying to transform the Parliamentary Budget Officer into the political budgetary officer. This is dangerous.

I want to ask you.... They say that you've been gagged. Sir, have you been gagged by this government?

[Translation]

**Mr. Yves Giroux:** I answered this question a little earlier, but I would be pleased to repeat my answer.

What Environment and Climate Change Canada officials suggested or told us was not to publish this information that they had provided to us, because it was confidential. That said, in no case did the government or anyone representing the government prevent me from publishing a report or dictate to me the conclusions of a report. My office was in no way muzzled in this sense.

[English]

**Mr. Irek Kusmierczyk:** To confirm, you were not gagged. Is that correct?

[Translation]

**Mr. Yves Giroux:** Your conclusion is correct: I was not muzzled.

[English]

**The Chair:** Thank you.

Mr. Lawrence.

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

I must admit that I'm a little exhausted, as I would assume you are even more so, Mr. Giroux, with litigating the carbon tax. I'm not here to play games. I'm just going to say it like it is.

If you just take the fiscal impact, it's that eight out of 10 Canadians are better. They can quote me, and they can put that on there. However, the reality, the truth of that, is that once you include the economic impact, six out of 10 Canadians are worse off.

Is that not correct, Mr. Giroux?

**Mr. Yves Giroux:** When we include the economic impact of the fuel charge and the output-based pricing system, it's true that the majority of households are worse off. We are in the process of updating our analysis to try to isolate the fuel charge, the impact of the fuel charge itself.

**Mr. Philip Lawrence:** When economic and fiscal impacts are combined, as you said, the majority of Canadians are worse off. That's correct.

Thank you, Mr. Giroux. I have one last thing on the carbon tax, and then I promise I'll move forward.

The government's own report appears to validate your conclusion. Is that correct?

**Mr. Yves Giroux:** That is our understanding. They arrived at an estimate of negative 0.9%, rounded to 1% of GDP when including the fuel charge and the output-based pricing system, where we had 1.3% in 2030. That's in the ballpark and is very close for that type of analysis.

**Mr. Philip Lawrence:** I apologize. I've been reminded by my colleague that I need to get you actually on the record, even though I got a nod, so I'm just going to repeat my previous question.

As you said on page 4 of your report, when you include both fiscal and economic impacts of the carbon tax, of the fuel charge, the majority of Canadians are worse off.

**Mr. Yves Giroux:** Our report also included the output-based pricing system, so it's not just the fuel charge. It's the fuel charge and the output-based pricing system. Considering the economic impacts and the fiscal impacts of both measures, yes, the majority of households are worse off.

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

In my initial round, we talked a little bit about the budget and some of the projections. We talked about the capital gains. Another area that I have concern about the projection for is with respect to the government's prediction of saving billions of dollars by reducing the size of the civil service. The civil service has grown since 2015 by over 40%. Now they're telling us that they will begin a plan by saving \$1.3 billion in next year's budget by reducing the civil service by attrition.

Do you share any of the concerns? When I talk to department officials, they never have a plan for reducing the size of their footprint.

• (1200)

**Mr. Yves Giroux:** I share these concerns because the budget indicates that they'll be reducing the number of FTEs in the public service by 5,000 over four years by attrition. However, the budget also has a number of measures that are reasonably expected to require more public servants, so it will mean that there will be more reductions in certain sectors to make room for this increase in some

areas while also reducing the aggregate size by 5,000, or that there will not be any reduction at all.

**Mr. Philip Lawrence:** We potentially could see greater losses in the civil service. The other negative outcome that is perhaps likely is the fact that, instead of the civil service being reduced in size, it may actually grow. If that were to happen, and if the dollars that are forecasted for reduction...that would put the government off its fiscal anchor of debt-to-GDP ratio—would it not?

**Mr. Yves Giroux:** It would probably, absent reductions in other areas to compensate for that. I'd add that, based on historical results where departmental plans indicated a reduction to come in their overall number of employees, we have seen instead increases. That's what I'm basing my assessment on.

**Mr. Philip Lawrence:** Either the government is going to miss its fiscal anchors or the civil service is going to have even more cuts than are predicted.

**Mr. Yves Giroux:** It's either cuts to the public service or reductions in other areas if the government is to meet its fiscal targets.

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

**The Chair:** We have Mr. Jowhari, please.

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

Let me start by saying welcome back again. I'm glad that this is a committee that you feel quite comfortable coming to on very short notice, even nowadays when the situation is hot.

We've talked about a number of things here, aside from the supplementary estimates (A), so I'm going to go on that path as well. Thank you for clarifying on the gag order. You've done that in both official languages, so thank you very much.

Can you quickly highlight what the difference is between a raw data file that was transferred to you as opposed to a so-called secret report by the government? Can you distinguish the difference between those two? Also, is there a secret report that you are holding, that the government may have passed to you?

**Mr. Chris Matier:** Thank you for the question.

The information we requested related to estimates of the economic impact of carbon pricing. We were referring to a report that the government had published entitled "How pollution pricing reduces emissions". We wanted the corresponding economic data related to those emissions. That information was provided in the form of an Excel spreadsheet and was very detailed. It did fulfill our request in terms of the nature of the data—national and provincial GDP, impacts on investment and labour income. That was provided.

However, as Mr. Giroux said, we were restricted from distributing that or disclosing the data itself until the government published that last week, on June 13.

**Mr. Majid Jowhari:** Thank you for that.

Mr. Giroux, has your office done any study on the capital gains policy that's being released?

**Mr. Yves Giroux:** We haven't yet. We're in the information-gathering stage. We sent information requests to the Canada Revenue Agency. We are waiting for that data, but we are planning on doing that as soon as we get data that we can use.

**Mr. Majid Jowhari:** Thank you.

Lots of my colleagues across were asking questions as if... Thank you for being comfortable to at least share your thoughts, at a given point, with reference to the already existing information, while you don't have all the data and you haven't done a report. You qualified that in your statement. You said that you haven't done the report and that there is no analysis yet, but that if you look at that instance, these are the indications. Thank you for also clarifying that there has been no capital gains study done yet, but you plan to do it.

Now, with about two minutes left, I'd like to go back to the supplementary estimates (A). Planned spending on professional and special services account for about \$704 million in proposed spending, bringing the total proposed authorities to about \$19.8 billion. What trends do you see in that? Is the government on track, in your opinion, in terms of reducing the professional services?

• (1205)

**Mr. Yves Giroux:** It's a bit early to be definitive about that, but based on the current year-to-date trend, I would say that the authorities suggest that it will be difficult. It's still possible to reduce spending on professional and special services, but the authorities, to date, suggest that departments will have authorities to spend close to, or even above, what was spent in 2022-23.

We don't have the final numbers for 2023-24 yet, but the authorities are \$1.8 billion lower than they were in 2023-24, and there are still supplementary estimates (B) and (C), so we could be very close to last year's authorities.

**Mr. Majid Jowhari:** These supplementary estimates are seeking \$1.6 billion across 11 initiatives as compared to the \$7.2 billion across 17 different initiatives last year. What's the difference?

**Ms. Jill Giswold:** For the budget measures, that's the amount we're at for implementation in supplementary estimates (A). We don't have much more information to share, other than it might just be a bit of a slower pace of implementation. As we noted before, the later budget this year could explain why we're seeing less coming through supplementary estimates (A) this year as compared to last year.

**The Chair:** We go to Mr. Savard-Tremblay for two and a half minutes, please.

[*Translation*]

**Mr. Simon-Pierre Savard-Tremblay:** Thank you, Mr. Chair.

Mr. Giroux, on page 8 of your report on these supplementary estimates, we can see the number of new zero-emission vehicle registrations as well as the proportion of all new vehicle registrations that this represents. For example, the proportion for 2023 is 10.8%.

However, we know that the plan is that there be no new gasoline vehicles by 2030.

Do we have any idea what might happen after that?

**Mr. Yves Giroux:** Given that the mandate will be binding on manufacturers and importers due to regulations, we expect the targets set by the government to be met so that there will be no new internal combustion vehicles by 2035.

So far, efforts in this regard have been voluntary. Given that regulations will be binding from now on, we expect the proportion of new zero-emission vehicles to reach 20% in 2026, gradually rising to 40%, then 60%, and finally reaching 100%.

**Mr. Simon-Pierre Savard-Tremblay:** There are figures here, but do we have any idea of the expenses this would represent?

**Mr. Yves Giroux:** We haven't made any projections in terms of spending, because given the binding mandate for vehicles to be imported or sold, manufacturers may no longer need subsidies as much. So it wouldn't be necessary to have both at the same time. If there is a binding mandate, subsidies may no longer be necessary.

**Mr. Simon-Pierre Savard-Tremblay:** On page 12, it states that "PBO did not receive a breakdown by spending type for all organizations".

My question may seem both naive and far-reaching: How do you get your work done?

**Ms. Jill Giswold:** We are still waiting for data to do the analysis.

**Mr. Simon-Pierre Savard-Tremblay:** How are you going to get access to it soon?

Can we have access to more details, too?

**Mr. Yves Giroux:** Just so we're clear, you're talking about professional and special services, right?

**Mr. Simon-Pierre Savard-Tremblay:** Yes.

**Mr. Yves Giroux:** We operate on a macro approach, i.e., we look at the data included in the main and supplementary budgets, which gives us an overview of overall authorizations. If we want a more precise breakdown, we can ask for it during the year, hoping to get that data.

**Mr. Simon-Pierre Savard-Tremblay:** As my time is coming to an end and my next questions require some development, I'll just say thank you.

• (1210)

**Mr. Yves Giroux:** I accept your thanks.

[English]

**The Chair:** Thanks.

Mr. Green, for your final intervention you have two and a half minutes, please.

**Mr. Matthew Green:** Thank you, Mr. Chair.

I actually just have a concluding question, so feel free to take your time and answer it to the best of your abilities. I want to go back to the original analysis on the carbon rebate. When you did your original analysis you claimed that, while most families would receive more from rebates than they paid into carbon pricing, those benefits would be erased once the impact on job growth and incomes was factored in. You did not, however, factor in the impacts of climate change if the tax is not implemented.

Why did you choose to analyze the potential impacts on job growth but not on climate change, especially given that the Canadian Climate Institute estimates that, by 2030, the changing climate and extreme weather events could cost the Canadian economy \$35 billion?

**Mr. Chris Matier:** Thank you for the question.

When we first undertook this analysis, we were bringing together two streams of our work. One was done estimating the economic impact of carbon pricing. We had several reports over 2018 through 2021. At the same time, we were also undertaking distributional analysis of carbon pricing that didn't include the economic impacts. One stream was showing that there would be a negative impact on the economy, jobs and employment. The other stream was showing that the majority of households would receive more financially than they would pay.

We had several questions from parliamentarians and the media: How do you reconcile these two streams of analysis? That was the original motivation for bringing them together in our March 2022 report.

I would just add that we were not trying to undertake a cost-benefit analysis. Our office really stays away from that line of inquiry. It's not because it's not important; it's just that it's outside of the scope that we view as our mandate. We really don't want to appear as being partisan by only looking at certain benefits or only certain costs, nor do we want to be perceived as the arbiter of whether this policy should or should not be implemented. We really try to restrict the scope to that financial cost lens.

We've been very clear in our reports that we are not taking into account the benefits of reducing emissions or the costs of not reducing emissions.

Thank you.

**Mr. Matthew Green:** [Technical difficulty—Editor] on one hand and on the other. Okay. We'll take it.

**The Chair:** As they say, there are no solutions in politics, only trade-offs.

Mr. Hallan, go ahead, please.

**Mr. Jasraj Singh Hallan:** My question is just a clarification.

Today's date, when we have all of your analysis done and this secret data that the government was hiding, a \$25-billion impact on the economy.... It was because of the Conservatives' pressure that they finally released that it was a \$25-billion hit to the Canadian economy, and workers at the end of the day.

I just want to get one clear answer. Given all the data and all the secret information that has been finally released, your final conclusion, according to you, still stands. Your final conclusion was that, given all the fiscal and economic impacts of the carbon tax scam, a majority of Canadian households are worse off. Can I just get you to confirm that one more time?

**Mr. Yves Giroux:** The fuel charge and the output-based pricing system, when both are included, yes, that still stands, but—

**Mr. Jasraj Singh Hallan:** Perfect.

**Mr. Yves Giroux:** That's it.

**Mr. Jasraj Singh Hallan:** Thank you very much.

There's another portion to this that the Liberals and the NDP refuse to talk about. That's the clean fuel regulations, better known as "carbon tax two". We know that this will cost, on average, about \$573 more.

When we look at that \$25 billion in this secret data that the government refused to release, was that carbon tax two factored in when that \$25-billion impact on the economy was released to you?

**Mr. Chris Matier:** Thank you for the question.

The estimates we received from Environment and Climate Change Canada reflected only the impact of carbon pricing in Canada. They did not include the economic impact of the clean fuel regulations. That—

• (1215)

**Mr. Jasraj Singh Hallan:** Just following up on that, does that mean that it would only make things more expensive for Canadians, on top of your analysis?

**Mr. Chris Matier:** We prepared a report in May 2023, I think, using the estimates that Environment and Climate Change Canada had provided us in terms of the economic impact of the clean fuel regulations—

**Mr. Jasraj Singh Hallan:** Can you give a clear answer? I have a limited amount of time. The carbon tax two, or clean fuel standard, will only make it more expensive. Is that correct?

**Mr. Chris Matier:** According to the estimates we received, they indicated a negative economic impact and a negative impact on households' incomes.

**Mr. Jasraj Singh Hallan:** Okay, so it would make Canadians poorer.

There is no rebate on this carbon tax two. Is that correct?

**Mr. Chris Matier:** Yes, that is correct.

**Mr. Jasraj Singh Hallan:** What we can conclude is that, when you factor in carbon tax scams one and two, the overall analysis is that a majority of households in Canada will be worse off. Is that correct?

**Mr. Chris Matier:** Unfortunately, we haven't prepared that analysis. We've only looked at the separate impacts of carbon pricing and the clean fuel regulations but have not combined those—

**Mr. Jasraj Singh Hallan:** Fair enough, but if the conclusion for carbon tax one is that a majority of Canadians will be worse off, does that not mean, if there's a negative impact with carbon tax two, that it would lean towards a negative impact overall? Would that be correct?

**Mr. Chris Matier:** It's likely correct. However, the precise impact—

**Mr. Jasraj Singh Hallan:** Okay, and this applies to every province. Is that correct? Carbon tax two without a rebate...?

**Mr. Chris Matier:** The clean fuel regulations...? That's correct.

**Mr. Jasraj Singh Hallan:** Including Quebec and B.C...?

**Mr. Chris Matier:** Yes. I believe there can be some interactions with the provincial regulatory standards as well, so it may not be—

**Mr. Jasraj Singh Hallan:** But the overall impact would be negative? Can I just get a clear answer on that?

**Mr. Chris Matier:** I'm sorry. I don't.... I believe in our report we showed what the—

**Mr. Jasraj Singh Hallan:** Mr. Giroux, you had said yes. I just want to confirm that overall—

**Mr. Yves Giroux:** It's very likely, yes.

**Mr. Jasraj Singh Hallan:** It's very likely, yes. Thank you very much.

I have 40 seconds left. Going back to the capital gains tax hike, one would concur.... Once we talk to Canadians and businesses, especially small businesses, we hear a lot about how this is punishing success.

I'll give an example of an immigrant who came here, worked his way up and went from driving a truck and making a paycheque to eventually buying a truck of his own and creating success for himself, his kids, their kids and then their kids. In their words, this is punishing their success.

Is that accurate for a small business like his? If he wanted to give his business to the kids or to sell it off for the kids' future, he would get less in return.

**The Chair:** Give a very brief answer, please.

**Mr. Yves Giroux:** It depends on whether it's above or below the lifetime capital gains exemption or the inclusion rate of 50% for the first \$250,000. One would have to look at the specifics of that situation.

**Mr. Jasraj Singh Hallan:** I just have one last quick question. Are there any other knock-on effects?

**The Chair:** I'm afraid we don't have time, Mr. Hallan. I'm sorry. We're past our time already.

Mr. Kusmierczyk.

**Mr. Irek Kusmierczyk:** Thank you, Mr. Chair.

I want to get back to the supplementary estimates, which is the reason that you're here, Mr. Giroux.

In my hometown, we proudly build the Chrysler Pacifica plug-in hybrid, which qualifies for the federal rebate of up to \$5,000. There was some excellent news in this budget in terms of that particular rebate and extending it.

Can you talk a bit about that and also about the impact we're seeing in terms of the adoption rates for electric vehicles in Canada?

**Mr. Yves Giroux:** Yes, there was some additional money in the budget for supplementing the program. I think it is \$605 million in these supplementary estimates to make the subsidies for zero-emission vehicles available to more people—to meet demand, essentially.

That's a result of the fact that we have seen new zero-emission vehicle registrations go from less than 20,000 in 2017 to reach almost 185,000 last year, which is expected to be even higher this year as a result of more widespread adoption of zero-emission vehicles in Canada.

**Mr. Irek Kusmierczyk:** I read your report where you stated that it has increased from 1% of auto sales to 10%. That is fantastic news to hear.

Would you say that federal rebate of \$5,000 that applies to the Chrysler Pacifica has had an impact in helping to boost sales?

● (1220)

**Mr. Yves Giroux:** I think one can safely assume that it had a very positive impact, considering that price is an important factor in deciding which vehicle to buy or not.

**Mr. Irek Kusmierczyk:** Okay. That's great. Thank you very much.

I will now yield the floor to my colleague Mr. Powlowski.

**Mr. Marcus Powlowski (Thunder Bay—Rainy River, Lib.):** You're the money guys. How much do Canadians spend yearly as a result of natural disasters—droughts, floods, hurricanes and fires?

**Mr. Yves Giroux:** I know a lot of numbers, but not the specific number related to natural disasters.

**Mr. Marcus Powlowski:** Can I say that it's multiple billions of dollars every year?

**Mr. Yves Giroux:** I think you can safely assume that for sure.

**Mr. Marcus Powlowski:** Do you agree that most climate change experts agree that those numbers are likely to increase in the future and the effects of climate change could be devastating on our economy?



**Mr. Yves Giroux:** I'm not a climate scientist, so what climate scientists say I am in no position to dispute. Yes, I would agree with that.

**Mr. Marcus Powlowski:** Is carbon pricing—and again, you're an economist—considered to be one of the most efficient ways, if not the most efficient way, of decreasing greenhouse gas emissions?

**Mr. Yves Giroux:** There's a widespread consensus among economists to that effect, and I agree with that.

**Mr. Marcus Powlowski:** Do you agree that, when you came up with your estimates as to the cost of carbon taxes, you did not include the price of climate change and the price that would incur as a result of failing to act on climate change?

**Mr. Yves Giroux:** That's also correct.

**Mr. Marcus Powlowski:** You did not also include the benefits that occur because of the green transition, which could mean lots of jobs for ridings due to exploration for critical minerals and for making electric batteries and electric cars. That, too, is not included. Is that correct?

**Mr. Yves Giroux:** As Chris Matier mentioned in response to a question from one of your colleagues, it's not included because we typically don't do cost-benefit analyses for the reasons he outlined. You're correct that it was not included.

**Mr. Marcus Powlowski:** Charles, if there's any more time, go ahead.

**Mr. Charles Sousa:** Thank you.

Mr. Giroux, in international trade agreements we have carbon pricing built in. Did you take it into consideration in your analysis that Canada would ultimately be at stake to also build in their carbon price?

**Mr. Yves Giroux:** You're probably referring—

**Mr. Charles Sousa:** If you're talking about the global impact you talked about earlier, that's part of our trade agreements. Is that correct?

**Mr. Yves Giroux:** You're right. You're probably referring to the EU border price adjustment with respect to the carbon pricing of some countries. It will be coming into effect on January 1, 2026—

**Mr. Charles Sousa:** If we don't do that, there will be a price built in. Is that correct?

**Mr. Yves Giroux:** That's the current plan in the European Union and member countries for some specific industries. I think it's steel, cement and a couple of other industries.

**Mr. Charles Sousa:** We're trying to increase our competitiveness. We've been quite engaged in foreign direct investment through the auto sector. We've been gaining quite a bit with other sectors of the economy and other sectors of the world as well as other jurisdictions because of our carbon pricing. It's also provided an incentive for the green economy.

Would you say that certain provinces have built in alternative sources of energy as a result and are making quite a bit of money in that clean space?

**The Chair:** Give a brief answer, please.

**Mr. Yves Giroux:** I think we're seeing the electricity grid being decarbonized in many jurisdictions and that's as a result of their transition to a greener economy and a less fossil fuel-intensive economy.

**The Chair:** Thank you very much. We got three different folks in on that one intervention.

Mr. Giroux, Mr. Matier and Ms. Giswold, it's always a pleasure to have you with us. If you don't mind, I have a couple of quick questions, very simple ones.

Did I hear correctly, Mr. Giroux, when you were saying between the supplementary (A)s and the mains, we will have at least as much as, if not more, than last year for consultant expenditures?

**Mr. Yves Giroux:** I may have misexplained myself or misexpressed myself.

What I mean is that between supplementary estimates (A), (B) and (C), we could end up at the same level of authorities as last year or even higher, but we won't know that for sure until we see the supplementary (B)s and (C)s.

**The Chair:** Great.

In the supplementary (A)s, there was \$1.9 billion for added interest on the debt. The mains are put together, say, in January or in February. Between February and then the supplementary (A)s coming out, just two months later, how could you explain a \$1.9-billion difference in their forecast from the mains?

• (1225)

**Mr. Yves Giroux:** I think it's related to the effective interest rate on the stock of debt that turned out to be higher than expected at the time of the putting together of the main estimates. You're correct. It's a bit surprising, but it's not entirely surprising given it's a stock of debt of well over \$1.6 billion.

**The Chair:** It would have been just some change on the short-term debt. Is that correct?

**Mr. Yves Giroux:** Yes.

**The Chair:** That's wonderful. Thank you again.

I wish you all a wonderful summer, and we'll see you back probably the second week of July for more meetings. I'm kidding.

To our witnesses, we excuse you. Again, thanks very much.

Colleagues, I have to get to a budget vote, please. We have \$1,000 for meals and then \$750 for headsets for the supplementary estimates. Are we all good with that?

**Some hon. members:** Agreed.

**The Chair:** Thank you very much.

I had a request to release some documents from the McKinsey study. There was a request for the Department of Finance to release a series of written exchanges it had with us last year as part of the McKinsey study. Information that would be released includes correspondence from me in relation to motions for the production of papers passed by the committee and emails from the committee clerk with various parliamentary liaison officers working in the government finance portfolio for scheduling the appearance of officials.

Our clerk, who is unfortunately off sick today, has looked through the materials very carefully. He says that there's no material that is of a sensitive nature and that it does not pertain to in camera deliberations. He recommends that we seek committee approval to release this ATIP. I believe we should.

**Some hon. members:** Agreed.

**The Chair:** That's wonderful. Thank you very much.

I have one last thing. On the Canada Post study—unfortunately, Mr. Bachrach is not with us—we originally had  $x$  number of hours put aside for the motion. We're not going to reach that, but Mr. Bachrach has requested that we have a meeting Wednesday with our last witnesses to do that and then turn it over to the analysts to prepare the report over the summer.

I'm seeking everyone's approval for Mr. Bachrach's proposal that we eliminate, I think, three hours of the study.

**Some hon. members:** Agreed.

**The Chair:** That's wonderful.

**Mr. Majid Jowhari:** I'm sorry. Can you run that by me again?

**The Chair:** The original motion, I think, was for eight hours of study. We're only going to reach, I think, five hours. We'll have five with the last—

**Mr. Majid Jowhari:** That's on Canada Post. Is that correct?

**The Chair:** That's right. We'll hit the fifth hour. It's Mr. Bachrach's study, and says he's fine with that, because we've used up all the witnesses who have agreed.

**Mr. Majid Jowhari:** Okay. Fair enough.

**The Chair:** That's wonderful. Thank you.

I think that's everything that I needed to do.

Wednesday is one hour, the final hour with Canada Post. Then we have Minister Anand on the supplementary (A)s. I assume we're still sitting Wednesday.

**Mr. Majid Jowhari:** Do you know something that we don't know?

**The Chair:** No, I know nothing that anyone doesn't know.

I'm pretty sure that's clear.

**Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC):** Chair, can I raise a point of order on something?

**The Chair:** I was just going to get to the indigenous study, but go ahead.

**Mr. Garnett Genuis:** I was going to say that I think we have a deadline on that of June 20 that we had given ourselves.

**The Chair:** I'm going to get to that now.

On the notice paper, if you recall our motion from April 10, there was a request for documents from all the departments for indigenous procurement and contracting. The last line makes it necessary to conduct a longitudinal study of the matter in committee or subcommittee as long as the decision is made before Thursday, June 20.

Time allocation has started on Bill C-69. We'll see bells in about 10 minutes, but hopefully we can just continue through that and put to bed this motion on this issue.

I'll go to Mr. Genuis to speak about how we'll move forward with the study from April 10.

If you wish, I'll have the clerk send out a copy of the motion.

Go ahead as it's going out.

• (1230)

**Mr. Garnett Genuis:** You're distributing the motion that we adopted.

**The Chair:** That's right.

**Mr. Garnett Genuis:** Reviewing it, I was just going to suggest that the language of the motion envisions that the subcommittee would meet at times when the House is not meeting. I suggest we make an exception to that, at least to allow us to have the organizing meeting take place before the end of this week, and we can decide how we want to proceed at that point. Rather than having an organizing committee meeting take place in the summer, I think it would maybe make more sense to authorize that to happen this week while we're all here anyway. I don't think there will be that much happening towards the end of the week anyway.

I'll just say, from my perspective, having looked at the documents and the lack of documents, that there is a real need for us to dig into this. We received virtually no information around subcontractors. There have been some more stories that came out—a piece in *La Presse* at the end of last week—and more concerns about essentially how it looks like some folks are gaming the system, and benefits that are supposed to be flowing to indigenous communities are rather being taken up by a small number of Ottawa-based actors under circumstances that certainly, to put it charitably, merit further investigation.

My proposal is that we do that initial organizing meeting, let's say, Thursday or Friday, which I think we would have to agree to since it's a notwithstanding of the existing motion.

**The Chair:** I think, Mr. Savard-Tremblay, this covers some of the things you were asking Mr. Giroux about regarding the indigenous contracting. I'm fine to find resources for a half-hour or an hour on Wednesday. I don't want to bump Canada Post or Minister Anand, but perhaps we could do that Wednesday or Thursday.

Mrs. Atwin, you had your hand up, but you put it down.

**Mrs. Jenica Atwin (Fredericton, Lib.):** Yes, I was going to speak to that, but we're good. I'm okay with that.

**The Chair:** Mr. Savard-Tremblay.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** From our side, we agree with the proposal, but we suggest that it be done on Wednesday, after the meeting that is already scheduled.

[English]

**The Chair:** Mr. Savard-Tremblay suggested that we continue after Ms. Anand's time at the meeting on Wednesday, just to set up a go-forward. Mr. Genuis suggested a stand-alone meeting to set this up and get going on it.

**Mr. Irek Kusmierczyk:** I haven't received the motion. I was waiting to receive it.

**The Chair:** It's from several months ago. You can have my copy.

**Mr. Garnett Genuis:** Chair, just to clarify, then, are you talking about that...?

**The Chair:** Your suggestion was to do a stand-alone meeting later this week. I think that would be fine. I can find time. Mr. Savard-Tremblay suggested that stand-alone be after the Wednesday meeting, when we're here anyway, and then not on Thursday.

**Mr. Garnett Genuis:** Okay. I don't know if it's a "we", because it's a subcommittee.

**The Chair:** Yes.

**Mr. Garnett Genuis:** You're saying after Wednesday. I'm okay with that.

**The Chair:** It would probably be easier to find resources to continue on.

Why don't we suspend for five minutes? You guys can read the motion.

**Mr. Majid Jowhari:** Yes, that's fine. I don't think it's as much about the motion as it is about the plan forward. Perhaps you can give us a couple of minutes.

**The Chair:** I will give you five minutes.

**Mr. Majid Jowhari:** Thank you.

**The Chair:** If the bells start, I'll interrupt the suspension just so we get unanimous consent to continue.

• (1230) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (1240)

**The Chair:** We are back in.

Everyone, can I have a quick UC to continue until five minutes before the vote?

**Some hon. members:** Agreed.

**The Chair:** Wonderful.

Anyway, we're back in and you've had a chance to read.

The idea is that we will continue next Wednesday, because we'll have the resources anyway. We'll end with Minister Anand, and

then the subcommittee will start up to decide how it moves forward on this.

That's what I'm looking for agreement on right now. OGGO will adjourn, and then the subcommittee will start up. The idea of doing it on Wednesday, again, is that we'll have the resources and it's a lot easier to extend for half an hour. That subcommittee will then determine how to move forward. It will pick a chair for the subcommittee. Hopefully, it's not me. Don't vote for me. It will then move forward from there.

**Mr. Garnett Genuis:** You should tell them, "If elected, I will not serve".

**The Chair:** Ronald Reagan says that the office seeks the man.

**Mr. Garnett Genuis:** Or the woman, Chair.

**The Chair:** Yes.

Go ahead, Mr. Jowhari.

**Mr. Majid Jowhari:** It's a subcommittee, which is okay.

What is the output of the half-hour this subcommittee is going to meet for? Is it whether or not we're going to do a study? What is the output? I don't care about the format.

**The Chair:** I think the output is the subcommittee deciding how to go forward—choosing a chair, when it will meet and how to go forward.

**Mr. Irek Kusmierczyk:** I was going to say that we have to make the decision on whether the study will go forward first.

**The Chair:** That is what we're doing right now. It is to determine that. Yes, we will create a subcommittee, and the subcommittee will go forward. The suggestion is to do it on Wednesday.

**Mr. Majid Jowhari:** The premise of this discussion is that we have agreed we are moving forward. Then let's see the subcommittee put in the plan. I don't think we are there yet.

**Mr. Matthew Green:** I understood it to be a subcommittee planning opportunity. I have to find out from the regular member where they're at in terms of the direction of this. I think having a planning meeting to discuss the scope of the work for the committee moving forward is one thing. Doing that to decide the future of a vote, like a substantive motion, is another.

**Mr. Garnett Genuis:** My comment is that we have the motion that was adopted. I think the only decision we're talking about making is whether to have that meeting take place on Wednesday. In the absence of agreement to do that on Wednesday—because of the deadline in this motion and some other requirements—we would have to meet at a time when the House isn't in session. On Wednesday, people can say whatever they want.

My view is that there's important work to be done here, given what we've seen in the documents. I think the question we're asking is all about Wednesday—whether there's agreement or, because of other timelines, we're stuck showing up next week.

• (1245)

**The Chair:** Mr. Sousa, go ahead.

**Mr. Charles Sousa:** I'm trying to clarify.

Are we agreeing to move forward with this motion? What are we actually asking the subcommittee to do?

**The Chair:** The motion has been adopted. The subcommittee decision has been adopted. That'll go forward.

I think the idea is to set the meeting and let the subcommittee decide.

**Mr. Irek Kusmierczyk:** I'm sorry. I'm looking at the motion, Mr. Chair.

If you look at paragraph f), it says that the "committee members will conduct an analysis of the list".

We haven't had a chance to conduct a full analysis of the list because the list is not complete.

This is important. It says, "and decide whether it is necessary to conduct a longitudinal study of the matter, in committee or subcommittee". The decision to move forward with the longitudinal study has not been made yet by committee or subcommittee. The decision has not been made yet by this committee whether to pursue the study or not. That decision is conditional on an analysis being made of the list—a list that is not complete yet.

What I would suggest is that we actually delay this matter until the list is completed, because that decision has not been made. What I would recommend is that....

I'm sorry. Go ahead, Majid.

**The Chair:** Well, actually, before we get to Majid....

**A voice:** I'm sorry, sir. His hand was up first—Garnett's hand.

**The Chair:** When you read the opening paragraph and part (a), it's about setting up the subcommittee—and that has passed.

**Mr. Irek Kusmierczyk:** However, it has not made a decision on whether to pursue this study. That's what I'm saying.

**The Chair:** I think the subcommittee will pursue that, but I am reading—

**Mr. Irek Kusmierczyk:** We're speaking as if a decision has been made to pursue the study, and a decision has not yet been made to pursue the study because we have not yet reviewed the full list of contractors and subcontractors, which is currently unavailable. We're missing a step here, Mr. Chair.

**The Chair:** I will go to Mr. Genuis, but my interpretation when reading the motion is that the motion creates the subcommittee, pursuant to the Standing Orders. It says that the subcommittee, etc., "be established"—and that's what we voted to accept. It continues, "the subcommittee be composed of seven members", etc., etc., and "the subcommittee be chaired...to be chosen by the subcommittee".

**Mr. Irek Kusmierczyk:** What I'm saying—

**The Chair:** Yes, I understand what you're saying, but the subcommittee is established by this motion's passing.

**Mr. Irek Kusmierczyk:** However, the decision has not been made to pursue the study.

**The Chair:** That's why I look at the subcommittee to get together to hash that out.

**Mr. Irek Kusmierczyk:** Yes, it has to make that decision.

**The Chair:** Mr. Genuis.

**Mr. Garnett Genuis:** I will say that the deadline to provide documents was May 20. There have been some trickling in afterwards. There are a lot of documents, actually, that just haven't been provided. The committee also said that a decision would be made on next steps by June 20. The subcommittee is not authorized to meet during times when the House is sitting, unless we explicitly authorize an exemption, which is why I think we should meet on Wednesday.

With regard to Mr. Kusmierczyk's point...sure, whatever he wants. If he or someone else wants to propose at that meeting that the study not proceed, the subcommittee could take that position. I mean, I don't think it would necessarily be well received, but sure.

The question, I guess, is that next step of....

• (1250)

**The Chair:** Again, how I look at it—and I'll get to you, Mr. Kusmierczyk—is that the subcommittee was established by the motion's passing. The motion's final line says, "in committee or subcommittee, as long as this decision is made before Thursday, June 20". Between committee or subcommittee, I would believe that it should be the subcommittee deciding whether the study should move forward.

Wednesday would be the subcommittee—

**Mr. Irek Kusmierczyk:** That's what I'm saying. What I'm saying is that I like to be precise and accurate. Again, the conversation early on sort of seemed to suggest that a decision had already been made to pursue the study. It has not. If you look at the motion, it clearly states that the committee should meet and make that determination. Again, let's not assume that a decision has been made. Let's review and analyze the list, the contract list, that was provided. Then, on Wednesday, that decision can be made on whether to proceed. That's what I'm saying.

**The Chair:** Yes, I think we just have mixed signals because.... That's fine. I think we just had mixed signals.

Mr. Kusmierczyk, are we fine with that? I will seek time on Wednesday after Minister Anand.

Mr. Genuis.

**Mr. Garnett Genuis:** Yes, the subcommittee will discuss on Wednesday how to proceed.

**The Chair:** Yes, it will be the subcommittee, so the members have to decide who their members will be on the subcommittee.

Mr. Green.

**Mr. Matthew Green:** I just want to make sure that we're still good to go here. Notwithstanding all the discussions that have been had, there is something that I do want to move as a motion.

**The Chair:** Can you just hold on to that for two seconds? I just want to put this thing to bed 100%. Then we'll get to you.

**Mr. Matthew Green:** I thought we had.

**The Chair:** We'll be really quick.

**A voice:** I think it's put to bed.

**Mr. Matthew Green:** It's put to bed.

**The Chair:** Are we set? That's perfect.

Leave it with me, and we'll find time after Wednesday for step one.

Mr. Green, go ahead and be fast.

**Mr. Matthew Green:** Thank you.

The motion reads:

That, as per the usual practice of House of Commons standing committees, the Standing Committee on Government Operations and Estimates shall not meet during Parliament's summer recess unless the requirements of s.106(4) of the Standing Orders are met.

**The Chair:** Mr. Genuis.

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

Mr. Green is fully within his rights to move a motion without notice during committee business. I want to just ask, though, if that motion can be distributed for ease and convenience in the two official languages.

[*Translation*]

It's very useful for me to be able to read the French version too.

[*English*]

Okay, it's being distributed. Thank you very much, Mr. Green.

I wonder, Chair, if it would make sense to suspend for the vote and then come back to conclude or to continue, in any event, on Mr. Green's motion. That will give us both time to vote and time to have a look at it.

**Mr. Matthew Green:** I think we moved UC on how we're to deal with it

**The Chair:** We're going to continue until five minutes out.

If you wish, we can continue debate on this.

**Mr. Garnett Genuis:** Until we're five minutes out will be until when?

**The Chair:** The vote is in 11 minutes, so we have about—

**Mr. Garnett Genuis:** We have six minutes.

**The Chair:** We will be done here in seven minutes.

**Mr. Garnett Genuis:** Do we want to have a two-minute suspension?

**The Chair:** If you wish, why don't we continue? Do you want to suspend to discuss this? Do you want to suspend—

**Mr. Garnett Genuis:** I'm just—

**The Chair:** I'm not keen on suspending and then coming back after the vote.

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

**Mr. Garnett Genuis:** I will just share some reflections on the concept then—

**The Chair:** I'm sorry. There is a point of order.

Go ahead, Mr. Lawrence.

**Mr. Philip Lawrence:** Just for clarity, Mr. Chair, I believe that, when you give UC for the bells, you can withdraw it at any time.

**The Chair:** Thanks.

Go ahead, Mr. Genuis.

**Mr. Garnett Genuis:** Let me just start by proposing one amendment that I think will clarify one piece of the motion.

I'd like to propose that we add the word "or" after 106(4). With this amendment, I guess, Chair, this would read:

That, as per the usual practice of House of Commons standing committees, the Standing Committee on Government Operations and Estimates shall not meet during Parliament's summer recess unless the requirements of s.106(4) or of the Standing Orders are met.

Standing Order 106(4) is one mechanism by which there could be the summoning of a summer meeting, but there are, I think, other Standing Orders or other provisions under which there could be special meetings called as well.

I think in the "s.106(4)", the "s." clearly refers to the standing order. Otherwise, the motion would be redundant. It would be unless the requirements of Standing Order 106(4) of the Standing Orders are met, and clearly Standing Order 106(4) is part of the Standing Orders.

It seems to me that having the "or" in there clarifies that, if there are any Standing Orders that would provide for there being a summer meeting.... I mean, there are various situations that could occur. Of course, notionally, the House could even be recalled in the middle of the summer. There could be urgent legislation that is referred to this committee in the middle of the summer, and I do think—

• (1255)

**The Chair:** Let me just interrupt to clarify so the clerk can keep track. It's "unless the requirements of s.106(4) or—

**Mr. Garnett Genuis:** It's "or of the Standing Orders".

**The Chair:** Okay. Continue, please.

**Mr. Garnett Genuis:** While we're talking, Chair, I will even send that in writing to the clerk to make it a little easier. I want to be very respectful of the two languages.

**An hon. member:** [*Inaudible—Editor*]

**The Chair:** Can we let Mr. Genuis continue with the floor?

**Mr. Garnett Genuis:** I do want to say I take it a bit personally that Mr. Green doesn't want us to get together in the middle of the summer.

• (1300)

**Mr. Matthew Green:** Spend time with your kids, man.

**Mr. Garnett Genuis:** I like spending time with my kids at committee as well. We can do both.

**An hon. member:** They're right there.

**Mr. Garnett Genuis:** My kids love this. My son had a school assignment where he had to write about his favourite place to be in the world, and he chose the OGGO committee, of all places. We should all be very proud of how much he enjoys the government operations committee.

It is not the cookies. It is the discussion. It's actually mainly the chair.

**The Chair:** He gets a sticker.

**Mr. Garnett Genuis:** Look, this is an important question in terms of the committee planning its agenda going forward. Obviously, we have a lot of competing things going on as members of Parliament. We have activities happening in our constituencies that are important, but we also have the work that happens here in Ottawa in making important decisions about issues that are in the national interest. I know, as much as my constituents enjoy seeing me at local events, they are also keen for us to spend time in Ottawa representing them and bringing the concerns they have to Ottawa.

I don't know if it's the same for other members, but I do find that many of my constituents are watching what happens at OGGO. I've gotten more feedback from constituents about the work of OGGO than I have on any of the other committees I've served on. This is a much-watched committee.

Mr. Chair, I know sometimes we joke about the people watching CPAC being just my mother and my grandmother and that sort of thing, but actually the government operations committee has certainly garnered a lot of interest.

I think that, because of the important issues we're dealing with, there may be instances where it is important for us to engage over the summer. It should be in keeping with the Standing Orders—

**The Chair:** I'm going to interrupt.

Mr. Genuis, I apologize, but there is five minutes left until the vote.

We're adjourned.

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