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# Standing Committee on Finance

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## Wednesday, November 26, 2014

## Chair

**Mr. James Rajotte**

# Standing Committee on Finance

**Wednesday, November 26, 2014**

● (1535)

[*English*]

**The Chair (Mr. James Rajotte (Edmonton—Leduc, CPC)):** I call this meeting to order. This is meeting number 62 of the Standing Committee on Finance.

For our orders of the day, pursuant to the order of reference of Monday, November 3, 2014, we are doing clause-by-clause consideration of Bill C-43, a second act to implement certain provisions of the budget tabled in Parliament on February 11, 2014 and other measures.

Colleagues, we have with us here today witnesses from the finance department and from other relevant departments, depending on which clause we are dealing with.

I'll give a brief statement at the outset. Many of you know how I will proceed in this matter.

I will follow the motion that was adopted by this committee with respect to time allotments, but as you know, it says that "the Chair may limit debate on each clause to a maximum of five minutes per party, per clause". As we've done in the past, parties have been very good at indicating which clauses they wish to spend a little more time on and which ones we can proceed with more quickly. Obviously, we'll be spending more time on the ones we have amendments for.

That is my intention as to how we will proceed here. We do have some amendments from Ms. Elizabeth May as well. As was agreed to, she will be allotted one minute to speak to each of her clauses as well.

We will move to clause-by-clause consideration.

Pursuant to Standing Order 75(1), consideration of clause 1, the short title, is postponed. Therefore, the chair will call clause 2.

I will go to Mr. Cullen, please.

**Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP):** Chair, thank you for the introduction.

Thank you to the many government officials who have joined us again. It's almost becoming familiar in dealing with this and other omnibus bills.

I know that we may have some interruptions for votes at some point in our timing as well, but just as a general preface, and more to the government officials, it looks like there are amendments that have been moved by all the parties. We've looked over this legislation carefully in the last number of weeks, and we've moved a number of amendments in places where we've heard challenges coming from the witnesses.

We've seen just about 2,000 pages of omnibus legislation in the last little while from the government, and in all of those 2,000 pages, one amendment from the opposition has been accepted. Now, that would lead some on the government benches to conclude that their omnibus bills are perfect, yet in this omnibus bill we have corrections to the last omnibus bill, which itself had in it corrections to the last omnibus bill. So while I understand that there's always a political and partisan context that we operate in here, we are also endeavouring to make good legislation that's correct and is things like constitutional.

We have a number of amendments. We hope the government takes them seriously for consideration.

I appreciate the chair's direction in terms of how we approach the amendments and how we approach the clauses. The opposition, the New Democrats, are not looking to extend this process artificially. We're looking to get through the things that have agreement or that we don't have a great deal of comment on. But as the chair has outlined, obviously the places where we have amendments will be places where we'll seek to make comment and hopefully engage either the government officials or our government colleagues across the way to clarify.

But after almost 2,200 pages of omnibus legislation, you would think that we'd bat a little higher than one change to those many pages of law. We've worked hard on these, and our staff has worked hard.

Thank you to the chair for permission to open this up in this way.

**The Chair:** Thank you very much, Mr. Cullen, for those comments.

Colleagues, I will proceed, then, and please indicate if there's a clause you wish to address.

We do not have amendments here. We are going to do part 1 on amendments to the Income Tax and a related text. This deals with clauses 2 to 91.

We have officials at the table if there are any questions or comments that we need addressed. We welcome them to the committee.

I do not have any amendments as of yet for clauses to 2 to 70. Can I carry a number of those clauses? How many clauses can I deal with?

[*Translation*]

Mr. Caron, you have the floor.

**Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP):** Mr. Chair, I will probably have a question about clause 23.

[*English*]

**The Chair:** Okay.

Shall clauses 2 to 22 carry?

**Hon. Scott Brison (Kings—Hants, Lib.):** On clause 18, no.

**The Chair:** Okay. Then let's do clauses 2 to 17. Shall clauses 2 to 17 carry?

(Clauses 2 to 17 inclusive agreed to)

(Clause 18 agreed to on division)

(Clauses 19 to 22 inclusive agreed to)

(On clause 23)

**The Chair:** Those clauses carry and we move to clause 23.

[*Translation*]

Mr. Caron, you have the floor.

**Mr. Guy Caron:** I have a question about clause 23.

It pertains to the immigrant investor program. Quebec has its own program. Will clause 23 have an impact on Quebec's immigrant investor program?

[*English*]

**The Chair:** Okay.

Is the question clear?

**Ms. Alexandra MacLean (Director, Tax Legislation, Tax Policy Branch, Department of Finance):** If I understand correctly, it's: will the measure will have an impact on the program for immigrant investors?

[*Translation*]

**Mr. Guy Caron:** Quebec has its own program, which does, after all, depend on decisions made by the federal government.Will the amendments being made in clause 23 have repercussions on Quebec's program?

● (1540)

[*English*]

**Ms. Alexandra MacLean:** The measure will eliminate a special exception for the tax treatment of offshore trusts for new Canadians who have been in Canada for less than 60 months. I could not say specifically whether that would affect particular immigrants under particular programs. Any new Canadian who brings their assets to Canada would not be affected by the measure.

[*Translation*]

**The Chair:** Thank you.

[*English*]

Shall clause 23 carry?

(Clause 23 agreed to on division)

(Clauses 24 and 25 agreed to)

(Clause 26 agreed to on division)

(Clauses 27 to 31 inclusive agreed to)

(On clause 32)

**The Chair:** I will move to clause 32. Do you have a question, Mr. Cullen?

**Mr. Nathan Cullen:** Thank you, Mr. Chair.

I have a question for the officials. I'm not sure if we heard this in testimony from the government. There's been analysis done before on government programs around the eco-retrofit program, both residential and business, in trying to understand what is called the "free rider" effect on programs; that is, the lack of impact on decision-making.

Has the finance department done a similar type of analysis with respect to the child fitness tax credit? If there's a better or more commonly used term for the effect that I'm looking for, you can of course use that.

**Mr. Miodrag Jovanovic (Director, Personal Income Tax, Tax Policy Branch, Department of Finance):** I think that first I would like to clarify that the objective of this measure is twofold, to encourage greater physical activity and also to recognize the cost of these activities. With respect to really being able to analyze the marginal effect, we haven't done this, primarily because it's difficult at this point to do that analysis. Also, as I've said, there are multiple objectives behind this measure, and it's still a bit early to be able to do a proper analysis with the data we have.

**Mr. Nathan Cullen:** Thank you. I have just one more follow-up question. You call that the "marginal effect". Is that a more common term for...?

**Mr. Miodrag Jovanovic:** Yes.

**Mr. Nathan Cullen:** Essentially what I'm looking to understand is whether the department has done a review of behaviour that would have happened otherwise, regardless of the tax measure, which has been done before within the finance department.

**Mr. Miodrag Jovanovic:** Well, as I've said, and as you can imagine, these studies would have to take into account a vast number of variables and factors—

**Mr. Nathan Cullen:** Sure, of course.

**Mr. Miodrag Jovanovic:** —and you need some time to have proper data.

**Mr. Nathan Cullen:** Then let me ask my second question.

I'll end with this, Chair.

Is it the plan for the finance department to conduct a marginal effect study such as this on what the impact would or would not be based on this tax credit, and specifically on the amount? I know that sometimes with these tax measures the amount can be the triggering point, not just the tax measure itself.

**Mr. Miodrag Jovanovic:** I can't give you a precise estimate as to when we will do that. We review tax expenditure measures on an ongoing basis when we find that we have sufficient data, and there are also, potentially, other reasons why we want to analyze more particularly these certain measures. We do that on an ongoing basis.

**Mr. Nathan Cullen:** I said it was my last question, but this one is truly the last. In analysis that has been done to this point, has there been any attempt to analyze—or will there be in the future—what the profile is of Canadian families that are accessing and using this particular tax credit? Because this may be easier for finance to understand as to who is taking up the program. Does the finance department know that now? If it doesn't, does it plan to understand that in the future?

**Mr. Miodrag Jovanovic:** There are about 1.4 million families benefiting from the program. We've assessed that roughly 850,000 families will be able to have additional benefits—and these could be the same families, you understand—from the enhancements that are proposed.

**Mr. Nathan Cullen:** That's the net? I'm just trying to understand if we have a profile of who those families are in terms of earnings, diversity, size of family, and those types of questions.

**Mr. Miodrag Jovanovic:** Yes, we do look at the distribution, at how it's distributed. I don't have these numbers in front of me, but this is part of the ongoing analysis.

**Mr. Nathan Cullen:** Yes, we're at the eleventh hour. This has been an inquiry, and if you have that distribution and that knowledge, would it be possible at a future date to provide it to this committee for the benefit of all members around this tax assessment?

**Mr. Miodrag Jovanovic:** Yes.

**Mr. Nathan Cullen:** That's great. Thank you.

**The Chair:** If you provide that to the clerk, we'll ensure that all members get it.

Thank you, Mr. Cullen.

[*Translation*]

Mr. Caron, you have the floor.

● (1545)

**Mr. Guy Caron:** Mr. Jovanovic, could you elaborate on the trouble you are currently having obtaining the data needed for program analysis?

**Mr. Miodrag Jovanovic:** We are talking about a behavioural shift that can only be observed in the long run, one that is influenced by a host of socioeconomic factors that are often very difficult to capture in the analysis.

**Mr. Guy Caron:** Thank you.

Lindsay Tedds, an associate professor at the University of Victoria, who appeared before the committee, told us about some studies that focused precisely on those changes in behaviour following the introduction of the tax credit as it was initially applied.

Did the department consult those studies or analyze the research currently available?

**Mr. Miodrag Jovanovic:** I cannot speak to that specific study. But, generally speaking, we do stay abreast of research that is published on the tax system. We do review it, but I cannot tell you what our findings were as to the merits of that specific study.

I want to reiterate the objectives of the measure. The main objective is to encourage changes in behaviour. But it goes further than that. It recognizes a specific expense in relation to a preferred behaviour. The government really wants to stress the importance of children's health and physical fitness. So the measure has several objectives.

**Mr. Guy Caron:** The studies cited by Professor Tedds focus specifically on those objectives. The studies showed that the objectives of the measure were not achieved; in other words, it did not end up encouraging the desired changes in behaviour. According to the information she provided, they were academic studies on users of the program.

I understand what you are saying, but the department should take studies into account, at least in the beginning, as it endeavours to determine the effectiveness of the tax credit.

**Mr. Miodrag Jovanovic:** As previously mentioned, the department regularly reviews the various measures in light of the information available to it.

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

[*English*]

We'll then move to the vote on clause 32. Shall clause 32 carry?

(Clause 32 agreed to on division)

(Clause 33 agreed to on division)

(Clauses 34 to 38 inclusive agreed to)

(Clause 39 agreed to on division)

(Clause 40 agreed to)

(Clause 41 agreed to on division)

(Clauses 42 to 54 inclusive agreed to)

(Clause 55 agreed to on division)

(Clauses 56 to 58 inclusive agreed to)

(Clause 59 agreed to on division)

(Clauses 60 to 69 inclusive agreed to)

(Clause 70 agreed to on division)

(On clause 71)

**The Chair:** We have our first amendment, Liberal-1, and it's in the name of Mr. Brison.

I will ask Mr. Brison to speak.

● (1550)

**Hon. Scott Brison:** Thank you, Mr. Chair.

Bill C-43 explicitly excludes cable laying from the preferential tax treatment that applies to international shipping activities. The committee heard from Canada's only international cable laying company, International Telecom. They told us that this provision in Bill C-43 is inconsistent with how other developed countries tax cable laying and would put Canadian jobs at risk.

The government, in our view, failed to make a compelling case on why cable laying should be excluded from the definition of, in this case, "international shipping". As such, we are proposing an amendment that supports the status quo and opposes this change. This amendment both removes cable laying from the list of exceptions to international shipping, and for greater clarity explicitly includes cable laying as part of international shipping.

We prefer our amendment to the NDP amendment, as our amendment provides greater clarity that cable laying is, in fact, a recognized activity that is connected to international shipping.

**The Chair:** Thank you very much, Mr. Brison.

I will indicate to the committee that the vote on Liberal-1 will apply to NDP-1, as they are the same; the second part of Liberal-1 is the same as NDP-1.

I will now move to Mr. Cullen for debate.

**Mr. Nathan Cullen:** Thank you, Chair.

Yes, we constructed an amendment, and I'm surprised that Mr. Brison thought one was more clear than the other. There may be some differences, but they're essentially the same idea.

Upon hearing the testimony...and I would perhaps turn to officials, because we didn't hear much of any explanation on the other side in favour of this change. From what the committee heard, there was only one company affected by this change, and affected negatively. Cable laying may not be top of mind in the news every day, but it's certainly an essential thing that we all rely upon if one seeks to communicate.

I think a very compelling case was made particularly with respect to development in the Arctic and the cable laying that will be required to connect some of our more northern and remote communities. One would hope that a Canadian firm would still be around in order to bid on those projects.

I think this is perhaps an opportunity, through you, Chair, to the government officials or to the government members across the way. I don't recall them necessarily intervening much, or having a contrary opinion to the witness, the one witness that we heard.

So unless there's some compelling reason, the New Democrats will be supporting this motion providing some fairness for a homegrown company looking to be involved in the 21st century economy.

**The Chair:** Thank you.

I'll move to Mr. Keddy, who's next on my list.

**Mr. Gerald Keddy (South Shore—St. Margaret's, CPC):** Thank you, Mr. Chair.

I have a couple of points here. The change that Mr. Brison is suggesting really would be an expansion of the current rules and not a clarification of them, as he's suggesting. The example used by the witness was European countries. In reality, only a couple of European countries—the U.K., the Netherlands, Cyprus, and Denmark—extend their preferential tonnage tax regimes to cable laying activities, but they do so in addition to shipping activities. They do not treat cable laying as shipping. The U.S., which is the other example, specifically excludes cable laying from its tonnage or shipping tax regime.

So the European countries don't provide a perfect comparison for the example. They include cable laying activities from their income tax regimes and instead apply a tonnage tax. Conversely, allowing cable laying to qualify under Canada's international shipping regime would effectively exempt cable laying from Canadian tax.

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

We'll go back to Mr. Cullen.

**Mr. Nathan Cullen:** Not to dispute what Mr. Keddy is saying, but it's good to seek some clarification. It's unfortunate that we didn't have this to engage with the witness at the time. This is somebody whose livelihood depends in some measure, I think, at least according to the witness, on whether this tax measure is imposed. We seek to do no harm here.

I don't know if it's appropriate, Chair, or if our witnesses, our government officials, can add any clarity to what Mr. Keddy said.

To committee members, to be clear, what we heard from the witness who's involved in the industry is that there would be an unfair and disadvantageous position for the one sole Canadian firm who operates in laying cable on the sea floor. If that's the case, certainly I would imagine it's not in the interest of the government. Mr. Keddy's made another case.

I'm wondering if it's appropriate, Chair, to hear from our officials first before we vote on this.

● (1555)

**The Chair:** We'll hear from our officials, and then we'll hear from Mr. Brison.

Who would like to address this?

Mr. McGowan, go ahead, please.

**Mr. Trevor McGowan (Senior Chief, International Inbound Investments, Department of Finance):** As was noted, there were two purposes for the international shipping amendments. The first was to modernize the regime and provide more flexibility for what we would consider international shipping companies to utilize modern business structures and to fulfill the purpose of the rules, which related to what were classed as international shipping activities in the current legislation. That was expressed as the transportation of people or goods in international waters.

That has been interpreted. I think the plain meaning of that, and our interpretation at the Department of Finance, is taking, in this case, goods from point A to point B when either point A or point B is international.

When looking at the specific cases of what to exclude for the purpose of clarification, we looked at all the different things that are listed, including cable laying, which, based upon our analysis—and we confirmed with the Canada Revenue Agency that this was its view as well—had more to do with the installation and perhaps maintenance of cables at sea than with transporting them from point A in Canada to a place offshore, as you would classically do shipping.

As I said, that view was held by the Canada Revenue Agency as well, and I believe that the company that testified, I think it's International Telecom, mentioned a dispute that it was having with the Canada Revenue Agency. That was on the record from its earlier presentation. I would not want to be sharing taxpayer data, of course, but they did mention that.

Then, as was noted as well, we looked to international comparisons. We mentioned the four European countries: the U. K., the Netherlands, Denmark, and Cyprus. They apply the preferential tonnage tax regimes to shipping companies, but they do not treat them as shipping per se.

Based upon their understanding of what cable laying and shipping mean, it would seem that they are not the same thing. They were an addition, and other countries do not follow that course. That is why, when we did our analysis of the existing law, we concluded that cable laying would not apply or would not qualify. As I said, because this was intended to be a clarification of what was previously the case, it was made more explicit in the bill before us.

**The Chair:** Thank you for that explanation.

Ms. MacLean, did you want to add to that?

**Ms. Alexandra MacLean:** Could I just add a couple of things from a policy perspective? The international shipping rules, as they exist, are quite long-standing and conform to international norms in relation to shipping. They do provide effectively an exemption from Canadian income tax on this activity.

I would suggest that it's significant to expand the types of activities that are included or thought to be encompassed by the concept of shipping, and there are other activities at sea that we would expect to come forward if there is any expansion that's contemplated today.

I just wanted to make it clear that this potentially could have further ramifications and would be a bit of a departure from normal neutrality principles of taxation.

**The Chair:** Thank you, Ms. MacLean.

We'll go to Mr. Brison, and then to Mr. Cullen.

**Hon. Scott Brison:** My understanding is that, in the countries that do include cable laying as part of international shipping, from a competitive perspective, some of the companies that are active in this space are resident in those countries.

Therefore, there would be a disproportionate impact on Canadian jobs in this sector. Have you done an analysis of the competitive environment in terms of the companies resident in those countries in this sector with which Canadian companies would need to compete?

● (1600)

**Mr. Trevor McGowan:** We did an analysis. It's always difficult to tell, in the context of the broader international shipping changes, how many jobs that would attract to Canada, and we couldn't come up with a number. The attraction of shipping companies to Canada was clearly one of the main motivating factors for bringing our international shipping rules up to shape.

In terms of the specific cable-laying change, as I said, in our view that was to maintain the status quo. To that end it would be a continuation of what we had before, so excluding it would not change the legal landscape. I don't think we did an analysis of the jobs associated with that, because it was considered to be a maintenance of the status quo.

**Hon. Scott Brison:** Given that material, Mr. Chair, in terms of whether our amendment would effectively help preserve the status quo, until we have more information on what the impact on Canadian jobs would be, and given that we've heard from only one witness who was pretty clear that this would put Canadian jobs at risk, I think it makes sense at this point to effectively remove cable laying from the list of exceptions to international shipping.

**The Chair:** Okay. Thank you.

We'll go to Mr. Cullen, please.

**Mr. Nathan Cullen:** I have one quick question. The witness who came forward seemed to be somewhat surprised by this move. What's strange about this particular case is that there is only one company involved. Was there an attempt to do any consultation or prior engagement with this company over a move that seems to affect only them through the change to the tax code?

**The Chair:** Mr. McGowan.

**Mr. Trevor McGowan:** Of course.

We did consult on this measure. We consulted with Canada Revenue Agency on the development of this measure, and they provided the opinion that under the existing law cable laying does not qualify as international shipping. They would have knowledge of their interactions with the cable-laying company that came before this committee.

As well, we published the rules for public consultation on July 12, 2013. We received extensive comments, as part of the consultation process, from interested stakeholders.

If you look at the version that was published for public consultation and the current draft of the bill, we did take a lot of those comments into consideration, and they really did change the rules. We had initial consultation internally and then a public consultation later at which we did receive and incorporate feedback.

**Mr. Nathan Cullen:** This will be a bit of a challenge, because we also now have some disagreement about what the maintenance of the status quo is. Mr. Brison and I think, this proponent are arguing that this amendment that is moved would keep the status quo on taxation. What I just heard from Ms. MacLean is that the status quo would be maintained by the change.

This is a challenging one for us. We try to do our best. I don't think anyone around this table is an expert on this particular part of the tax code. When we are trying to understand what the implications are going to be, any effort without analysis of the impacts on Canadian jobs is worrisome, at least to us in the opposition.

**The Chair:** Okay.

Ms. MacLean, do you want to clarify that?

**Ms. Alexandra MacLean:** I just want to clarify the government's position on the effect. The CRA's position currently is that cable laying is not included in the concept of international shipping, and therefore amendments to add cable laying to the concept of international shipping would be an expansion. That would be CRA's position.

**Mr. Nathan Cullen:** I'm not going to apologize to committee members. This is not an attempt to delay the process, but it's important to understand this. We had some pretty compelling testimony in front of us. This is based on the CRA's interpretation that the tax is not being properly applied to anyone or to the one company involved in laying cable. Is that correct?

● (1605)

**Ms. Alexandra MacLean:** It sometimes happens that taxpayers do not agree with the position of the Canada Revenue Agency.

**Mr. Nathan Cullen:** I've never heard of such a case. I'm going to ask you to withdraw that comment under fear of libel. That has never happened to CRA to my knowledge. I mean, it's a challenging one.

**Some hon. members:** Oh, oh!

**Mr. Nathan Cullen:** Perhaps, Chair, is there a way for us to have just a very brief conversation and then go back to this amendment? Or are you seeking a process that goes through each amendment as it is?

**The Chair:** Yes.

**Mr. Nathan Cullen:** I wouldn't mind just 30 seconds to consult with my colleagues on this or to go back to it after our break.

**The Chair:** Let's suspend for 30 seconds.

Okay. We're back. Can I move to the vote on Liberal-1? As I mentioned, this applies to NDP-1.

All those in favour of Liberal-1?

(Amendment negatived [See *Minutes of Proceedings*])

**The Chair:** NDP-1 is also defeated. Shall clause 71 carry?

(Clause 71 agreed to on division)

(Clauses 72 and 73 agreed to)

(Clause 74 agreed to on division)

(Clauses 75 to 88 inclusive agreed to)

(Clause 89 agreed to on division)

(Clauses 90 to 91 agreed to)

**The Chair:** I want to thank our officials for part 1. Thank you very much for being with us and providing that information.

We'll then move to part 2, amendments to the Excise Tax Act, GST/HST measures, and a related text.

These deal with clauses 92 to 99.

(Clause 92 agreed to)

(Clauses 93 and 94 agreed to on division)

(Clause 95 agreed to)

(On Clause 96)

**The Chair:** We'll go to clause 96.

Mr. Brison.

**Hon. Scott Brison:** This clause would add GST or HST to certain non-profit health care facilities on their non-health care operation. An example the government has given us is a seniors' residential complex operated by a non-profit health care facility. Under clause 96, the residential services would be subject to HST or GST.

The government argues that this clause simply matches the existing law, in which case it is redundant and will have no effect.

But if, on the other hand, clause 96 is to have an effect, that effect will be to raise the cost of living or reduce services for seniors who live in these residential complexes. Alternatively, the non-profit health care operator could absorb the GST or HST, which would mean they would have to cut services elsewhere.

We can't support this clause, which at best is redundant and at worst will raise costs or cut services to seniors.

● (1610)

**The Chair:** Thank you.

I'll go to Mr. Cullen, please.

**Mr. Nathan Cullen:** Mr. Mercille, you heard the concerns about either the potential redundancy in this particular clause or the effect on certain Canadians living in those environments under those living conditions.

Is there any way you can assuage the committee that it won't have that impact, a cost of living increase for those Canadians, as Mr. Brison has talked about?

**Mr. Pierre Mercille (Senior Legislative Chief, Sales Tax Division, Tax Policy Branch, Department of Finance):** The intent of the amendment is to ensure that the provision applies as it is intended.

The taxpayers put forward a situation where they wanted a relief to apply where it was not the long-standing policy to apply, in a case where a taxpayer was operating a health care facility but was also operating an apartment building in which there was not the level of service for the residents that is normally received in what is usually called a nursing home.

**Mr. Nathan Cullen:** My question specifically—

**Mr. Pierre Mercille:** Let me just add to that.

This situation was put forward and essentially now, the long-standing policy of the legislation was not met in that particular situation, or there was a risk that it was not met. There is no final decision on what interpretation a court would take on that position. This is basically to protect revenue in case the position of CRA would not prevail in court.

It also has to be recognized that other seniors-type apartment buildings without the health care facility aspect are treated the way this amendment would treat the particular situation that was brought forward to us by the CRA.

**Mr. Nathan Cullen:** Just to clarify, your concern was twofold. One was that these apartments were being operated in association to a health care facility, but not under a classic definition of a long-term care home or whatnot that could apply for this relief, and that the interpretation might then expand.

But just to be clear, you were concerned about losing this interpretation in front of the Tax Court. Is that what you had said?

**Mr. Pierre Mercille:** There was a position put forward by a taxpayer and essentially there are steps to go through. There is an internal appeal to the CRA where the taxpayer talks with the CRA, and when there is still a disagreement, there is always a recourse to the court that is available to the taxpayer.

My understanding is that they are at that stage.

**Mr. Nathan Cullen:** When a change like this is made to the tax code in the midst of that dispute, does it affect that dispute? Is that the intention?

**Mr. Pierre Mercille:** Usually, if the challenge to the court has been finally determined by the court, an amendment to the legislation would not apply to it. But if not, yes, and this was the intention of this amendment, to clarify the long-standing position of the government in that respect.

**The Chair:** Mr. Keddy.

**Mr. Gerald Keddy:** Just to be clear here, this does not affect long-term care facilities, assisted living.... In all aspects, this is an apartment building that happens to be owned by a health care facility and that health care facility wants to treat it as a health care facility when it's not. It's strictly an apartment building.

**Mr. Pierre Mercille:** Yes.

**The Chair:** Monsieur Caron.

[*Translation*]

**Mr. Guy Caron:** Thank you, Mr. Chair.

Mr. Mercille, I know you can't go into detail, but does the situation you are currently dealing with involve a for-profit or not-for-profit apartment building?

● (1615)

**Mr. Pierre Mercille:** A not-for-profit building.

**Mr. Guy Caron:** You are referring to an apartment building belonging to a group that runs a health care facility. But the apartment building itself was operated on a not-for-profit basis, is that right?

**Mr. Pierre Mercille:** Yes. The entity in charge runs the building on a not-for-profit basis.

**Mr. Guy Caron:** Thank you.

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

[*English*]

Shall clause 96 carry?

(Clause 96 agreed to on division)

(Clause 97 agreed to on division)

(Clauses 98 and 99 agreed to)

**The Chair:** We'll move to part 3, Excise Act, 2001. We have two clauses for this part.

(On clause 100)

**The Chair:** Mr. Cullen.

**Mr. Nathan Cullen:** We'll be voting in favour of this because as I mentioned earlier, it is affixed to an old omnibus bill that was pushed through. We are always willing to help the government fix their mistakes, when they have rammed other legislation through. How many are going to come out of this omnibus bill, to be fixed next? It's a curiosity.

But we'll be seeking comment on the parts that follow after part 3.

**The Chair:** I think that shows the legislative process is an organic one.

**Mr. Nathan Cullen:** Organic is one word for it.

**The Chair:** Shall clauses 100 to 101 carry?

(Clauses 100 and 101 agreed to)

**The Chair:** Thank you.

Colleagues, we'll move to part 4. As you know, part 4 deals with various measures, clauses 102 to 401. It has a number of divisions. I will proceed division by division.

Division 1, intellectual property, deals with clauses 102 to 142. I do not have an amendment until clause 132, so which clause would members like me to deal with? Can I group a number of them together?

**Mr. Nathan Cullen:** We can after. I wouldn't mind a couple questions on 102.

(On clause 102)

**The Chair:** We'll start with clause 102. We'll welcome our officials. They are all from Industry Canada, I believe.

Welcome to the committee.

Questions, Mr. Cullen?

**Mr. Nathan Cullen:** Yes, the concern is over not just the content but the process we're going through here in terms of the changes to the patent laws in Canada.

As all committee members have heard from the Canadian Chamber of Commerce, and a number of trademark experts, getting productivity right is directly connected to innovation, which is connected to our ability to form and create patents in Canada. That this is part of an omnibus bill has not done, I would argue, this important part of our economy any proper service. The scrutiny was not enough and I think that's why we saw, from the Canadian Chamber of Commerce and others, resistance to this particular part.

We understand that there are some international treaties—the Hague, the Patent Law Treaty and whatnot—that the government seeks to be in accordance with. Without proper scrutiny, and with grave concerns raised by a group like the chamber—the government usually has some interest and respect for their opinions—that opposition is leading us to believe that, as the government likes to say, we rely on the experts. The experts in this case are those who seek to make patents in Canada with concerns about the way this is being done and also the content.

The New Democrats will be opposing these aspects of this omnibus bill and we encourage the government, when tinkering with something as important as intellectual property and patent, to give it the proper due and service of a stand-alone piece of legislation, rather than burying it in the midst of a 460-page bill that deals with a whole variety of things. Both on content and on source we have serious concerns with what's being done to industrial design and patents for Canada.

Thank you, Chair.

● (1620)

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

Do you want me to deal with clause 102 separately?

**Mr. Nathan Cullen:** No, I think Mr. Caron has a comment.

We can deal with them as a lump unless other committee members have concern.

**The Chair:** Shall clauses 102 to 131 carry?

**Mr. Nathan Cullen:** Can we have a recorded vote to apply to all. Is that possible?

**The Chair:** Yes, we can have a recorded vote to apply to all.

**Mr. Nathan Cullen:** Thank you, Chair.

**The Chair:** Okay, we'll have a recorded vote on clauses 102 to 131.

(Clauses 102 to 131 inclusive agreed to: yeas 6; nays 3)

(On clause 132)

**The Chair:** I will move to clause 132. I have two amendments there. I have NDP-1.1 and PV-1. We will now move to NDP-1.1

Sorry, colleagues, I should have pointed out, NDP-1.1 applies to PV-1, and as was agreed to by the committee, Ms. May will be allowed one minute to speak to each of her amendments.

I will hear from the NDP first, and then other members, and then Ms. May will be allowed to speak to her amendment, as both amendments will be dealt with together.

Mr. Cullen, please.

**Mr. Nathan Cullen:** Thank you, Chair, and welcome, Ms. May, to the committee.

We have two amendments to this section. Both are based on concerns that were presented at the industry committee. Of course, members at this table were not present at those hearings because of the process the government is using, which makes all of this a little more difficult. Particular concerns were expressed there about what would happen to patent regimes in Canada, such as increased litigation costs for Canadian companies, and trying to sort out this piece of legislation which, again, we believe is presented poorly in the midst of an omnibus bill.

There is a due care requirement and an alleviation of that requirement that caused a number of concerns to those who work in patent law. Again, if we're going to call witnesses and listen to experts, then they should be affecting the legislation we're drawing on.

The amendments we've provided here today, according to the witnesses we heard, provide more legal certainty and reduce the amount of litigation, not only for Canadian businesses but for the Canadian taxpayer who'll be fighting that litigation in court. If we're going to go through the process of hearing from folks who know a lot more about this than we do, then certainly we should be taking their testimony. At the industry committee, we found this was a very strong and consensual position. We drafted it into an amendment that was coherent with what was said by the experts in the field. That's what the amendment seeks to do.

Thank you, Chair.

**The Chair:** Okay, thank you very much, Mr. Cullen.

I will move to Ms. May, then, for a one-minute comment, please.

**Ms. Elizabeth May (Saanich—Gulf Islands, GP):** Thank you, Mr. Chair.

As Mr. Cullen was kind enough to welcome me to committee, I remind you all that I'm here because I've been summoned. Thank you very much. I'm sure you're all glad to have at least some gender parity around the table. A bit shocking, but anyway here we go, my amendment.

As Mr. Cullen suggested, you have had *x* evidence from patent experts. I draw my amendment from the advice you received on November 14 from the Intellectual Property Institute of Canada. This amendment to page 305 of the omnibus bill, proposed paragraph (b), says, just to give you the context, that the subsection is deemed never to have produced its effects if:

> (b) the Commissioner determines that the failure occurred in spite of the due care required by the circumstances having been taken and informs the patentee of this determination.

This is exactly as Nathan was just saying, injecting uncertainty and standards that the experts in this field believe are going to cause difficulty. As the expert evidence from the Intellectual Property Institute pointed out, Bill C-43 changes the reinstatement procedure very substantially. I quote:

> In some circumstances, reinstatement is only permitted upon a determination by CIPO that the applicant's failure to take action.... The due care standard is not mandated by the PLT. It is inherently uncertain and subjective.

On that basis, I hope you'll consider this amendment favourably.

● (1625)

**The Chair:** Okay, thank you, Ms. May.

We have Mr. Keddy, please, on this.

**Mr. Gerald Keddy:** Thank you, Mr. Chairman.

If I could, Ms. May, you can hold your own in any gender parity discussion, I'm sure.

**Voices:** Oh, oh!

**Mr. Gerald Keddy:** But perhaps from our experts here, my understanding of clause 132 is that what we're really dealing with here is an amendment that provides that the patent office must notify a patentee of a maintenance fee before the term of the patent may be deemed to have expired for non-payment of fees.

Do you want to expand on that a little?

**Mr. Denis Martel (Director, Patent Policy Directorate, Marketplace Framework Policy Branch, Department of Industry):** Yes, thank you.

Indeed, there is a requirement for the Canadian Intellectual Property Office to notify a patent holder, or someone who has an application, of a missed payment. This a new requirement. The idea of due care is to show that every avenue has been taken. If, after receiving this notice, payment has not been made, it's integrated or included to avoid abuse of the extended period of time that is provided elsewhere on this.

**The Chair:** Okay, thank you, Mr. Keddy.

Mr. Saxton, did you have a point on this?

**Mr. Andrew Saxton (North Vancouver, CPC):** Chair, I just wanted to mention two short points. The first one is that the amendment is redundant, in our opinion, as the bill, in subclause 118 (5) provides the authority to set out in regulations circumstances when the due care requirement does not apply, and furthermore, the second point, stakeholders will have the opportunity to propose options during consultations as part of the regulatory process.

**The Chair:** Thank you, Mr. Saxton, for that comment.

Mr. Cullen, please.

**Mr. Nathan Cullen:** Yes. I think that's an opening there. I'm hearing Mr. Saxton essentially suggesting that it's going to be at some further stage when the government is looking to do regulations to better define due care and better take in industries' concerns around this.

The question begs, why not put it into legislation? If at the worst it's redundant and it provides clarity and certainty around this question of the due care requirement, we're then at a bit of a loss why the government wouldn't simply support it. If the worst argument that can be made is that it's redundant, and the best argument in favour of voting against it is that we're going to do in regulations later on anyways, why not put it into law? This is, of course, always much more certain, especially for an industry that's working on innovation and development of patents, so we rest with the arguments that have been made and support those made by Ms. May.

**The Chair:** Okay.

Thank you.

Again, Mr. Keddy.

**Mr. Gerald Keddy:** Very quickly, I mean, that's not at all what clause 132 does. I mean, what it does is, where a patent is deemed to be expired for non-payment of fees, and that's the due care, this clause sets out the requirements meant to restore the patent rights. It's no more and no less than that.

**The Chair:** Thank you.

We'll then go to the vote on NDP-1.1.

(Amendment negatived [See *Minutes of Proceedings*])

**The Chair:** That vote on NDP-1.1 applies to PV-1 as well.

Shall clause 132 carry?

**Mr. Nathan Cullen:** Can we have applied recorded votes for the series of votes going through 144, Chair, if that's possible? Oh, excuse me, we have another amendment coming, so through to 136.

**The Chair:** Okay. Let's do clauses 132 to 136.

● (1630)

**Mr. Nathan Cullen:** As a recorded vote...?

**The Chair:** Is that okay with you, Mr. Brison, to do 132 to 136 as a recorded vote?

**Hon. Scott Brison:** Yes, that's fine.

**The Chair:** Shall clauses 132 to 136 inclusive carry?

(Clauses 132 to 136 inclusive agreed to: yeas 6; nays 3)

(On clause 137)

**The Chair:** We shall then move to clause 137. I have two amendments there. I have NDP-1.2 and PV-2. The vote on NDP-1.2 applies to PV-2.

I will go to Mr. Cullen, please.

**Mr. Nathan Cullen:** This is very similar. This is another part of the act, industrial design and patents. What we heard—and the testimony matters and should matter to the government if it's concerned about taxpayer money at all—is that this as designed right now is going to lead to litigation. The amendment we're making is to have greater clarity for those holding and seeking patents in Canada and to avoid the litigious process, because not only is it expensive, it is a delay in that innovation.

I have a good sense of the way the government is going to vote on this, and my concern is that we're going to regret this later on and only spend money sitting in patent court and other courts rather than dealing with this up front and designing legislation in a way that makes sense.

**The Chair:** Thank you.

I'll go to Ms. May, please, for a minute.

**Ms. Elizabeth May:** Thank you, Mr. Chair.

I'm awfully glad that this amendment gives me a chance, because with one minute per amendment, I don't get to respond in the back and forth unless you give me that latitude, Mr. Chair.

If the honourable government members actually think that this requirement for an assessment, “that the failure occurred in spite of the due care”.... If that's what they think it says, then they've been given bad statutory interpretation.

It means what it says it means. It's not discretionary. The requirements of both the amendments you just defeated and this current section use cumulative requirements before the application can be deemed reinstated. It uses the word “and”. It requires that the commissioner make a finding, a determination that the failure occurred in spite of the due care required by the circumstances.

As such, I couldn't agree more with what Mr. Cullen just pointed out and as we have been told by the Intellectual Property Institute of Canada.... I think we all have to acknowledge that the Intellectual Property Institute of Canada deals with intellectual property day in and day out, which none of us do, and their advice is pretty clear: this is going to end up in court.

**The Chair:** Thank you, Ms. May.

For further debate, we'll go to Mr. Saxton.

**Mr. Andrew Saxton:** Thank you, Chair.

The proposed amendment gives the perception of creating two consecutive periods, wherein the requirement to show that a failure to take an action that resulted in the abandonment of the patent application occurred despite due care. I'd ask the officials if they could elaborate on that, because it is our opinion that this amendment is also redundant and that stakeholders will have the opportunity to propose options during consultations as part of the regulatory process.

**The Chair:** Who would like to respond?

Monsieur Martel.

**Mr. Denis Martel:** The amendment is drafted in such a way that it tries to specify it in a prescribed time period. This suggests that it would be specified later on in a regulatory manner, which is currently in the bill the way it is drafted. There is currently regulatory power to specify the prescribed time period in the regulations. That's the redundancy.

**The Chair:** Is there anything further, Mr. Saxton?

Okay, we'll go to the vote on amendment NDP-1.2 then.

**Mr. Nathan Cullen:** I just want to know the process, Chair. I'm not familiar with this. Ms. May seeks a second moment to talk. Can it be sought by committee for an extra small amount of time? I'm not seeking to—

**The Chair:** I'm going to clarify this at the beginning. It's not the chair who determines. I know people try to do that, but it's not my determination. It's the determination of the committee. I thought there was agreement among every member of this committee that Ms. May would be provided with one minute per her amendment. That was my understanding. If there's a different method that the committee wishes to instruct the chair to use, that's fine. I will follow that. Did I not have that right?

● (1635)

**Mr. Nathan Cullen:** Yes, you did, absolutely. I suspect the challenge is that, on the occasional amendment of some complexity, there may be a need for something longer than 60 seconds. I don't know what the other members' feelings are towards the odd exception. I know that's not much of a rule for you to follow, Chair, but if Ms. May seeks it, we can move to allow one more intervention on her behalf, because it's such a restrictive process.

I sympathize, Chair. I know we agreed to the set of rules. It's just that, as parliamentarians, we seek to have debate when we can without it burdening the process, and I'm not sure that—

**The Chair:** What is your proposal then?

**Mr. Nathan Cullen:** My proposal is that, on the occasional one, if it's not cumbersome to this lengthy process that we have, we allow Ms. May a secondary intervention from time to time.

**The Chair:** On the occasional thing, a secondary intervention from time to time....

I mean it's—

**Mr. Nathan Cullen:** It's not the most clear direction to you, Chair.

**The Chair:** All right, thank you.

**Mr. Nathan Cullen:** You're just a nimble guy. I assumed that—

**The Chair:** This is why I asked for it to be clarified yesterday, and this is exactly what I wanted to avoid.

I need direction from the committee. It's not for the chair to restrict anybody's speaking—

**Mr. Nathan Cullen:** I understand, and there's no attempt from me to be disruptive about our process at all.

**The Chair:** —because there are three registered political parties on this committee, and there are 10 members on this committee—

**Mr. Nathan Cullen:** I understand.

**The Chair:** —so I'm following the rules as applied, and we are, frankly, bending the rules through unanimous consent.

**Mr. Nathan Cullen:** I understand. Allow me this and then I'll leave the issue. I'm not sure how many there are in total, because Ms. May can only speak, I believe, to her own amendments. Is that correct under the rules that are given?

**The Chair:** Yes. She has one minute for her amendments.

**Mr. Nathan Cullen:** I'm just looking through the number of amendments. Many of them are superseded by other opposition amendments, so I'm not looking at their being more than 10 or 12 opportunities where this may happen. In the fulsome four or five hours, or more, that we're going to be here, I just don't see it as a significant cost to the committee members. I do apologize, Chair, I know you're seeking to have clarity.

I don't know if the government wants to make any comment on that.

**The Chair:** Okay, thank you.

Mr. Saxton.

**Mr. Andrew Saxton:** You know, Chair, every member of the committee, including Ms. May, came in here today with an understanding that was agreed upon ahead of time, so I'm quite surprised that Ms. May is asking for this, because she knew ahead of time exactly what the rules were.

**Ms. Elizabeth May:** Every committee takes a different approach and some let me respond.

**The Chair:** Order, order.

**Mr. Andrew Saxton:** It's not a big deal if we allow it to happen once, but my concern is that it's going to happen many times, and we're already going to be here quite a long time. If Ms. May agrees that it will only happen this once then we can bend the rule, but if she can't agree to that then let's just move on.

**The Chair:** Thank you.

Mr. Keddy.

**Mr. Gerald Keddy:** Mr. Chair, I think you explained it extremely well. With all respect to Ms. May, we've had this process before. I understand what Mr. Cullen is saying and I appreciate his intervention; however, we have one small party in the House that's not an official party or an official caucus. We have a number of independents. All of them could be here, all of them with the same amount of time, and this could turn into a real mare's nest. I think we simply need to follow—

**An hon. member:** You shouldn't have passed—

**The Chair:** Order.

**Mr. Gerald Keddy:** I think we need to follow it. It's unfortunate for Ms. May, but we need to follow the process we set up.

**The Chair:** Thank you.

That's the direction I've been given and that's the direction I will follow, unless the committee wishes to vote again on the amount of time.

**Mr. Gerald Keddy:** Sorry.

**The Chair:** Okay. I was doing the vote on amendment NDP-1.2. All those in favour?

(Amendment negatived [See *Minutes of Proceedings*])

**The Chair:** The amendment is defeated. As I mentioned, that vote applies to the Green Party amendment, PV-2.

Shall clause 137 carry?

[*Translation*]

**Mr. Guy Caron:** No.

Mr. Chair, I request a recorded vote.

[*English*]

**The Chair:** Okay. We will have a recorded vote.

**An hon. member:** A recorded vote for 137 to 142...?

**The Chair:** Can we do a recorded vote for clauses 137 through to 142?

Mr. Brison, can we do that?

**Hon. Scott Brison:** Sure.

(Clauses 137 to 142 inclusive agreed to: yeas 6; nays 3)

**The Chair:** That finishes division 1. We thank our officials from Industry Canada for being with us here for division 1.

We shall then move to division 2. This is the Aeronautics Act section, clauses 143 to 144.

I welcome our officials from Transport Canada to the committee. Thank you for being with us.

(On clause 143)

**The Chair:** We have one amendment for clause 143. We have the Green Party amendment, PV-3.

We'll go to Ms. May, please.

● (1640)

**Ms. Elizabeth May:** Thank you, Mr. Chair.

This amendment to the Aeronautics Act has been very controversial within the industry. Many of the organizations involved in aviation, such as the Canadian Owners and Pilots Association, the Helicopter Association, and the Aviateurs et pilotes de brousse du Québec, have given you a lot of evidence of concern here.

I cite the evidence of the Canadian Airports Council. There is a large and important airport that is a significant part of my riding, the Victoria International Airport. The brief from the Canadian Airports Council points out that although there were informal discussions at Transport Canada, “there was no consultation with industry on the broader language currently being proposed. They also say, “We contend that this legislation should have been subject to the same process that normally would be undertaken”.

I know that there was also some supportive testimony on this, so what my amendment attempts to do is craft a requirement for the appropriate consultation to take place before non-urgent prohibition orders for aerodrome expansion and development take place. As you can see, my amendment requires in proposed subsection 4.31(2) that the minister consult with any person the minister considers appropriate, and in my proposed subsection 4.31(3), that if it is urgent and there's a security issue, the minister may act without consultation.

**The Chair:** Thank you, Ms. May.

Are there any further comments on this?

We'll go to Mr. Allen, please.

**Mr. Mike Allen (Tobique—Mactaquac, CPC):** Thank you very much, Mr. Chair.

I appreciate the comments from Ms. May; however, when you look at the amendment as it's proposed, it does get into.... When you look at the Aeronautics Act and what is proposed in the legislation, it says that the minister “may make an order prohibiting the development or expansion of a given aerodrome or any change to the operation...if, in the Minister’s opinion, the proposed development, expansion or change is likely to adversely affect aviation safety or is not in the public interest”.

I think Ms. May's amendment goes into security as well, actually, with respect to “the security of any aircraft or aerodrome or other aviation facility”. That's not the intention of what we're trying to do in this act, I think, to actually get into the security side of that. This amendment, I believe in this case, is overreaching for what we're trying to do. However, I do have a question of clarification, but if the officials could clarify this...? I think this is true.

The other question of clarification I do have, though, is that there have been representations made on this issue by COPA and other organizations that I'm familiar with, and there is some difference of opinion. So here's what I would like to ask. When it comes to the regulation-setting process—because I understand that this legislation is enabling legislation to allow for a regulatory process to happen after that—could you confirm with me that we're going down this road and that the consultations will happen before any adoption of any regulations?

**The Chair:** Does anyone want to clarify that?

Ms. Currie, please.

**Ms. Shari Currie (Acting Director General, Civil Aviation, Department of Transport):** Yes, there will be formal consultations once the act is passed. The second rule-making authority we're asking for would allow us to do the consultations on the consultation power, so the answer is yes.

● (1645)

**Mr. Mike Allen:** When will that happen?

**Ms. Shari Currie:** The notice of proposed amendments would be out in February of 2015, so we would be consulting industry from probably January until March.

**Mr. Mike Allen:** Thank you.

Ms. Day, you were nodding your head on the security aspects of this. Can you confirm that this amendment being proposed by Ms. May is overreaching?

**Ms. Marie-Claude Day (Legal Counsel, Department of Transport):** Yes, absolutely. I agree with you. The scope of the Ms. May's proposed amendment is overreaching. The scope of the power is within the safety realm, not the security.

**Mr. Mike Allen:** Thank you, Chair.

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

I'll go to Mr. Brison on this, please.

**Hon. Scott Brison:** On the scope of clauses 143 and 144, we've heard from a number of Canadians who've made a case that we need stronger federal regulation around aerodromes, particularly when it comes to environmental standards around landfills, but it's clear that we need better and clearer rules regarding the development of aerodromes.

Unfortunately, this division isn't a serious attempt at strengthening the law. In fact, the Canadian Bar Association identified some problems with this. I'll quote from their brief:

> The amendments to the Aeronautics Act in Bill C-43 present regulatory and legal problems concerning the exercise and scope of the Minister’s powers. The additional powers are overly broad and do not take into account the everyday operation of aerodromes. In addition, it is unclear whether the exercise of the Minister’s power to prohibit the development or expansion of an aerodrome is reviewable.
>
> ...The proposed amendments allow the Minister to get into the minutiae of the operation of the vast number of aerodromes in Canada (approximately 3500). The operation of an aerodrome changes daily, if not hourly or moment-to-moment. Providing the Minister with such power may cause administrative difficulties from a legal and regulatory perspective.

This division gives the minister sweeping powers. The government says it's doing this so that it can insist on public consultation, but the irony is that these measures were put forward without public consultation.

Finally, not that this really matters under the current regime, these measures don't belong in a budget bill and don't really belong in finance committee deliberations.

**Voices:** Oh, oh!

**Hon. Scott Brison:** It seems rather quaint to say that at this point.

Thank you, Mr. Chair.

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

Further discussion?

We'll go to the vote on PV-3.

(Amendment negatived [See *Minutes of Proceedings*])

(On clause 143)

[*Translation*]

**Mr. Guy Caron:** Mr. Chair, I could have commented during the debate on the amendment, but I wanted to do so on the division itself, division 2, that is.

[*English*]

**The Chair:** Okay. Monsieur Caron.

[*Translation*]

**Mr. Guy Caron:** Although this has already been mentioned, I have to emphasize that no prior consultation was held in any comprehensive way with industry representatives. Mr. Gooch, from the Canadian Airports Council, even told us that some of the wording in the bill could be problematic, that they may well have undesirable effects, and that they should be amended. But no amendments along those lines have been proposed.

Just the fact that the Canadian Airports Council has indicated that some of the wording in the bill is problematic should make the government understand the need to settle that matter before forcing a vote on this division, which, as has been mentioned, should be part of separate legislation rather than being part of a budget bill.

We feel that, before passing these changes to the legislation, even if they could be specified in regulations that must themselves follow some consultation, Transport Canada should re-examine the wording and the scope of the bill and undertake wider consultations. As it stands, this amendment gives the minister new discretionary powers that might be useful in certain cases but that, in other cases, could be used in a way that could be considered abusive.

For those reasons, it is impossible for us to vote in favour of these provisions. We will vote against them in a recorded vote.

● (1650)

**The Chair:** Okay.

Thank you, Mr. Caron.

[*English*]

Then we'll go on clause 143.

Should we do a recorded vote that applies to 143 and 144?

**Some hon. members:** Agreed.

(Clauses 143 and 144 agreed to: yeas 5; nays 4)

**The Chair:** I thank our officials from Transport Canada for this division.

[*Translation*]

**Mr. Guy Caron:** I would like to request that we take a five-minute break.

[*English*]

**The Chair:** I was going to recommend that exactly, yes. We'll take a five-minute break, colleagues, and then when we come back we'll do division 3. Thank you.

● _____ (Pause) _____

●

● (1705)

**The Chair:** I call this meeting back to order.

Colleagues, we were dealing with part 4 of Bill C-43 and we're now on division 3 dealing with the Canadian High Arctic Research Station Act. This deals with clauses 145 to 170.

We want to welcome our officials to the table for this part of the bill.

(On clause 145—*Enactment*)

**The Chair:** We have four amendments under clause 145. We have Green Party-4, NDP-2, NDP-3, and Green Party-5.

Ms. May, you can speak to both of your amendments or you can speak to your amendments individually. It's up to you.

**Ms. Elizabeth May:** I think individually would make more sense, because they're speaking to different aspects.

Thank you, Mr. Chair.

Speaking to Green Party-4, or PV-4, on page 318, after line 4, what we want to do is add to ensure that the new Canadian High Arctic research station will fall under the Auditor General Act, particularly that of the Federal Sustainable Development Act, so that it will become a category 1 department. This will mean that the Canadian High Arctic research station will have the same requirements as other branches of the federal government for sustainable development planning.

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

Any further comment on PV-4?

Mr. Rankin, please.

**Mr. Murray Rankin (Victoria, NDP):** I appreciate Ms. May's amendment proposal. We certainly would support that. I can say that on behalf of the three NDP members here.

**The Chair:** Thank you.

Further discussion?

We'll move to the vote on PV-4, then.

(Amendment negatived [See *Minutes of Proceedings*])

**The Chair:** We'll now go to NDP-2, Mr. Rankin.

**Mr. Murray Rankin:** Thank you, Chair.

In terms of process, there are officials here. Am I going to discuss these amendments first or have them only when we talk to the main event?

**The Chair:** It's up to you. If you want to ask them a question in discussion over your amendment, that's fine.

**Mr. Murray Rankin:** Sort of my general questions, and then go to the amendments, if that's okay, because it's hard to do this without talking about the larger picture.

**The Chair:** Sure, you're free to do that.

**Mr. Murray Rankin:** Could I then please say welcome to the officials who are here?

I have a few specific questions, mostly for clarification, that will take us to this amendment, if you'll indulge me. The first is about the definition of the word "Arctic", which appears on page 316 in the interpretation section 2. It talks about "north of sixty", which of course makes sense. Then it talks about "south of sixty degrees north latitude but north of the southern limit of the discontinuous permafrost zone". Is there a concern you might have that the definition is going to change because of the global temperatures and the fact of greenhouse gases and climate change in the north? Is that definition dead on arrival, as it were?

**Mr. Stephen Van Dine (Director General, Northern Strategic Policy Branch, Department of Indian Affairs and Northern Development):** Thank you for the question. It's a pleasure to be here to respond.

That definition is currently a part of the Canadian Polar Commission Act in terms of a definition for the Arctic. That definition has been carried through for quite some time. It's an acknowledgement, or it tries to be an acknowledgement, that the north has many different geographical differentiation characteristics. The tree line is a well recognized component in terms of that. Your comments with respect to the changing nature of that are legitimate. As a result we were trying to carry forward with the original definitions as best we could through the CPC legislation and recognizing that in terms of the scope and mandate of this particular institution.

● (1710)

**Mr. Murray Rankin:** Thank you very much.

Does the polar continental shelf get factored into this? Is it part of the Arctic?

**Mr. Stephen Van Dine:** You're referring to the polar continental shelf program.

**Mr. Murray Rankin:** Yes.

**Mr. Stephen Van Dine:** That is a partner organization and we use that entity for our logistic support. We've been using them as early as this past summer for our first field season. They are not scoped into this legislation but are a significant partner.

**Mr. Murray Rankin:** What is the impact of it not being scoped into this legislation?

**Mr. Stephen Van Dine:** The impact, from my standpoint, is an operational relationship between ourselves and the polar continental shelf program. We have a very strong working relationship with the polar continental shelf program and they'll continue to be a service provider to this institution.

**Mr. Murray Rankin:** Is there a link to National Defence in this project, or is it just scientists and civilians who will be part of CHARS?

**Mr. Stephen Van Dine:** There's a range of scientific research components across the federal government that will have the opportunity to work and partner with CHARS on its science and technology agenda. There is no explicit reference to DND, but we hope there will be opportunities for those things that are consistent with the priorities—

**Mr. Murray Rankin:** You mean things that are scientific in nature rather than military in nature, essentially?

**Mr. Stephen Van Dine:** I mean scientific in nature. That's correct.

**Mr. Murray Rankin:** I have two more questions, if I may.

What accountability mechanisms are in this package? I've read the sections of course, but what about accountability to Parliament? Is there an ability here to assess the activities of CHARS? Is there a requirement for CHARS to report to Parliament? I'm not following where that would be, if anywhere.

**Mr. Stephen Van Dine:** Thank you.

That question has come up in previous discussions, and I'm happy to respond. I believe some of the proposed amendments speak to that as well.

One of the distinctions between the Canadian Polar Commission's references to reports to Parliament and this particular legislated proposal is that the CPC's references to accountability and reports to Parliament date back to 1991 when that legislation was passed. In this legislation, we are proposing to use modern drafting to be a bit more reference-light, if you will. But that doesn't take away from the substantive nature of reports to Parliament.

Therefore, this institution will have the same requirements to report to Parliament vis-à-vis the report on plans and priorities and the related reporting documents that Parliament will have a chance to look at.

**Mr. Murray Rankin:** I think that's all.

I will now turn to my amendment, given that context, if I may, Mr. Chair.

Amendment NDP-2 is designed to add additional purpose clauses to the CHARS bill to address certain things that appear to have been left out when the merger of the Canadian Polar Commission happened in this bill. All of the suggested amendments are in that direction. I think they're consistent with what was there before for the polar commission.

In the interest of time, there are two pages of such amendments and I'm not sure it helps anyone to read them. That's the spirit of the amendments, to add what would perhaps inadvertently be taken away upon the merger of these two agencies under this legislation.

That's the method, if you will, in amendment NDP-2.

**The Chair:** Thank you very much, Mr. Rankin.

Is there further discussion on this?

Mr. Saxton, go ahead, please.

**Mr. Andrew Saxton:** In amendment NDP-2, the proposed purpose is in fact narrower and more restrictive than the purpose in the CHARS act. The purpose of CHARS is in fact broader. The powers and functions clause goes into more detail about how CHARS would go about its work. So in fact adopting the amendment, while it looks nice, would actually be detrimental and a step backwards.

For example, proposed paragraphs 6(1)(a) to 6(1)(c) provide that we actually do research and not just disseminate and gather. That is the key difference between what is in the amendment and what the stated purpose of CHARS is.

Perhaps the officials could elaborate on that as well.

**The Chair:** Who would like to answer that?

Mr. Van Dine.

● (1715)

**Mr. Stephen Van Dine:** Thank you.

The member is correct, and I would again describe it as a drafting technique. The proposed reference returns the leading aspect of the purpose section to being the dissemination of knowledge, which is exactly what the Canadian Polar Commission was all about. Bringing it into that frame and then listing the elements below it actually locks in the original mandate of the Canadian Polar Commission and does not extend it to the undertaking of research.

We have drafted it in such a way as to provide the four elements of the purpose in the way it is laid out. It then works with proposed section 6 to give more teeth, if you will, to the research and knowledge-development component. That was the drafting intent behind this particular approach. That's the way it's represented.

**The Chair:** Thank you.

We'll go back to Mr. Rankin, please.

**Mr. Murray Rankin:** Thank you for the explanation. Of course, if that is accurate, then we would support this and withdraw the amendment. But our belief is that there are certain things—I'm just speaking for example to (f), (g), and (h)—that appear to be lacking, strengthening Canada's leadership on Arctic issues, the all-important ability to provide information to Canadians about polar regions and Canadian institutions and associations. At dissemination we've had this in other contexts where government agencies have been deprived. We'll talk about that in a moment with respect to the Canadian public health sections, if you will, the public health officer, where there is no mandate as there used to be, or people thought there was, to do that. This is a similar desire to get that into the jurisdiction of CHARS, enhancing our international profile as a circumpolar nation by fostering international cooperation.

I understand the statutory interpretation point that you put large things out there, these broad categories if you will, but these specific mandate provisions are in our judgement lacking in the current legislation and they are there in a sense to make sure that it's not, as Mr. Saxton said, narrowed but rather broadened.

**The Chair:** Mr. Van Dine.

**Mr. Stephen Van Dine:** Thank you.

I'm going to consult with my colleagues just for a moment. But I believe if we look at under section 6 under "Powers and Functions", again clause 5 and clause 6 work together, and that's the intention, to make sure that one's a more deeper and expansive elaboration of the general purpose above.

Under item 6(f), "complement of national and international networks of expertise and of facilities", it's expressed that in each of these areas we're going into a greater amount of detail to describe the international partnerships and Canada playing a leadership role in the international community, and the Canadian Polar Commission is recognized as being a legitimate partner in establishing those. That does legally carry forward in this expression of it, and it has been intended to make sure that what we add to that is the applied research and the science and technology component. So in addition to this knowledge dissemination, it will actually be generating knowledge.

**Mr. Murray Rankin:** All right.

**The Chair:** Okay, thank you. Thank you for that information.

We will then move to a vote on NDP-2. All in favour of NDP-2?

(Amendment negatived [See *Minutes of Proceedings*])

**The Chair:** We then have NDP-3.

Do you want further discussion, Mr. Murray?

**Mr. Murray Rankin:** On NDP-3, I haven't spoken to it specifically, but it's in line with just the points I was making about better oversight. It talks about the chairperson of CHARS submitting to the minister this report on the activities so that Parliament has a better way of understanding, the minister causing that to be laid before the House. It's a standard provision that we think is lacking, and frankly, we thought by oversight, in the legislation before us, because it seems like we have no ability as parliamentarians even to see a report of the activities, if I'm understanding it properly, and that's an unusual position to be in for a government-funded agency of this sort.

● (1720)

**The Chair:** Okay. Any further comment on that?

Mr. Saxton, please.

**Mr. Andrew Saxton:** Thanks, Mr. Chair.

So we're referring now to NDP-3.

**The Chair:** NDP-3, that's correct.

**Mr. Andrew Saxton:** Right.

I just want to point out that according to Treasury Board guidelines, CHARS will be required to report annually in a public manner like every other federal organization through vehicles including reports on plans and priorities and departmental performance reports. CHARS would have the power to publish its studies and reports, further increasing public access to information about the organization and its work, and the designated minister would also have the permissive power to request additional reports from CHARS and could make those public as well.

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

I'll go back to Mr. Rankin, please.

**Mr. Murray Rankin:** With great respect, Chair, we understand what the Treasury Board guidelines say and the minister's ability may be to provide this information should he or she wish, but that's frankly not good enough. The Treasury Board guidelines could be changed tomorrow. This is legislation. We think Canadians deserve to know how the money is being spent on such an important initiative and not rely on guidelines.

**The Chair:** Thank you.

We'll then go to the vote.

On NDP-3, all those in favour?

(Amendment negatived [See *Minutes of Proceedings*])

**Mr. Chair:** We'll go to Green Party-5, please.

We'll go to Ms. May.

**Ms. Elizabeth May:** Thank you, Mr. Chair.

It's a little late now, but I would like to say how much I appreciated Mr. Rankin's efforts there to amend the legislation.

What I'm trying to do in the next amendment, similarly, is to try to ensure consultation with the appropriate authorities. I was in previous consultation with Mr. Rankin. We may not have come up with all the appropriate ones, but at page 321 what we're attempting to do is to add that steps can be taken only after consultation with the federal Minister of the Environment, the Minister of Indian Affairs and Northern Development, the Executive Council of Nunavut, and the Nunavut Impact Review Board.

There may be additional authorities that others might wish to add, but it's an attempt to make sure that in the rollover of the Canadian Polar Commission we don't lose track of other important authorities.

Thank you.

**The Chair:** Thank you, Ms. May.

We'll go to Mr. Rankin on this, please.

**Mr. Murray Rankin:** Normally I would very much want to be in support of this, and we did have some discussion just at the break. Perhaps the Green Party amendment could be amended to add the minister responsible for science—namely, the Minister of Industry—as well as those other territorial government agencies with Arctic interests; I'm thinking NWT and the Yukon.

As I'm sure my friend Ms. May would agree, this agency isn't just to deal with Nunavut issues but of course with Arctic issues more generally. We think the spirit is entirely appropriate; we just think it doesn't go far enough to do what I think Ms. May is attempting.

So if that would be acceptable, we would suggest that other agencies of the territorial governments and the Minister of Industry be added to that list.

**The Chair:** Do you want to make a subamendment?

**Mr. Murray Rankin:** Formally, the subamendment would add the Minister of Industry and the other territorial agencies, so that the amendment would read as follows, "time basis, only after consultation with the Federal Minister of the Environment, the Minister of Indian Affairs and Northern Development, the Minister of Industry, the Executive Councils of Nunavut, Yukon, and NWT, and the Nunavut Impact Review Board."

**The Chair:** We'll have a vote on Mr. Rankin's subamendment.

(Subamendment negatived [See *Minutes of Proceedings*])

(Amendment negatived [See *Minutes of Proceedings*])

**The Chair:** Shall clause 145 carry?

● (1725)

**Mr. Murray Rankin:** I'd like a recorded vote.

(Clause 145 agreed to: yeas 6; nays 3)

**The Chair:** Colleagues, we have a motion from Mr. Cullen. We do need to deal with that by 5:30. We also have votes coming up at about 6 p.m., so we'll have half-hour bells.

I'll go to Mr. Cullen....

Yes, Mr. Rankin.

**Mr. Murray Rankin:** I was just going to say that from our perspective, we could accept on division all the way up to clause 170, if that would assist you, Chair.

**The Chair:** That would. I'll deal with Mr. Cullen's motion first, but I do appreciate that.

Mr. Cullen, on your motion.

**Mr. Nathan Cullen:** I'll withdraw the motion.

**A voice:** Chair, can I talk to you for minute?

**The Chair:** Okay. I'm going to suspend the meeting.

● _____ (Pause) _____ ●

**The Chair:** We're back in session

I understand there's agreement with the various parties that next Wednesday, at 3:30, there will be a one-hour session with officials from CRA?

**Some hon. members:** Agreed.

**The Chair:** Thank you, that's very helpful for the chair.

Colleagues, do I have your approval to go about 15 minutes into bells, whenever they start?

**Some hon. members:** Agreed.

**The Chair:** I appreciate that very much.

Mr. Rankin, you said we could deal with clauses 146 to 170?

**Mr. Murray Rankin:** Yes, on division.

**The Chair:** That's very helpful.

(Clauses 146 to 170 inclusive agreed to on division)

**The Chair:** I want to thank our officials very much for their interventions on that. I appreciate that.

We will now go to division 4, Criminal Code. We have clause 171.

We welcome our officials to the committee.

Shall clause 171 carry?

(Clause 171 agreed to)

(On clause 172)

**The Chair:** Next we have division 5, Federal-Provincial Fiscal Arrangements Act. We have two clauses and we have one amendment on the second clause.

I'll deal with clause 172 first. Shall clause 172 carry?

Mr. Cullen.

**Mr. Nathan Cullen:** Yes, I think we need discussion on this because we have had incredibly limited conversation here throughout this entire debate around this question of removing the option of social assistance from refugee claimants. We have had virtually no conversation where this clause was also sent to the other committee, because the committee that was sent this clause, Mr. Chair, was dealing not just with this particular provision, but also with changes to the temporary foreign worker program, if I recall correctly.

So in terms of process, one would think that impacts on refugee claimants and impacts on the disastrous temporary foreign worker program would merit some proper investigation by the House of Commons, but at the other committee I believe the opposition was able to call one or two witnesses at the most. So this hasn't been reviewed properly.

We were able to get some testimony on this in committee—members will remember and recall Ms. McIntyre who was from Romero House. But there is also Ms. Jimenez, who I think told one of the more compelling stories that we have heard throughout the entire debate around this omnibus bill.

Much of this legislation is incredibly technical. Much of it deals with aspects of the tax code and it isn't necessarily the most gripping to deal with, but certainly this particular section was powerful. I'm recalling just now Ms. Jimenez's testimony in front of us when she said:

> ...if you have left your country, if you have left everything you had in your life—your career, your family—for a new country, and you're trying to build trust in this new community, it's a hard time. You don't understand what is happening....

This is from Ms. McIntyre's perspective at Romero House, which committee members will remember is a Christian organization that's set up to help refugee claimants. According to her, such claimants:

> ...would need to seek shelter in homeless shelters, which are already over-burdened—we get emergency phone calls every day for people for whom there are no rooms in emergency shelters—or they'll end up on the streets.

The challenge for us throughout this entire process and throughout this amendment, this one clause in the omnibus bill, was that nobody was asking for this change. This is a move in which the government sought to allow provinces to deny refugee claimants social assistance.

We checked with the provinces. We asked what consultations with department officials had been done. The only instance we were able to find at all, Mr. Chair, was from the Province of Ontario who said that they were asked and who said they don't want this amendment done. It is not in their purview to deny refugee claimants access to social assistance, because as committee members will know, social assistance means a very small amount of money—I think in Ontario we heard something like $600 a month—and that it wasn't in their design to do it.

It's not saving the federal treasury any money. It's not something that the provinces had requested. It's certainly not something that the refugee claimants and their organizations that represent them, the many charitable, Christian-based, various religious-based groups across the country who help refugees out, were looking for.

When you have a change to Canadian law unasked for, unwanted, and that can only do harm, one has to pull back and understand what the motivations could possibly be.

In all of this, through amendments and through the efforts that we're making as the official opposition, essentially pleading with the government to either justify this move, which has not been done yet, or to simply seek to not do harm to a group that we can all acknowledge are disadvantaged at best, because Canada's reputation and our history is built on some measure of compassion.

Refugee claimants are not exactly groups that should be targeted by any government because they've already been targeted once. That's why they're refugee claimants. That's why they're here seeking refuge, as in the name.

We encourage government members to find that place of conscience on this one and decide that we can do something better than what is being proposed right now, and I'll end on this, Mr. Chair. The government has already fought court battles on the removal of medical medicare to refugee claimants and lost and is now spending taxpayer money appealing those rulings.

The Federal Court judge called this cruel behaviour on the part of the government. So why add more pain to those who are already in a difficult situation? Our grave concern is that it is not just affecting refugees, but of course many refugee claimants are here with children.

● (1730)

The idea that we would take away medical assistance and then further exacerbate the problem by taking away any social assistance, which of course pays for the most basic human needs.... It's simply beyond me as a Canadian and a parliamentarian as to why the government would seek this as a priority buried in the midst of an omnibus bill.

Thank you, Mr. Chair.

**The Chair:** Thank you.

I'll go to Mr. Brison, and then I have Mr. Keddy.

**Hon. Scott Brison:** I agree with what Mr. Cullen said. The government is continuing what seems to be an ideological or political attack on refugee claimants. The courts pushed back, and the government continues to fight on the refusal to provide basic health care services for refugee claimants.

Refugee claimants are not guaranteed a work permit from the government, so if they don't have a work permit, they are going to rely on social assistance to survive, at least in the short term. Removing access to social assistance would be catastrophic to refugees and to their families. I think that when we had witnesses before the committee.... It's important to realize that the children of these refugees will be potentially victimized by this. I think these are among the most vulnerable people we have in Canada—refugees, but particularly children of refugees who are denied social assistance.

I think the government has not made a compelling case as to why these changes are necessary, attractive, or positive, or what the arguments would be. It is not clear. The provinces certainly have not requested them. Therefore, as Liberals we stand very much opposed to the proposed changes.

● (1735)

**The Chair:** Thank you.

I will go to Mr. Keddy, please.

**Mr. Gerald Keddy:** Thank you, Mr. Chairman.

You know, Mr. Chairman, I find the approach of the opposition on this very disconcerting. This is an extremely serious issue. No one should attempt to mislead Canadians that somehow refugees, asylum claimants, and their children are not getting health care. That is absolutely false. They are getting health care. What we are talking about here is failed refugee claimants and bogus claimants; those individuals don't get health care. It's the same as Canadians. Everything that's available to a Canadian citizen is available to a refugee claimant. When that refugee claimant is proven to be a bogus claimant and is leaving the country, that is a different situation.

What we're talking about here is not that we are removing the option of social assistance. That is absolutely not what this does. What this does is introduce a minimum period of residence before foreign nationals can access social assistance. That's with the provinces and territories, because currently the provinces and territories that are responsible for social assistance cannot impose a minimum period of residence on receipt of social assistance without the risk of incurring a penalty in the form of reduced Canada social transfer payments from the federal government.

If a province or territory decides.... If Ontario decides it wants social assistance on day one, that's up to Ontario. If Quebec decides that, it's up to Quebec. The provinces and territories make this decision without threat of penalty. What this does is amend the federal transfer payments to allow for the provinces and territories to introduce the type of condition that would enable them to complement federal efforts to minimize possible incentives for an unfounded asylum claim.

Here is the reality. We've had 10,000 and 15,000 asylum claimants per month from some countries, and 99.9% of them are never filled out. They never come to fruition. However, if we make the system wide open, then we are responsible for every one of those individuals, whether they are legitimate refugees and asylum claimants or not.

All we are doing is putting the power in the hands of the provinces —where it belongs—without threat of penalty. They make the decision, and I suspect they'll leave it as it is, or they may not, but it's up to them. Let's not call this something it isn't.

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

Mr. Cullen.

**Mr. Nathan Cullen:** Mr. Keddy made a couple of statements.

It's strange to suggest that refugee claimants were not stripped of health care when I have a press release from the Minister of Citizenship and Immigration restoring health care that had been stripped from refugee claimants. So it's one or the other. The government did, in fact, do this. The court ordered them to stop. Then the government's own release says—and I will turn back to this clause, Chair—that they're going to temporarily restore health care access for refugee claimants and their children until all legal avenues have been exhausted.

So it was the federal Conservatives' decision to then return to the courts, spending more taxpayer money to strip medical access to refugee claimants. That's exactly what the government did. So to try to deny it now.... They only need to restore the access to health care if they stripped it out in the first place, which is exactly what the government did.

In respect to this, the government is asking Canadians to believe that the Canadian Medical Association, the nurses, these charitable groups, and these Christian houses, are all completely wrong with respect to social assistance in application to refugee claimants, and that it's somehow in this other narrow definition of these groups that are going to be affected by this.

This was a measure that was looking for a problem, and if there is some great exposure, or some great abuse of the social assistance program that the government's aware of, they didn't make that known to us. If there's some evidence of medical assistance that's being abused by refugee claimants, they also chose not to make it known to us. This is decision-based evidence-making at its worst.

The government's fine to stand behind its particular initiative, but it simply can't say it has an anecdote or that this should be of no consequence or concern to everybody, when the only testimony we heard was evidence condemning the government's action both on health care and assistance. If the government had evidence that was contrary to this, it was welcome to provide it. It chose not to do so.

In terms of making politics out of something, I have looked through some of these responses to stories that have come up, and there is a disturbing level of xenophobia within those and a constant misperception of who these claimants are, which I think is perpetrated sometimes by the government's own action. That's what's disturbing.

Sit with the policies that the government chooses to make, but don't pretend that everybody's got it wrong, that everybody who actually deals with refugee claimants is somehow ignorant of the facts, and that the government is the sole proprietor of truth in this matter, when we have groups across the non-profit sphere and across the religious and political spheres condemning the government for its actions, and federal courts and federal judges saying the same thing.

The Conservatives got this one wrong. I wish they'd put a little water in their wine and take a step back from this, rather than spending taxpayer money fighting this in court.

Thank you.

● (1740)

**The Chair:** Thank you.

Mr. Caron.

[*Translation*]

**Mr. Guy Caron:** I will not repeat Mr. Cullen's arguments because I support them completely. I must point out, however, that the government had every opportunity to invite witnesses to support its vision of the amendments and of their impact. That was not done. No witness came forward to state that the government was correctly interpreting the changes proposed in this measure.

I would like to add that the proposal is for amendments to national standards in one of the largest programs of federal-provincial transfer payments. That is not a matter to be taken lightly. In that context, I believe that the government has already been warned that there could be challenges and constitutional problems because of this measure. As it did, for example, with the amendments to the process for appointing Quebec judges to the Supreme Court, the government is once more pushing ahead with a measure that will certainly be challenged and will probably be overturned.

Why does the government insist on pushing ahead, without even a shred of evidence, to pass a measure that the provinces have not asked for? It was not even asked for by any particular organization. It is being done simply on the basis of an interpretation by the government that no other organization has confirmed. It is completely beyond me.

Once again, I propose that the government withdraw these amendments in order to avoid the humiliation of being at the wrong end of another decision. Eventually, if it wants to demonstrate that its interpretation is reasonable, it can bring that interpretation back in a subsequent bill for more attentive study, rather than burying it in a budget bill.

[*English*]

**The Chair:** Okay.

I have Mr. Cullen again on the same issue.

**Mr. Nathan Cullen:** Yes, I have two points to make.

One is that we know where this came from. This was a private member's bill moved by a backbench Conservative, Mr. Chisu, almost in form and all its substance. The Conservatives can't deny it. He decided not to show up in the House of Commons to debate it. Then they take this through the back door channel and bury it in the midst of a 460-page omnibus bill.

The government can't wash their hands of this one. There are national standards that have application to deny any province from having a prohibition on minimum residency. Those standards, if this motion is passed, if this bill is passed as it is, will be abolished. There will be no national criteria. Now provinces will be free to do something that the provinces have thankfully claimed that they don't want to do, which is to deny refugee claimants social assistance.

If the provinces don't want to do it and all the charities that deal with refugees say this is a bad idea, then you have to ask, what is the motivation of the government to do something like this? It is obviously a back door way to get through a private member's bill that the member himself was too embarrassed to show up to debate.

Here we have it; this is the way legislation is done.

● (1745)

**The Chair:** Order, let's not cast dispersions on other members. Let's not do that.

All those in favour of clause 172?

[*Translation*]

**Mr. Guy Caron:** Mr. Chair, I request a recorded vote.

[*English*]

**The Chair:** We'll have a recorded vote.

(Clause 172 agreed to: yeas 5; nays 4)

**The Chair:** We have about 15 minutes until the vote. We have one clause and one amendment left in this division.

Do you wish to proceed to the vote in the House or do you want to deal with this clause first?

**Mr. Gerald Keddy:** Do we have time?

**The Chair:** We have 15 minutes until the vote in the House.

(On clause 173)

**The Chair:** We have the Green Party amendment, PV-6.

Ms. May.

**Ms. Elizabeth May:** Thank you, Mr. Chair.

I know I only have a minute in any event, but with the bells ringing and the pressure on us and looking at something as egregious as these clauses, I will reiterate everything that has been said by colleagues.

It is a disgrace that after this omnibus budget bill, where we have been looking at patent law, aerodromes, and repealing the polar commission, we come to fundamental changes to social assistance that have not been asked for by any province. I would have preferred these were defeated and removed from the bill, but I proposed at least a protection.

It would still allow provinces to make changes that would impose residency requirements on other classes of persons. My amendment would attempt to protect those who are awaiting determination.

It would assume that we would not be requiring a residency requirement for those whose claim for refugee protection is eligible to be referred to the Immigration and Refugee Board, who are waiting a final determination of claim by that board, including a person who's right to judicial review or appeal of that judicial review has not been exhausted, but not including a person whose refugee claim was determined to be abandoned or withdrawn.

It's an attempt to provide a dose of compassion into an otherwise egregious section.

**The Chair:** Mr. Cullen.

**Mr. Nathan Cullen:** I thank Ms. May for this.

It's trying to make a bad situation a little bit better. If the government's understanding is that they only seek to restrict or deny so-called bogus or denied claims, then certainly they can vote for something like this because the intent is very clear.

Further to the previous amendment, Mr. Caron had a very sage point, which is that we also heard testimony that these will likely face constitutional challenges, which are extraordinarily expensive for both the litigants and the government to defend.

We've seen this movie before, with the government moving legislation and amendments to legislation that then gets challenged all the way up to the Supreme Court. The government has a terrible track record in their defence of their legislation on constitutional grounds.

For both the humanitarian and, I would argue, taxpayers' rights on this, why seek to spend so much money denying basic human rights, which is contained within the provision of social assistance to those who are still in the refugee claimant process?

That's who these people are. We can't call them something else when they're not, especially when we have an amendment that is trying to make something a little bit better.

**The Chair:** Okay, thank you.

I will then go to the vote on amendment PV-6.

(Amendment negatived [See *Minutes of Proceedings*])

(Clause 173 agreed to: yeas 5; nays 4)

● (1750)

**The Chair:** I want to thank our officials for being with us here for this division.

Colleagues, just very briefly, I don't have any amendments for clauses 174 to 185. Can I apply one vote to them?

(Clauses 174 to 185 inclusive agreed to)

**The Chair:** Do clauses 186 to 401 all carry?

**Some hon. members:** Oh, oh!

**The Chair:** All right, we have amendments in the next division, the Investment Canada Act, so we will return to that when the committee resumes after votes.

● _____ (Pause) _____ ●

● (1840)

**The Chair:** I call this meeting back to order, meeting number 62 of the Standing Committee on Finance, dealing with clause-by-clause consideration of Bill C-43.

(On clause 186)

**The Chair:** Colleagues, we are at division 9, the Investment Canada Act, and we have clause 186 in front of us. There are no amendments to clause 186, so we'll go to the discussion of clause 186.

Mr. Cullen.

**Mr. Nathan Cullen:** Very briefly, we've had concerns about the Investment Canada Act in terms of its lack of transparency over some important decisions. Some of them make the news from time to time—Nexen, PotashCorp, and whatnot, takeovers—in terms of how the government makes its decisions. We still don't have a net benefit definition, which would sure help investors. Canadian companies understand what the rules of the game are, but we see this as a small but important move toward greater disclosure and accountability in terms of the security review so we'll be voting for this particular portion of the bill.

**The Chair:** Okay, thank you.

We'll then go to the vote on clause 186. Shall clause 186 carry?

(Clause 186 agreed to)

(On clause 187)

**The Chair:** We have two amendments on clause 187, amendment PV-7 and amendment Liberal-2.

We'll go to Ms. May for amendment PV or Green Party-7, please.

**Ms. Elizabeth May:** Thank you, Mr. Chair.

I'm generally in agreement with the point that Nathan Cullen has made about improvements to the Investment Canada Act, although there's a lot more to be desired in clarifying our approach to investments.

In this case, my amendment is inspired by testimony the committee received from the Canadian Bar Association that what we see here, in terms of disclosures, could potentially be a disincentive for foreign investment. In other words, the Canadian Bar Association made the point that it is possible to make these additional disclosures about the extent to which national security reviews are occurring, as well as outcomes of these reviews, without giving rise to security concerns and making sure the disclosure does not prejudice parties who are dealing with potentially confidential or commercially sensitive information.

That's the purpose, as brief as I can be, Mr. Chair, because this is a slightly longer amendment than the ones I presented earlier this afternoon and evening, but the intention here is to deliver on the good advice received from the Canadian Bar Association to ensure that the wording of the disclosure provisions reassures foreign investors and Canadian businesses that commercially sensitive information will remain confidential.

● (1845)

**The Chair:** Thank you, Ms. May.

We'll go then to the vote on amendment PV-7.

(Amendment negatived [See *Minutes of Proceedings*])

**The Chair:** Now to amendment Liberal-2, and we'll go to Mr. Hsu, please.

**Mr. Ted Hsu (Kingston and the Islands, Lib.):** Thank you, Mr. Chair.

This amendment to clause 187 requires the minister to publish aggregate data about the national security review process. Again, this is a recommendation by the Canadian Bar Association.

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

Do you have further discussion on this, Mr. Adler?

**Mr. Mark Adler (York Centre, CPC):** Thank you very much, Chair.

We need to be clear that what this amendment does would require the government to publish a report on national security reviews under the Investment Canada Act. National security, as we all know, is a very sensitive matter, and it's important that the government has discretion concerning what is disclosed. For this reason, information on national security reviews was not included as part of the requirement to publish an annual report on the administration of the act, which came into force in 2009. No amendments have been proposed in Bill C-43 to the provisions of the act related to the annual report. The amendments in Bill C-43, however, would provide the government with discretion to disclose more information about individual national security reviews.

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

Again, we'll go to the vote on amendment Liberal-2. All those in favour of amendment Liberal-2?

(Amendment negatived [See *Minutes of Proceedings*])

(Clause 187 agreed to)

**The Chair:** I have no amendments for 188 to 190. Can I group these together?

**Mr. Nathan Cullen:** There are a couple of comments we wanted to make a little further on here on clause 191. I'm not sure how you want to handle it.

**The Chair:** I'm going to deal with the clauses up to 190 for now on division 9.

Shall clauses 188 to 190 carry?

(Clauses 188 to 190 inclusive agreed to)

**The Chair:** I want to thank our officials for that division for being here.

(On clauses 191 and 192)

**The Chair:** We have division 10, the Broadcasting Act, clauses 191 and 192.

I'll go to Mr. Rankin for comment on that.

**Mr. Murray Rankin:** It is a comment to thank the Conservatives for finally listening to the NDP on this matter. I'm grateful that you finally stepped up and did the right thing, but in typical Conservative fashion you only went part way. You went after the telecoms and the broadcasters, but we kept on talking about the banks.

We noticed a deafening silence with respect to that lobby. Pay-to-pay fees, we've said over and over again, unfairly target seniors. This bill would make it an offence to charge a subscriber to receive a paper bill. We thank the government for listening to us and finally doing the right thing in this area.

We'll be voting yes to these amendments.

**The Chair:** Okay. I know they appreciate that appreciation. We will go to the vote.

(Clauses 191 and 192 agreed to)

**The Chair:** Thank you.

We'll go to division 11, the Telecommunications Act, clauses 193 to 210.

Colleagues, I do not have amendments for this division. Can I group these clauses together?

Mr. Rankin, do you want to deal with all of them or do you want to deal with one in particular?

(On clauses 193 to 210)

● (1850)

**Mr. Murray Rankin:** The only comments I'd make, that I've already made, were with respect to broadcasters. This is about telecoms. It's the same pay-to-pay fees we've talked about and we think the government has finally listened, at least insofar as telecoms are concerned.

**The Chair:** Thank you.

Mr. Cullen, on the same point.

**Mr. Nathan Cullen:** Yes. I wanted to refresh committee members' memories with respect to the monetary penalties. If the officials could give us the range of penalties, are they at an accelerating rate if a telecom continues to charge consumers for the bill that they're paying for? I know there's an initial fine. I'd like to hear the range and if that range accelerates over time if they continue to flout the law.

**The Chair:** Okay. We welcome our officials. Ms. Miller, do you want to address this?

**Ms. Pamela Miller (Director General, Telecommunications Policy Branch, Department of Industry):** Yes. Thank you very much.

The range is up to $10 million on the first offence and up to $15 million for a subsequent offence.

**Mr. Nathan Cullen:** Just to be clear, to be able to hit a $10 million offence, which is high, what is the breadth of the non-compliance a company would have to do? It's not the issuance of just one pay-to-pay bill. Is there a warning process before that $10 million, and then the subsequent $15 million, are triggered?

**Ms. Pamela Miller:** Yes, there could be a warning process. There would be a due process put in place by the CRTC that would go through the administrative law process in order to determine the nature of the offence. There would be a possibility for negotiation beforehand, if necessary.

**Mr. Nathan Cullen:** The $10 million is obviously not a hard number. It can be that amount.

One last question, Chair, is there an appeal process that's contemplated under these changes to the act that would allow a telecom company to appeal any decision made by the CRTC?

**Ms. Pamela Miller:** Yes, there could be an appeal to the CRTC and also representation to the courts.

**Mr. Nathan Cullen:** Through the courts. Thank you.

Thank you, Mr. Chair.

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

(Clauses 193 to 210 inclusive agreed to)

**The Chair:** Thank you.

I want to thank our two officials for being here this evening.

We will now go to division 12, Business Development Bank of Canada. This deals with clauses 211 to 223.

(Clauses 211 to 223 inclusive agreed to on division)

**The Chair:** We've dealt with division 12.

We want to thank those officials for coming out.

Now we have division 13, the Northwest Territories Act. We have clause 224.

(Clause 224 agreed to)

**The Chair:** Thank you.

[*Translation*]

Let us move on.

[*English*]

Colleagues, I do not have an amendment until clause 231, so I have two more divisions—14 and 15. Is there any discussion?

Which one is it on, Mr. Hsu?

**Mr. Ted Hsu:** It's on division 14, please.

(On clauses 225 and 226)

**The Chair:** Okay, we'll deal with division 14, on the Employment Insurance Act. We have two clauses there, 225 and 226, and we'll allow our officials to come to the table for these.

Welcome back to the committee.

Mr. Hsu, go ahead, please.

**Mr. Ted Hsu:** Thank you, Mr. Chair.

My remarks will be brief, but we want to say that the minister admitted to this committee that his department did no economic analysis of this measure before committing more than half a billion dollars of taxpayers' money. We've heard from experts who point out that this tax credit has a design flaw. There is a very strange marginal tax rate near the limit at which this credit comes in, so there is a perverse incentive for employers who are near this limit to fire workers or reduce their hours or to not extend hours or to not give raises in order to qualify for the tax credit.

We've heard from the Parliamentary Budget Officer, who says that this so-called job credit will create only 800 jobs over two years at a cost of almost $700,000 per job. I can give you lots of examples of where we could create jobs for much less, so clearly this is not a very good job-creation measure.

There are better ways to spend more than half a billion dollars of taxpayers' money. There are other tax measures or investments that can do more to strengthen the economy, to create jobs, and to provide taxpayers with a better bang for their buck.

● (1855)

**The Chair:** Thank you.

I have Mr. Cullen on the list.

**Mr. Nathan Cullen:** Thank you, Chair.

Just to follow up on Mr. Hsu's comments and maybe make some minor corrections to the statements, it has been stated by Conservative colleagues around the table that this isn't taxpayer money. The money in the EI fund belongs to those who put it there, and those who put it there are the employers and the employees who contribute to what we call employment insurance, with the idea being, as the name would tell us, to provide insurance when people lose jobs.

Now, the government was certainly unable to bring forward any evidence that supported the claims and was unable to refute the evidence that was transparently provided by the Parliamentary Budget Officer and other economists who came forward in terms of the efficacy, and more importantly lack of efficacy, of spending $550 million—it's hard to sort of put that out—raided out of the employment insurance fund.

I remind my friends across the way that when the Liberals did this, the Conservatives used to decry the raid on the EI fund. Now that the Conservatives are doing it, I guess it's okay from their perspective.

The only other correction I want to make has to do with the estimate of 800 jobs and $550 million, which came out of the Parliamentary Budget Officer's report. It's a little bit lower per job. The government is getting a deal at $550,000 to create one single job, according to the PBO. Again, if the government had evidence to refute the claim, we didn't hear it from the minister or from the deputy or assistant deputy ministers who are involved in the design of this fund.

To be fair to the government, they didn't come up with this scheme. They didn't write the policy. They outsourced. According to the minister, they outsourced to a business lobby group. Maybe the Conservatives are comfortable with running a country by outsourcing important financial programs. The tragedy of this is that so few jobs will be created for so much money and there are so much better initiatives that would have a better impact on the economy in terms of productivity and the like.

We've been strongly opposed to this. We think if you're going to respect the employers and the employees who pay into the EI fund then perhaps you should actually engage with them in it and use analysis that is proper for a G-7 country like Canada, which doesn't outsource programs to lobby groups but instead comes with facts and figures to back up such an expensive expenditure.

The greater shame for this of course is that with the economy in recovery, according to Governor Poloz when he was here, but maybe seeing zero or low growth in terms of job creation, this is the time when we most need proper expenditures, when we need the government to be working with Canadians and not against their best interests on expenditures for such schemes as this. So we will be opposing with prejudice—I suppose that's a term you could use in Parliamentary language—because this is such an offensive way for the government to conduct itself.

**The Chair:** Thank you.

I have Monsieur Caron, and then Mr. Saxton.

[*Translation*]

**Mr. Guy Caron:** My comment is more about clause 226. Once again, we cannot vote for this clause. It will make it impossible to appeal certain decisions of the Canada Employment Insurance Commission.

The Social Security Tribunal of Canada process is already very inadequate. We will actually be discussing other clauses that will correct some of the problems associated with its creation. Our opinion is that the government should clean house in the Social Security Tribunal of Canada and take care of the disaster that creating it has caused. It should do this before bringing in measures to amend, substantially once more, the mechanism surrounding Canada Employment Insurance Commission decisions.

So we are going to vote not only against clause 225, but also against clause 226.

● (1900)

[*English*]

**The Chair:** Merci.

We'll go to Mr. Saxton, please.

**Mr. Andrew Saxton:** Thank you, Chair.

There was only one thing that I could hear from Mr. Cullen that was actually accurate, and that was that the funds in the EI fund actually were paid in by employees and employers. Only the NDP would say that giving money back to employers, back to job creators, would actually encourage them to lay people off. Where is the logic in that? That's complete bunk.

This money was paid into the fund. This is a tax refund to job creators so that they can continue to create jobs and spend the money on their priorities as they wish. It's an incentive for growth, and the CFIB expects 25,000 person-years of jobs to be created as a result of this. Small businesses are big job creators in our economy, and what's good for small business is good for Canadians and good for employers and employees.

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

We could probably have an election campaign on this issue, so....

Mr. Cullen.

**Mr. Nathan Cullen:** Mr. Saxton obviously wasn't listening to what I was saying, but he needed to defend the idea that small businesses might be firing employees to achieve this tax credit. That wasn't actually one of my criticisms here. I think that was something that Mr. Hsu may have commented on, but the fact that Mr. Saxton seeks to defend it begs that he doth protest too much.

“He doth protest too much” is when someone defends something that they're worried about being true. It's an old expression.

But in terms of the effectiveness of the program, our concern is that the government has chosen to outsource their policy-making to a lobby group. The question then begs itself that if the CFIB, which is engaged with small business, is who the government wants writing policy for them, then I assume that student groups would be the next ones to write educational policy for them, and certainly the labour community, which is familiar with workers.... They could also outsource that.

The challenge that the Conservatives have is that they have again here decision-based evidence-making. They've decided to make a decision based on some politics. That's fine. They brought no evidence to support it.

The PBO sat at this committee and presented his estimate of 800 jobs created over two years at a cost of $550,000 per job. None of my Conservative colleagues across the way could actually poke any holes in that estimation, none at all, and neither could the finance minister when he appeared.

All this is to say that the Conservatives can certainly, and they will continue to, pretend that this program is going to do something that it doesn't. That's for them to defend. We try to rely on the facts that come before us. We relied on the Parliamentary Budget Officer because there was no better estimate done on the lack of effectiveness of this program before this committee, and my friends across the way know that.

So on we go with more Conservative ideology into the economy.

**The Chair:** Thank you.

We'll carry on the debate with Mr. Hsu, and then Mr. Allen.

**Mr. Ted Hsu:** Thank you.

I think that the—

**Voices:** Oh, oh!

**The Chair:** Order.

Mr. Hsu has the floor.

**Mr. Ted Hsu:** Thank you, Mr. Chair.

I just wanted to say that what happens in the finance committee and what goes on the record is very important. I want to say just for the record—and I think some day this will appear in an economics 101 textbook—that economic decisions are made on the margin. The marginal tax rate in what the Conservative Party is trying to do here does something very strange at the $15,000 limit for the small business hiring credit. It's my belief that students of economics in the future will read this in their textbooks and be amazed at the arguments that were made about this.

Economic decisions are made at the margin. That's a principle that I think students learn at the very beginning of their economics studies, and it's something that this government is not paying attention to.

Thank you.

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

We'll go to Mr. Allen, please.

**Mr. Mike Allen:** Thank you very much, Mr. Chair.

To Mr. Cullen's point, I'll be happy to take this out and defend it. As in New Brunswick, where 80% of our businesses have fewer than 10 employees, I'm really happy to give back to small businesses, which represent such a strong part of our economy, $550 million because I know it'll be effective in supporting their ability to continue to do business, so I'm happy to support it.

**An hon. member:** I couldn't have said it better myself.

● (1905)

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

Do you want me to group the votes, then? Shall clauses 225 and 226 carry? Shall we group those two?

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

**The Chair:** Okay, the recorded vote will apply to both.

(Clauses 225 and 226 agreed to: yeas 5; nays 4)

**The Chair:** Okay, those two clauses carry.

I want to thank our officials for being here, and I hope you enjoyed the debate this evening.

Colleagues, let's deal with division 15. Are there any comments on division 15?

Hearing none, we'll go right to the vote on division 15. Shall clause 227 carry?

(Clause 227 agreed to)

**The Chair:** We'll go to division 16. We'll ask the officials to come forward as there are amendments in this division. This deals with clauses 228 and 231.

We want to welcome our officials here for this division.

(On clause 228)

**The Chair:** Let's do clause 228, then.

[*Translation*]

**Mr. Guy Caron:** Mr. Chair, this provision will allow the government to sell federal assets to port authorities, which also includes some federal ports.

Starting with the questions we have and those we could also have asked about the subject, given the impact a decision like this, or legislative changes like these, could have, much more could clearly have been done to study this issue. A number of our concerns have not yet been responded to, either by witnesses or by officials.

I am very happy with the work we have done up to now, but the answers we received raised a lot of other questions.

In the current situation, where we do not have the time to debate or discuss this amendment to the legislation adequately, it will be impossible for us to vote in favour of clause 228, which deals specifically with the acquisition of federal assets by port authorities.

The decision will be different for the rest of the clauses in this division.

[*English*]

**The Chair:** Okay.

Shall clause 228 carry?

**An hon. member:** A recorded vote...?

**The Chair:** Okay.

(Clause 228 agreed to: yeas 6; nays 3)

(Clause 229 and 230 agreed to)

(On clause 231)

**The Chair:** We have two amendments under clause 231. We have Green Party-8 and Green Party-9.

Ms. May, do you want to deal with them together or separately? It's your choice.

**Ms. Elizabeth May:** Mr. Chair, if I deal with them together, would that be two minutes?

**The Chair:** Two minutes to deal with both of them, if you wish.

**Ms. Elizabeth May:** Okay.

It strikes me, Mr. Chair and other members of the committee, that this is one of the examples of why it's so dangerous to make substantive changes to so many acts in an omnibus bill.

Division 16, which changes the Canada Marine Act, I don't believe had anything like proper scrutiny or examination. When I was reviewing it, I became concerned about some of the implications and contacted West Coast Environmental Law. They thought this was quite troubling, but they hadn't heard of it or seen it or been able to testify to it.

The first part of the amendments would delete the sections of the bill that allow cabinet to make rules allowing for information regarding activities in ports to be kept confidential; authorize the destruction of documents created or submitted in respect of activities in ports; set out the rules of procedure for hearings in relation to projects and activities in ports; and give to any person or body, including a province, port authority, or industrial actor, the power to make rules of procedure for such hearings.

These are extremely strange, sweeping changes to the management of port authorities, involving secrecy, destruction of documents, and allowing industry to have input into organizing hearings. West Coast Environmental Law put forward the following scenario based on these changes. They wrote:

> ...Cabinet could:
>
> sell a port to a port authority,
>
> hand over control of LNG facilities in that port to the province of B.C.,
>
> pass into federal law any documents or provincial statutory instruments related to the operation of LNG facilities without making those documents public,
>
> authorize facilities and regulators to destroy or keep confidential any information that may be relevant to LNG operations, and
>
> appoint a tribunal comprised of industry representatives to consider any disputes regarding those LNG facilities and to set out the rules of procedure for hearing those disputes.

In other words, the potential use of these sections to accomplish some fairly nefarious things of high importance to people in my province has received no review at all by witnesses, nor adequate debate in this committee. It all comes down to my one minute on this amendment, which will surely fail. However, I'd like to draw attention to the potential of what's going to happen here.

It's one minute per amendment; thank you, Joe.

The next part, of course, is an attempt to ensure that for greater certainty, the undertakings and changes found within the above sections will be required to be subject to the requirements of what remains of the Fisheries Act, the Species at Risk Act, the Navigation Protection Act, the navigable waters protection act, the Canadian Environmental Assessment Act, 2012. This is pretty weak protection, given the sweeping changes that are proposed in this section.

● (1910)

**The Chair:** Thank you, Ms. May.

We'll go to Mr. Cullen on discussion and debate.

**Mr. Nathan Cullen:** To make a small correction to Ms. May, we did have some examination of this section. I don't believe we had a satisfying analysis just in terms of what the scenarios could be and what the impacts could be. We did try to design what those scenarios might look like, specifically in a port in my riding in Prince Rupert. There are other members around the table who are aware of ports and trying to understand the scenario, trying to understand what the government was trying enable.

Certainly around LNGs specifically, this seems to be some establishment to enable that industry to exist at a greater scale in British Columbia, which in and of itself is a policy question for government, for the people in British Columbia, and for the communities that are impacted. The concerns that we had, and why we'll be voting for this particular amendment, are to allow for greater transparency and greater accountability of the decisions that get made. Most communities don't have a great deal of access to their port authorities. Many of the port authorities try to do good work. But there isn't exactly a natural and open forum for those discussions.

When getting into the transport of energy and ports now being able to, under these provisions, acquire land and then be able to, under that acquirement, have a different process for LNG and other energy terminuses to be approved, this is concerning to us. We would hope to have, if a healthy debate about energy policy in Canada were suddenly an initiative that government members would be interested in, more transparency as to this process.

Perhaps through you, Chair, to our witnesses, I could ask for some comment.

I'm not sure if you've reviewed this particular amendment and what its effect might be. Does it allow for that sense of greater accountability of public input into the process that a port might go through in the acquiring of some federal port lands?

**The Chair:** Do you have any comment on the amendment or the clause in general, Ms. Rudge?

**Ms. Tamara Rudge (Director, Port Policy, Department of Transport):** To answer, Mr. Chair, this part—her amendment to remove (k) through (n)—is not connected to the acquiring of federal port lands. This is the enabling powers to make regulations, similar to an act that's already in Parliament, the First Nations industrial commercialization act.

In the case we're talking about, the BC Oil and Gas Commission has rules about keeping documents and having to provide those to the regulators so that they don't destroy documents and that they have access to provide adequate oversight of this facility. So it's more to be able to adopt B.C.'s...that already has these types of regulations.

**Mr. Nathan Cullen:** Through you, Chair, the specific question with respect to what the impact of this amendment might be with regard to the keeping of those documents, the public offering of those documents....

**Ms. Tamara Rudge:** I think this actually provides greater protection and without them there would be nothing governing the proponents.

● (1915)

**Mr. Nathan Cullen:** Sorry, I'm not making my question specific enough.

**The Chair:** Maybe not.

You're speaking about the amendments in the legislation.

**Mr. Nathan Cullen:** The second amendment that is proposed by Ms. May here, that's what I'm asking for. I don't know, and you can say you just haven't looked at this yet, but Ms. May has made an amendment to this amendment under the act that you're seeking to make.

Is it your suggestion that if this amendment were to go through there would be less holding of documentation? I'm trying to understand what you're thinking.

**Ms. Tamara Rudge:** Yes, that's what I'm saying. She's proposing to remove them but this is so that regulations can outline how you have to maintain your documents and the BC Oil and Gas Commission regs already have stuff about maintaining documents.

**Mr. Nathan Cullen:** Sorry, Chair, just to finish this off, is the deferral of this authority given over to groups like the BC Oil and Gas Commission or equivalents in other provinces, away from the federal government in terms of the maintenance of documents and the holding of negotiations that went on? Is that what this portion of the act does?

**Ms. Tamara Rudge:** It will enable B.C. to use their oversight mechanism....

**Mr. Nathan Cullen:** Who has the oversight right now?

**Ms. Tamara Rudge:** Well, right now it wouldn't be subject to a special oversight regime, so this is additional. With these provisions we'll be able to adopt that regime.

**Mr. Nathan Cullen:** Okay.

**The Chair:** Okay.

Next, Mr. Allen, please.

**Mr. Mike Allen:** Just a quick follow up question to Mr. Cullen's. If I understand correctly, with the amendment we would be facing, as you've indicated here, it would take out the ability to actually regulate under these for fines and establishing offences and anything else that we don't have today. By adding this amendment we'd be taking out the power to actually create regulations to do that. Is that correct?

**Ms. Tamara Rudge:** Yes.

**Mr. Mike Allen:** Okay, thank you.

**The Chair:** Thank you.

I will then move to a vote on, first of all, on Green Party amendment, PV-8.

(Amendment negatived [See *Minutes of Proceedings*])

**The Chair:** Shall Green Party amendment, PV-9, carry?

(Amendment negatived [See *Minutes of Proceedings*])

**The Chair:** Shall clause 231 carry?

(Clause 231 agreed to on division)

**The Chair:** Okay, I want to thank our officials for being here this evening. We appreciate that very much.

(On clauses 232 to 249 inclusive)

**The Chair:** Colleagues, we'll move now to division 17, DNA Identification Act, clauses 232 to 249. We'll have our officials come to the table.

We'll go to Mr. Cullen for discussion.

**Mr. Nathan Cullen:** In general of course, and we've said this before, the establishment of a DNA data bank is something that we've called for, for a long time, as the New Democrats had. The question was raised by the Privacy Commissioner while I was here. I'm not sure if our government officials were aware of that testimony? You're nodding, yes. I wonder if you could give the committee some comment to the concerns that were raised by the commissioner?

**The Chair:** Mr. Jorgensen, please.

**Mr. Sean Jorgensen (Director, Strategic Policy and Integration, Specialized Policing Services, Royal Canadian Mounted Police):** As my understanding goes, the Privacy Commissioner raised two issues. One was potentially around criminal jeopardy for comparing the missing persons index against the crime scene index. The second one was in the context of the additional powers given to the RCMP to share information in an international context.

**Mr. Nathan Cullen:** Thank you for that summary. He had suggested and I'm not sure if this is possible.... Is it your opinion that through the administration of these changes and the creation of the DNA data bank that those protections can be made? His concern on the first was that the collection of DNA for one specific purpose on missing persons could then, if not shielded as it is in other parts of the act, transfer over to some kind of criminal investigation later on. As the act is designed now, does that concern remain or can it be done through the way that this particular DNA data bank has been implemented in law?

**Mr. Sean Jorgensen:** A number of measures have been put into the legislation to ensure that the indices are being properly used. One thing we want to point out is that just because you have a hit against the CSI does not suggest that someone is a criminal. They could be a victim. They could have been at the crime scene or they could have been the perpetrator. In the event that an investigator has suspicion that the matching will allow them to do the third portion, that is, to pursue an investigation on a criminal matter, there is a portion of the act where they would have to have reasonable grounds to suspect. There are a number of reasonable grounds to suspect where that profile would be of use to them in their criminal investigation, so there are a number of safeguards that have been built in.

If I may just address the international component, I would only note that we already work with our international partners on a case-by-case basis to compare crime scene profiles. That would continue into the missing persons index and the human remains index but I would note that it is up to the RCMP in both cases to, first of all, decide to make that comparison, and second of all, report anything out. So it is case by case. It's quite limited.

● (1920)

**Mr. Nathan Cullen:** Good.

I have one last question, Chair, if I may.

Just the "reasonable grounds to suspect" portion, who makes that determination? Is that done within the RCMP or do they have to seek a judge's...? I'm not a lawyer, so forgive me for not knowing how the process might work.

**Mr. Sean Jorgensen:** In the first instance, the RCMP would provide the information for the humanitarian purpose; that is, to try to identify the missing person or to identify found human remains. If it goes into a criminal purpose, investigators wanting to pursue their criminal investigation, they would then, themselves, have to have the reasonable grounds to suspect. That would become part of their evidentiary package that would likely go to court and would be tested in court at that time.

**Mr. Nathan Cullen:** I see. So it's when it hits that second stage that it would likely.... It's jurisprudence, this is what generally happens; it's not designed in the law as such.

**Mr. Sean Jorgensen:** There is a specific—

**Mr. Nathan Cullen:** There is a specific.

**Mr. Sean Jorgensen:** —in the law that you would have reasonable grounds to suspect.

**Mr. Nathan Cullen:** That's reassuring. Thank you very much for this. Congratulations on your work.

**The Chair:** Thank you.

Colleagues, can I group clauses 232 to 249?

**Some hon. members:** Agreed.

(Clauses 232 to 249 inclusive agreed to)

**The Chair:** We want to thank our officials very much for being here and clarifying that. It's very helpful.

We will now go to division 18, Proceeds of Crime (Money Laundering) and Terrorist Financing Act.

(On clauses 250 and 251)

**The Chair:** We have two clauses there, clauses 250 and 251.

Is there discussion on this?

I'll just wait for officials to sit down.

Welcome.

[*Translation*]

Mr. Caron, you have the floor.

**Mr. Guy Caron:** Mr. Chair, I just want to go back to a point that will never be repeated often enough.

The provisions in division 18, dealing with amendments to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act, only actually serve to amend and rectify an error that occurred when this act was amended previously. This is an act that itself came from an omnibus bill.

Once again, it clearly shows the lack of rigour that results when huge and wide-ranging bills are studied. The way in which we are proceeding at the moment makes it impossible for us as a committee to study them adequately. We are not able to adequately study 460 pages of provisions and legislative amendments in what is supposed to be a budget bill.

Once again, division 18 shows that this bill is a result of this kind of poor governance. I believe that the point deserves to be raised again.

[*English*]

**The Chair:** *Merci*, Monsieur Caron.

Is there further discussion?

I will call the votes then, on clauses 250 and 251.

(Clauses 250 and 251 agreed to)

**The Chair:** Thank you, Ms. Pezzack.

(On clause 252)

**The Chair:** We have division 19, clause 252.

Are there any comments on that before the officials come forward? There are comments, so we'll ask the officials to come forward to the table.

[*Translation*]

Mr. Caron, you have the floor.

**Mr. Guy Caron:** What a surprise, Mr. Chair!

Here we are dealing with the Social Security Tribunal of Canada and the way the tribunal was set up. How? With a new omnibus bill. In this case, they want to add members to the tribunal, which clearly was not designed in a way that made it possible to do the work that all the appeal organizations did beforehand, including the boards of referees. Now the situation has deteriorated to the point that more than 14,000 Canadians are waiting to be heard by this tribunal.

These are vulnerable Canadians, because we are talking about employment insurance in particular and old age security. In cases like that, people have little or no income. They are the elderly, the unemployed, the disabled. Instead of getting rid of the delays, as they should, the Conservatives have decided to save a nickel here and a dime there, which explains why 40% of the cases settled so far by the Social Security Tribunal of Canada did not even get a hearing.

With these provisions, the government is finally eliminating an arbitrary limit on the number of members of the tribunal. But the fact remains that, for 18 months, the Conservative government has not even appointed all the members it could have appointed under the current act. Adding members under this provision will not solve the entire problem. What are needed are better rules for the tribunal and, above all, a better process.

Because of all the delays that have occurred because of the Social Security Tribunal of Canada's poor structure and the fact that adding members will help fill that gap, we are going to vote in favour of this clause. We still deplore the way in which the tribunal was established and the negative impact that the amendments have had on all the appeal processes.

We will vote for this clause, but we still point out all the problems that creating this tribunal brought with it.

● (1925)

[*English*]

**The Chair:** Mr. Hsu.

**Mr. Ted Hsu:** We will be supporting this clause, but I just want to say to my constituents in Kingston and the Islands that this is fixing a problem that has caused delays for them over the last couple of years and hopefully this will fix it.

**The Chair:** Shall clause 252 carry?

(Clause 252 agreed to)

(On clause 253)

**The Chair:** We will go to division 20, Public Health Agency of Canada Act, clauses 253 to 260. We have a number of amendments to deal with in this division.

We want to welcome our official to the table. Thank you so much for being with us today.

We have clause 253, for which I do not have amendments, and then we have a series of amendments for the rest.

Mr. Rankin.

**Mr. Murray Rankin:** Mr. Chair, we had the benefit of hearing from the chief public health officer, Dr. Taylor, a very impressive individual.

The concerns that we have with it are not about the individual but about the structure of this entire division 20. We will be voting against it. We will be supporting the amendments proposed by Ms. May as well.

I come from British Columbia and our chief medical officer, Dr. Perry Kendall told the Senate Committee, “We [meaning the other provincial health officers] are actually unanimous in advising you not to proceed with this amendment.”

We've also heard concerns from Professor Hoffman who is from the Harvard School of Public Health and currently at the University of Ottawa. He said that the agency could have a bureaucrat as a manager without placing that person over the chief public health officer.

The act makes clear that the president is a bureaucrat and CEO, and deputy minister, but the chief public health officer is merely an “officer” subordinate to that official. The current incumbent obviously favours this arrangement. We think that as a structural matter, it's very problematic and we agree with Dr. Kendall and Professor Hoffman.

We also heard from Mr. Culbert, the executive director of the Canadian Public Health Association, who said:

> ...the chief public health officer will no longer have the authority to direct the resources of the agency either in an emergency situation or just in regular times

Mr. Chair, we're very concerned about the independence of this officer. We're very concerned about his or her ability to speak publicly. We note the way in which other scientific officials have been muzzled by the Conservative government.

We're very concerned about this and we will be voting against it in its entirety.

**The Chair:** Mr. Hsu.

**Mr. Ted Hsu:** This committee has heard from experts who have told us how the Public Health Agency of Canada was created in response to Canada's experience with the SARS epidemic. These experts told us how the decision to make the chief public health officer a deputy head was a deliberate decision, so that he or she would have the necessary power and autonomy to work with the provinces to speak truth to power and effect change.

This division of Bill C-43 undoes some of that good work. It demotes the chief public health officer and reduces his or her authority, and ability to effect change. The Liberal Party believes that's a step in the wrong direction.

● (1930)

**The Chair:** I have Mr. Adler and then Mr. Saxton.

**Mr. Mark Adler:** We're not clear whether this amendment was intended to be directed at the proposed president or the chief public health officer.

The provisions in the Public Health Agency Act of Canada with respect to the CPHO's powers to communicate remain unchanged. This includes the CPHO's statutory authorities to communicate with governments, health organizations, and the public within Canada, and internationally on public health matters.

The chief public health officer reports directly to the minister and there is absolutely no interference whatsoever.

**The Chair:** Mr. Saxton.

**Mr. Andrew Saxton:** Thank you, Chair.

I want to follow up on Mr. Rankin's comments. First of all, it's reassuring to know that Mr. Rankin praises the current chief public health officer, which makes me wonder why he doesn't listen to him then, because when he was here before committee he very strongly supported these changes and was very much in favour of them. He said:

> The president, as deputy head of the agency, will assume some of the management responsibilities currently assigned to the CPHO including accountabilities for finance, audit, evaluation, staffing, official languages, and access to information and privacy. These are all important functions requiring the attention of a senior leader.
>
> The changes proposed do not diminish the role of the chief public health officer, they enhance it. In essence, they associate internal management and capacity issues with a dedicated agency head and direction on public health issues with the CPHO. It makes good management sense and good public health sense to make these changes.

I would really encourage Mr. Rankin to consider the words of the chief public health officer when he decides how to vote on this.

**The Chair:** Okay, Mr. Rankin.

**Mr. Murray Rankin:** I appreciate Mr. Saxton's comments and I agree entirely that we're fortunate in Canada to have a doctor of Dr. Taylor's calibre serving in this role. My concerns have nothing to do with the individual or his good faith. They has to do with the structure of this agency, what would be called in Ottawa parlance the machinery of government. We've heard a number of witnesses speak about just how wrong-headed that arrangement is. Mr. Culbert, for example, talked about having two individuals both giving advice to the minister; and it's bureaucracy 101, public admin 101, that you have one over the other. That's just one example.

To have an official of this importance being subordinate to a bureaucrat is also of great concern to so many people across the land who've looked at this. My concern is not with the individual; it's with the structure of this.

Mr. Adler says that the powers to communicate remain unchanged. In fact, they're nowhere to be found in the statute, so I don't accept that and I think we need clarity. I know from other situations, that, for example, the Information Commissioner of Canada does not have the power to speak out publicly to promote access to information. She's said many times she wanted that power; the silence didn't give it to her. I'm saying the same thing in this context, Mr. Chair.

**The Chair:** Okay, we'll go back to Mr. Saxton.

**Mr. Andrew Saxton:** Thank you, Chair.

Finally, Mr. Rankin keeps saying he doesn't have a problem with the individual, he has a problem with the structure. So let's hear what the individual has to say about the structure. I quote:

> It's a structure that works well for many provinces and territories, and for countries, including the United Kingdom and Australia. In fact, we've been moving this way as an agency for some time now and have, in fact, adopted this type of management structure since 2012. At that time we began to separate out the roles and responsibilities of the CPHO on an interim basis. My appointment as CPHO on September 24th of this year—the date of the agency's 10th anniversary—reflected the first step needed to move public health forward in Canada.

That, in fact, is the current chief public health officer, who Mr. Rankin has no problem with.

**The Chair:** Okay, thank you.

**Mr. Murray Rankin:** He's an excellent doctor, Chair, but he doesn't necessarily—

**The Chair:** Mr. Rankin, do you want to make a further point?

● (1935)

**Mr. Murray Rankin:** I think it speaks volumes that Dr. Kendall, a long-experienced chief medical health officer, advised on behalf of all provincial health officers, who were unanimous, not to proceed with the amendment.

**The Chair:** Thank you.

We will go to the vote on clause 253.

(Clause 253 agreed to)

(On clause 254)

**The Chair:** We'll go to clause 254. We have three amendments here: PV-10, PV-11, and NDP-4.

Ms. May, if you want to address yours separately or together, it's up to you.

**Ms. Elizabeth May:** Thank you, Mr. Chair.

I think I'll do PV-10 and PV-11 together. They pick up very much on the points in the discussion that Murray Rankin and Andrew were just having.

Not only did Perry Kendall speak on behalf of my own home province of British Columbia as the medical officer for British Columbia, in making his points he stated he was speaking on behalf of all provincial health officers.

Another very prominent Victoria resident, Dr. Trevor Hancock, who is a senior scholar at the School of Public Health and Social Policy, wrote in *The Globe and Mail* that "The importance of a medical officer of health being an independent officer was established in the 19th century". If we want 21st century legislation, I don't think we have to reach back to before the beginning of the 19th century and make our public health officer report through, and only through, a senior bureaucrat.

What my amendments attempt to do is to allow for what the Conservative administration says it wants to do, which is to remove administrative burdens from the chief medical officer, but allow that chief public health officer to remain independent and to remain free and empowered to speak on public health issues.

In the first amendment, PV-10, we amend proposed section 5.1 by replacing line 2 so that the president of the agency is to be appointed not by the Governor in Council but by the chief public health officer. That way the chief public health officer would remain in supremacy in relation to the president, who's there to do the administrative work.

If I flip to PV-11 to make sure that works—because it is being presented at the same time—the amendment replaces lines found in proposed section 5.2 with the purpose of ensuring that the president of the agency is the chief executive officer of the agency, full-stop, and is not deputy head of department, not a deputy minister.

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

We'll move to the vote first of all on PV-10.

(Amendment negatived [See *Minutes of Proceedings*])

**The Chair:** We'll move to PV-11. Shall PV-11 carry?

(Amendment negatived [See *Minutes of Proceedings*])

**The Chair:** We will move to NDP-4. Is there further discussion?

Mr. Rankin, please.

**Mr. Murray Rankin:** Thank you, Mr. Chair.

The objective of this is to enhance and confirm the independence of the chief public health officer. The amendment would be to say on page 391 after line 9:

> 5.4 (1) No person shall interfere with the President in the performance of his or her powers, duties or functions under this Act, including in particular the determination of evidence-based public health priorities for the Agency, the provision of health advice to the public and unfettered access to the public and media.

We define "interference" in proposed subsection 5.4(2) as including "political interference or retribution".

The objective is to clarify the independence of the agency and the president who speaks on its behalf.

**The Chair:** Thank you.

Is there further discussion?

Mr. Cullen.

**Mr. Nathan Cullen:** Having heard the comments from some of my Conservative colleagues earlier and from Mr. Hsu, this seeks to clarify exactly what everybody has talked about, which is that independent voice. It's incredibly straightforward. It seems to achieve that objective in a most transparent way.

When we're talking about what that voice is talking about—the epidemics or outbreaks or things of public concern—having that clear independent voice absent of any potential political interference would seem like a very important thing.

I congratulate my colleague on the clarity of his amendment.

**The Chair:** Thank you.

I'll go to Mr. Adler on this.

**Mr. Mark Adler:** Thank you, Mr. Chair.

I just want to repeat what I said before since it went over so well the first time.

We're not clear that this amendment was intended to be directed at the proposed president or the chief public health officer. The provisions in the Public Health Agency of Canada Act with respect to the CPHO's powers to communicate remain unchanged. This includes the CPHO's statutory authority to communicate with government's health organizations and the public within Canada, internationally, or on public health issues. The CPHO reports directly to the minister and there is absolutely no interference whatsoever.

● (1940)

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

We'll go to the vote on amendment NDP-4.

(Amendment negatived)

(Clause 254 agreed to: yeas 5; nays 4)

(On clause 255)

**The Chair:** We have two amendments here: PV-12 and NDP-5.

For your information, colleagues, there's a line conflict in amendment NDP-5 with amendment PV-12. If the committee passes PV-12, NDP-5 cannot be moved.

We will go to PV-12, and we'll go to Ms. May, please.

**Ms. Elizabeth May:** Thank you, Mr. Chair.

Again, this is an attempt to amend the legislation in a way that will allow the chief public health officer of Canada to be independent and be free to speak as required to set the course that's required for someone who fills this position of great responsibility of the chief public health officer.

I know I'm not a member of this committee, but I sure would have wished to have known what Dr. David Butler-Jones, our chief public health officer from 2004 to 2014, would have thought of this amendment. I know what the current appointee thinks, but I think we would have been well served to find out what our first chief public health officer would have thought of seeing the position emasculated in this way.

My amendment PV-12 would ensure the inverse of what I attempted to do under proposed section 5.2. Under clause 255, proposed subsection 6(1), I would replace the words denigrating the chief public health officer to a mere officer of the agency to confirm that the chief public health officer is deputy head of the agency, with the rank and status of a deputy head of department.

**The Chair:** Thank you, Ms. May.

We'll go then to the vote on amendment PV-12.

(Amendment negatived [See *Minutes of Proceedings*])

**The Chair:** We will move to amendment NDP-5. Mr. Rankin.

**Mr. Murray Rankin:** Thank you, Chair.

Again, this would add language on page 391, line 14, ensuring that "the same freedom from interference in the performance of his or her powers, duties or functions", and "in particular the determination of evidence-based public health priorities for the Agency, the provision of health advice to the public and unfettered access to the public and media, as is conferred to the President by section 5.4". The goal then is to make sure the CPHO has not only this independence and freedom from interference, but a specific statutory authority to make information public.

Now, of course, under the bill there's no such power. Information can be provided to the minister, but the government believes the clarity is already there; it's implicit that this officer has independence and can make information public. If that's the case, then they would probably welcome the clarity this would provide.

**The Chair:** Okay, thank you, Mr. Rankin.

On this, Mr. Adler, please.

**Mr. Mark Adler:** Thank you, Chair.

I'm a little surprised that Mr. Cullen would be proposing such a motion. As the most knowledgeable of all MPs, I think he would know a little better.

But in any event, the proposal will not diminish the influence or public health advice of the chief public health officer. The CPHO will continue to provide the best possible public health advice to the minister and to Canadians. He or she will continue to speak to Canadians about public health risks and will continue to provide an annual report to the minister on the state of public health in Canada for tabling in Parliament. The changes proposed in this bill will allow the chief public health officer to focus on public health matters that are of critical importance to Canadians.

● (1945)

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

We'll go, then, to the vote on amendment NDP-5.

(Amendment negatived [See *Minutes of Proceedings*])

(Clause 255 agreed to)

(On clause 256)

**The Chair:** We have Green Party amendment PV-13, so we'll go to Elizabeth May, please.

**Ms. Elizabeth May:** Thanks, Mr. Chair. I sense our arguments are wearing you down and you're ready to vote for something now. I'm excited. As we approach my Green Party amendment—I know, I'm getting excited about this—we would replace line 18 on page 391, so that we would have the chief public health officer will "provide the Minister with" public health advice. In other words leaving this senior bureaucratic president out of the loop to ensure that at least the public health officer can provide the minister directly with advice.

**The Chair:** Okay.

I have one question, because I did discuss this during our committee hearings, that I want to ask Mr. Segard. There was a question raised during the hearings—not necessarily by a member but by people before the committee—intimating that if this passes the chief public health officer would provide advice to the president and then the president would provide the advice to the minister. The chief public health officer would be subordinate to the president in that role. Can you clarify this to me? The legislation is quite explicit:

> The Chief Public Health Officer shall provide the Minister and the President with public health advice that is developed on a scientific basis.

Can you address that for me?

**Mr. Sylvain Segard (Acting Assistant Deputy Minister, Strategic Policy, Planning and International Affairs Branch, Public Health Agency of Canada):** Certainly, I'd be happy to, Mr. Chair.

The reality is that currently, or under this provision, the chief public health officer would be able to provide direct advice to the minister—at any time, under any circumstances, at her request or his request, or on his own volition—and to forward advice to the minister on any matter of public health.

**The Chair:** Any matter at all...?

**Mr. Sylvain Segard:** Correct.

The chief public health officer will also provide public health advice to his colleagues, whether they be the president of the agency under this proposal or another deputy minister elsewhere in government. Currently, for example, under the Ebola outbreak, the chief public health officer dispenses advice and information to the deputy minister of foreign affairs and a number of other portfolios because that advice is required in order for the government to act on the best information possible.

**The Chair:** Okay, I appreciate that very much.

We will move to the vote on PV-13. All those in favour?

(Amendment negatived)

**The Chair:** On clause 256, all those in favour?

(Clause 256 agreed to)

(On clause 257)

**The Chair:** We will then move to clause 257, and we have one amendment. We have PV-14. I will let Ms. May speak. I will hint to her that the chair has a ruling, but she will have the opportunity to speak for one minute.

**Ms. Elizabeth May:** This is deleting the clause of the bill that will remove the chief public health officer's rank status as deputy head of department. It flows with amendments that I proposed in 11 through 13 so that the chief public health officer would retain the status of deputy head.

I'll just say one of the practical reasons that this makes sense is that departmental heads, deputy ministers exchange information at that level a lot and all the time. Many public health experts believe it's important to have the chief public health officer in that loop with other deputy ministers to be able to share and assess information at that level, peer to peer. We believe it's very important to ensure that the chief public health officer remain with the status of deputy head of the department.

● (1950)

**The Chair:** Okay, thank you very much, Ms. May.

The chair has a ruling. The ruling is as such: this amendment seeks to delete the clause. As *House of Commons Procedure and Practice*, second edition, states on page 768:

> An amendment that attempts to delete an entire clause is out of order, since voting against the adoption of the clause in question would have the same effect.

As members are aware, parliamentary practice does not permit to be done indirectly what cannot be done directly. This amendment is therefore inadmissible.

We will move to the vote on clause 257.

(Clause 257 agreed to)

(On clause 258)

**The Chair:** We'll go to clause 258. We have PV-15, one amendment.

**Ms. Elizabeth May:** Yes.

**The Chair:** I will hint to Ms. May I have another ruling, which I know will not surprise her.

**Ms. Elizabeth May:** I'll just say that, of course, not being allowed to vote on the committee, I have to do indirectly that which I can't do directly.

Thank you for your ruling, Mr. Chair.

This is an attempt to reinstate the travel budget of the chief public health officer so that our senior medical officer for Canada's public health agency be allowed to travel. This was also recommended by Professor Hoffman in committee.

**The Chair:** Thank you very much, Ms. May.

The ruling is as such: Bill C-43 amends the Public Health Agency of Canada Act by repealing subsection 10(2) of the act. This amendment seeks to reinstate subsection 10(2).

As *House of Commons Procedure and Practice*, second edition, states on page 768:

> An amendment that attempts to delete an entire clause is out of order, since voting against the adoption of the clause in question would have the same effect.

As members are aware, parliamentary practice does not permit to be done indirectly what cannot be done directly. Members who do not agree with the repealing of subsection 10(2) are to vote against the clause. The amendment is therefore inadmissible

We will then move to the vote on clause 258.

Shall clause 258 carry?

(Clause 258 agreed to)

(Clauses 259 and 260 agreed to)

**The Chair:** I want to thank Mr. Segard for being here with us this evening. I appreciate that very much.

(On clauses 261 to 265 inclusive)

Colleagues, we'll go to division 21, Economic Action Plan 2013 Act, No. 2. We have clauses 261 to 265. I do not have any amendments for these clauses. Do we want discussion on this? We'll allow the officials to come to the table.

Do you have a very brief comment, Mr. Cullen?

**Mr. Nathan Cullen:** I have a very brief comment, Chair.

I'm happy to see the government is mopping up from the last omnibus bill again. This is a correction to the previous piece of legislation. We keep a running tally of all the mistakes that get corrected in the next omnibus bill. We try to point the mistakes out as we're going along. As long as they get corrected at some point, I suppose.... It's a strange way to run a country, but there you have it. I just want to circle it a little.

**The Chair:** Thank you.

Shall clauses 261 to 265 carry?

(Clauses 261 to 265 inclusive agreed to)

**The Chair:** Thank you so much for being with us here this evening.

Colleagues, the next division is division 22, central cooperate credit societies and federal credit unions. I do not have amendments.

(Clauses 266 to 303 inclusive agreed to on division)

**The Chair:** Thank you.

Colleagues, are there comments on division 23? If not, we can deal with it now.

(Clauses 304 and 305 agreed to)

**The Chair:** We will take a 10- to 15-minute break and we'll deal with division 24 when we come back.

● (Pause) ●

● (2005)

**The Chair:** I call back to order meeting 62 of the Standing Committee on Finance dealing with the budget implementation act, clause by clause. I want to welcome our officials here to deal with division 24, the Immigration and Refugee Protection Act.

(On clauses 306 and 307)

**The Chair:** We have clauses 306 and 307 without amendments. Can I group those two clauses?

Mr. Rankin, do you want to address both, or each separately?

**Mr. Murray Rankin:** I think I can address them together.

This, of course, has to do with the temporary foreign workers issue. I think there's an acknowledgement implicit in both provisions that the program is broken, but it doesn't seem that we're doing a heck of a lot to fix it. We think there needs to be more transparency so that we know what's happening here. That's the main thrust of this. The measures seem to be half measures.

I think the main part is the lack of transparency. What we would hope for, and it's not here, is an independent review of the temporary foreign worker program so that we can fix it once and for all.

That's essentially the issue.

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

I have Mr. Hsu, on clauses 306 and 307.

**Mr. Ted Hsu:** Perhaps I will make some general remarks about division 24, if that's okay, at the beginning here.

The Liberal Party generally supports the measures in division 24, except that Bill C-43, a second act to implement certain provisions of the budget tabled in Parliament on February 11, 2014 and other measures, includes some new fees to pay for this new compliance regime, and it exempts these fees from the accountability measures in the User Fees Act.

We don't think that exemption is justified. In fact, given the Conservative record, we need to strengthen accountability measures for user fees, not weaken them. Under the Conservative government, processing times for economic immigrants has gone up between 19% and 113% since 2007, depending on the different streams of federal skilled workers. We're concerned that the same thing could happen with processing times under the new temporary foreign worker regime. The government needs strong accountability measures to ensure that it provides timely service in exchange for charging the fee.

In the words of the Canadian Bar Association, “Exempting these fees from the User Fees Act invites the imposition of fees without accountability.”

● (2010)

**The Chair:** Okay, thank you for that.

All those in favour of clauses 306 and 307?

(Clauses 306 and 307 agreed to)

(On clause 308)

**The Chair:** We'll move to clause 308, and we have amendments NDP-6 and NDP-7.

Mr. Rankin, you can address them together or separately, however you wish to proceed.

**Mr. Murray Rankin:** Yes, the objective is really quite straightforward. In proposed section 30.1, it would read:

> The Minister or the Minister of Employment and Social Development shall,

Then it would continue.

That's the objective, to make that mandatory. That's the thrust of NDP-6.

Should I speak to the second one as well?

**The Chair:** Sure, if you wish.

**Mr. Murray Rankin:** That would be under proposed subsection 30.1(2). It would add the following:

> name and address from the list; provided that, in the case of an employer whose employees are represented by a trade union, the Minister or the Minister of Employment and Social Development, as the case may be, has consulted with the relevant local representatives of that trade union before doing so.

That's just to provide a bit of an accountability loop.

**The Chair:** Thank you.

Do you have discussion, Mr. Allen, on this?

**Mr. Mike Allen:** Yes, thank you very much, Mr. Chair. I appreciate Mr. Rankin's comments, and the amendments, although I'm not inclined to support them for a couple of reasons.

First—and I'm going to ask the officials a clarification question, too—when it comes to proposed section 30.1 and “shall”, I think it's better to leave “may” in there because we do have the minister, which is the Minister of Citizenship and Immigration, under this clause, and now we're adding the Minister of Employment and Social Development, who will be making regulations with respect to that list, the notification provisions and that kind of thing, and the rules around that. So to say “shall” under the enabling legislation is, I think, strong. I'd like feedback from the officials on this.

With respect to the second amendment, I believe it's incumbent on the minister to inform the employer when they will be put on this list, but I would be very reluctant to start segregating groups within the employer, whether it be trade unions, professional associations, accountants, lawyers—whatever it happens to be in that organization. I would suggest to you that the employer is enough. I wouldn't segregate any trade union or any other group within the company.

Do the officials agree that “shall” would be a strong way to start this one, when in fact, we're going to be having enabling regulations to specify what the publishing criteria will be?

**The Chair:** We'll go to Mr. James, please.

**Mr. Colin Spencer James (Director, Policy and Program Design, Temporary Foreign Workers, Skills and Employment Branch, Department of Employment and Social Development):** The amendment being made is simply an enabling authority. The actual details of the measure would be set out in regulations.

**The Chair:** Thank you.

Thank you, Mr. Allen.

We'll go to the vote on NDP-6.

(Amendment negatived)

**The Chair:** NDP-7, all those in favour?

(Amendment negatived)

**The Chair:** All in favour of clause 308?

(Clause 308 agreed to)

(Clauses 309 to 311 inclusive agreed to)

(On clause 312)

**The Chair:** We'll go to clause 312. We have Mr. Hsu on Liberal-3 please.

**Mr. Ted Hsu:** Thank you, Mr. Chair.

As I said at the beginning of this division, this particular amendment would delete an exemption to the User Fees Act for fees connected to the new temporary foreign worker compliance regime, as recommended by the Canadian Bar Association.

● (2015)

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

We'll then go to the vote on Liberal-3.

(Amendment negatived [See *Minutes of Proceedings*])

(Clause 312 agreed to)

(On clause 313)

**The Chair:** Mr. Rankin.

**Mr. Murray Rankin:** Thanks, Mr. Chair.

A couple of concerns that we've heard, for example, from the Ontario Council of Agencies Serving Immigrants about this particular clause that would now allow the government to collect, retain, and use social insurance numbers. They say that there's concern about that from a privacy perspective, that it's unnecessarily intrusive for workers and it is duplicating what Citizenship and Immigration is already doing. It seems duplicative and invasive, and for those reasons we would oppose this.

**The Chair:** Thank you, Mr. Rankin. We'll go to the vote.

(Clause 313 agreed to)

(Clause 314 agreed to)

**The Chair:** I want to thank our two officials from the Department of Citizenship and Immigration for their presence here this evening. We appreciate it. Thank you.

Colleagues, are there any comments on division 25?

Shall clauses 315 to 333 carry?

(Clauses 315 to 333 inclusive agreed to)

**The Chair:** We'll then move to division 26, the Canadian Payments Act. Again, I do not have any amendments for this division.

Shall clauses 334 to 359 carry?

(Clauses 334 to 359 inclusive agreed to on division).

**The Chair:** We now have the Payment Clearing and Settlement Act. We do have one amendment on clause 364, so can I group 360 to 363 and shall they carry?

(Clauses 360 to 363 inclusive agreed to)

(On clause 364)

**The Chair:** We will then move to clause 364 and we have G-1, government-1. We'll go to Mr. Saxton, please.

**Mr. Andrew Saxton:** Thank you, Mr. Chair.

This amendment is to change it so that Bill C-43 in clause 364 be amended by replacing in the English version line 2 on page 432 with the following:

to in subsection (1) that systemic risk or payments system risk is being

The proposed amendment is to correct an editorial error. The term "payments system risk" was inadvertently omitted from proposed subsection 6(2) in clause 364 of the English version of the bill, not in the French version.

The amendment ensures consistency with proposed subsection 6 (1) of clause 364, which will allow the Governor of the Bank of Canada to issue a directive to a clearing house for systemic risk or payments system risk. The amendment ensures alignment between the English and the French versions of clause 364. The French version includes the term *risque pour le système de paiement*, i.e., payments system risk .

That is the purpose of the amendment.

Thank you, Mr. Chair.

**The Chair:** Mr. Cullen.

**Mr. Nathan Cullen:** Very briefly, this is, I suppose, a level of progress and we congratulate the government. We will not have to wait to the next omnibus bill to fix it. We only had one correction to this omnibus bill and I'm sure there will be more, but this is an advance in the making of law in Canada. It's one for the good guys.

**The Chair:** Who are the good guys in this case?

**Mr. Nathan Cullen:** Us. The committee doing the good work on behalf of—

**The Chair:** Order. I think the Chair started that. I shouldn't have.

All those in favour of G-1 then?

(Amendment agreed to)

(Clause 364 as amended agreed to)

(Clauses 365 to 375 inclusive agreed to)

**The Chair:** I want to thank our officials for being here.

We'll now go to division 28, the extractive sector transparency measures act.

We have two clauses here and a number of amendments on these clauses.

(On clause 376)

**The Chair:** We have Liberal-4, Liberal-5, Liberal-6, Liberal-7, and Green Party or PV-16.

Just for your information, Green Party-16 is the same as Liberal-8 and NDP-8. The vote on Green Party-16 will apply to both Liberal-8 and NDP-8.

Those are the amendments on clause 376. There are no amendments for clause 377.

We'll begin with Liberal-4.

● (2020)

**Mr. Ted Hsu:** Division 28 represents a step in the right direction, although it could have been stronger and more effective. The Liberal Party has put forward six amendments in an effort to improve the new act.

Mr. Chair, I would like to describe the first four amendments, which do not overlap the amendments from the other parties.

Liberal-4 is an amendment that is an anti-avoidance measure that expands the application of the new act, so it also includes payments to entities controlled by an employee or public officer-holder of a payee, instead of just payments to those employees or public office-holders of a payee.

Liberal-5 is an amendment that clarifies the application of the new act by adding a definition of “assets” and “employee”. This was also recommended by the Canadian Bar Association.

Liberal-6 is an amendment that adds an explicit requirement for the federal government to consult aboriginal governments on any measure under the new act pertaining to them.

Liberal-7, the last of the first four amendments, allows an auditor to attest that information appears to be accurate instead of having to attest that the information is true, accurate, and complete. The latter is something that an auditor is often not in a position to do. This was also recommended by the Canadian Bar Association.

**The Chair:** Mr. Cullen.

**Mr. Nathan Cullen:** This is not a complaint. It's a bit of an awkward process because we're dealing with a bunch of amendments, some of which we have variations on. I can speak to the broad terms of the—

**The Chair:** If you want to speak to them separately, you can certainly do that.

**Mr. Nathan Cullen:** No, I think this would be best, because I can make the case for support of some of these Liberal amendments and then the enhancement of what we see.

The challenge is that this is, I believe, an attempt to do away with some corruption or some practices in which full disclosure wasn't happening, particularly between resource companies and their international and national applications. I think none of the committee members here were at the committee that studied this legislation. What was attempted, and I think achieved, particularly through amendment NDP-8, was to have some level of consensus between environmental groups, human rights groups, first nations, and resource companies themselves. As committee members can imagine, that's not necessarily the easiest consensus to try to pull off.

The attempt is to have greater transparency. We agree with the broad directive that's approached by the Liberal amendments here and enhanced by what we're including, that if we are going to take a shot at this, to have greater transparency for Canadian firms when dealing with international and national-level governments, we want to have the best that we can. If we can get an amendment that environmental groups, mining companies, and first nations can agree with, I don't know why anyone would want to stand in the way. I think sometimes the best role of government is to get out of the way when the interested parties are able to come to some agreement. That's the basis of amendment NDP-8, which I can speak to again when it comes up.

Broadly speaking, this is, as Mr. Hsu has said, a step forward. If we are going to change these things only every so often, Chair, and we don't often change this kind of legislation, then one would expect us to try to aim for the very best we can. We don't find that this is as good as it could be, and that's again according to the testimony at the committee that did address this section of the bill.

● (2025)

**The Chair:** Thank you.

Can I group these four then for one vote? If I do Liberal 4 to Liberal 7, is it okay for one vote?

**Some hon. members:** Agreed.

**The Chair:** All those in favour of Liberal-4 to Liberal-7?

(Amendments negatived)

**The Chair:** We'll do amendment PV-16, and I'll just mention again that the vote on this applies to amendments Liberal-8 and NDP-8.

We'll go to Ms. May, please.

**Ms. Elizabeth May:** Thank you, Mr. Chair.

I am not surprised that the wording of the amendment put forward as Green Party-16 has been repeated by other opposition parties, because I took the language for the amendment directly from testimony to the committee, from Publish What You Pay and the Natural Resource Governance Institute. They are recommending, as you know, that we provide greater specificity and disaggregated project-level reporting in this act.

There is no question that I second the comments made by my colleagues. It is truly encouraging to see this legislation within.... We'd rather that it were not in an omnibus bill so it could get the kind of attention it deserves. However, this particular section of division 28, the extractive sector transparency measures act, is really welcome and would be much improved by accepting amendment Green Party-16, which requires the minister to specify in writing the way in which payments are to be broken down or organized, with the pay in each case, the jurisdiction, the amount of the payments, the total amount per category of payment and, if those payments can be attributed to a specific project, the total amount per category of payment.

I look forward to hearing from my colleagues. Perhaps, since this is an amendment supported by the expert witnesses who were before the committee, who also supported the intent of the legislation, this can be seen as an amendment that strengthens the overall effort of the bill.

Thank you.

**The Chair:** Thank you for that, Ms. May.

As I mentioned, if you want to have discussion on this or on amendments Liberal-8 or NDP-8, I think now is the best time.

We'll go to Mr. Cullen, and then I have Mr. Saxton.

**Mr. Nathan Cullen:** Chair, through you to our officials, thank you for pulling the midnight shift with us.

My understanding, and I am not an expert in this field, is that there is legislation in the U.S. and the EU that allows for disaggregated level of reporting, of separating out. Is that correct?

**Mr. Mark Pearson (Director General, External Relations, Science and Policy Integration Sector, Department of Natural Resources):** Yes, that is correct.

**Mr. Nathan Cullen:** The notion of this putting Canadian companies at some sort of a disadvantage, particularly toward the EU competitors or American competitors.... Can we put that to the side, just in terms of any company that would come forward and say, "Well, we can't have disaggregated reporting, because that will put us at some unfair disadvantage towards competitors from those countries"?

**Mr. Mark Pearson:** The intention of the legislation is to work with our international partners to achieve a common global standard, so we are working to align with those other jurisdictions.

**Mr. Nathan Cullen:** Would not that effort then lead us towards disaggregated reporting, which is not, to my understanding, present within the legislation right now?

**Mr. Mark Pearson:** Actually it is present, and I'll refer to Ekaterina to speak to that.

**Mr. Nathan Cullen:** So is there—

**Ms. Ekaterina Ohandjanian (Legal Counsel, Department of Natural Resources):** Thank you for your question.

The act speaks to the authority of the minister to just set up a framework and then be aligned with international G-7 partners and their approach. The fact that you don't see it expressly in the act does not mean that this is not how it's going to flow, even if you look for coherence, because we are always talking about commercial development of oil, natural gas, or minerals. We're always talking about the reporting of payments to a specific payee; we do talk of projects.

So in order to make our report aligned and have the flexibility that is inherent in the EU approach, which we don't have because we have a legislative approach, and they have a regulatory approach.... In order to find the best possible instrument for addressing this and reserving the flexibility that they already have in their scheme, we've taken the approach that you see in proposed subsection 9(5).

**Mr. Nathan Cullen:** So outlining broad principles but then using the regulations in order to have this pay breakdown payment by payment, is that correct?

**Ms. Ekaterina Ohandjanian:** It becomes a requirement that is legally enforceable the moment that the minister will specify these requirements. That's why we're working...because the international standard is also emerging. They have general references in the regulations but it doesn't go beyond that. In any event, we've organized it in a way so that the moment that it is specified by the minister, again recognizing that we need alignment, then it becomes legally binding.

● (2030)

**Mr. Nathan Cullen:** So there is my question as to whether we're in a lead or follow position? The question that has been raised is whether the moment it is required the minister by this act has the power to require this level of reporting. Is that correct?

**Ms. Ekaterina Ohandjanian:** Correct.

**Mr. Nathan Cullen:** I understand you're always seeking flexibility in terms of application but why not, if it's a goal and a principle of ethical business practice, institute it as this amendment seeks to? As we heard from witnesses both on the industry side and on the human rights, environment, and first nations side, why not just allow a principle to be put into the law itself?

**Ms. Ekaterina Ohandjanian:** Because the moment you have it in legislative form, if you need to add to it, you can't. There is no more authority. You lose a certain flexibility if you do it that way. This is about an implementation. The core reporting obligation is clear; it is about the threshold you see. The types of payments, the types of payees, and the breakdown is what you see addressed administratively.

If we were to legislate this, again, we'd lose that flexibility. We would need a legislative amendment to add additional information fields or break down requirements.

**Mr. Nathan Cullen:** I understand the tension there and as a legislator I'm falling on the other side of it and saying greater commitments in law give me greater assurance, but I understand in terms of the application.

I have a last question through you, Chair, to the witnesses. There has been some concern raised by some first nations development corporations with respect to the disclosure and by the proponents of various mining, oil, and gas projects in Canada. Have you heard those concerns through this process? Or is this a separate topic that doesn't get addressed here?

**Mr. Mark Pearson:** I would say that's a separate topic.

**Mr. Nathan Cullen:** So in saying it's a separate topic, the provisions provided in these changes to the act wouldn't have an impact on Canadian resource companies working here in Canada and the benefit impact agreements and whatnot that they do with first nations governance?

**Mr. Mark Pearson:** Just to clarify, there is no reporting obligation on the part of aboriginal governments. The reporting obligations are on the part of the commercial entities.

**Mr. Nathan Cullen:** I understand.

**Mr. Mark Pearson:** So the concern has been that all the stakeholders have asked if we could have a deferral so we could better inform aboriginal governments, work with them, to bring them into the implementation, hence the two-year deferral that's in the legislation.

**Mr. Nathan Cullen:** The concern coming from some of those resource development companies, mining, oil and gas, and whatnot, is that the reporting obligations under some of these changes will put them at a competitive disadvantage, because oftentimes, particularly with, say, energy transportation companies, they are making many agreements, not with just one first nations group. Have you heard those concerns and can they be addressed through this legislation?

**Ms. Ekaterina Ohandjanian:** Is the competitive disadvantage concern related to them having to report in Canada but not elsewhere? That would not be a proper reading of the EU rules or the U.S. rules as we had them, because they take a neutral approach to what a payment to a government is. They make no exclusions. Having a background in legislative work, you can recognize, and we can recognize, that if you make no exclusion, everyone is included. That's the approach the EU has taken. This is the approach the U.S. has taken. We've confirmed that with the U.K. in particular, and this is the approach we're taking as well.

So it's a neutral approach to what a government is. If a payment is made pursuant to an IBA or whatever else, it would have to be reported after the two-year deferral period ends.

**Mr. Nathan Cullen:** Thank you, Chair.

**The Chair:** Okay. Thank you.

Thank you very much, Mr. Cullen.

On this we're going to go to Mr. Saxton.

**Mr. Andrew Saxton:** Thank you, Mr. Chair.

I just want to take a moment to respond to amendment PV-16 and Ms. May. Since she had some very kind words to say about the government on this particular bill, I think she deserves to have a response to her amendment.

Her proposed amendment to proposed subsection 9(5) does not really strengthen the enforceability of the form for reporting. Reporting entities are obligated to report in accordance with the breakdown in form requirements specified by the minister in accordance with proposed subsection 9(5). Failure to do so is an offence under the act.

So, Ms. May, hopefully knowing that will give you some comfort.

**Mr. Gerald Keddy:** You'll sleep better.

**The Chair:** Okay. Thank you.

Thank you, Mr. Saxton.

That's all I have on this, so I will now go to the vote on amendment PV-16.

(Amendment negatived [See *Minutes of Proceedings*])

**The Chair:** Amendment Liberal-8 and amendment NDP-8 are also defeated.

We'll go to amendment Liberal-9.

Colleagues, you should have a new amendment Liberal-9 in front of you, because there was a correction on the French translation.

Mr. Hsu, do you want to address amendment Liberal-9?

● (2035)

**Mr. Ted Hsu:** Thank you, Mr. Chair.

Amendment Liberal-9 extends the transitional period under which aboriginal governments are exempted, from two years to five years.

**The Chair:** Okay. Thank you, Mr. Hsu.

We'll go to the vote on Liberal-9.

(Amendment negatived [See *Minutes of Proceedings*])

(Clause 376 agreed to)

(Clause 377 agreed to)

**The Chair:** I want to thank our officials very much for waiting and for their clarifying comments. Those were very helpful. Thank you.

Colleagues, we'll move on to division 29.

We have two amendments in this division. We're going to deal with clause 378 first.

We'll welcome our officials to the table. They're from Natural Resources and from Treasury Board.

(Clause 378 agreed to)

(On clause 379)

**The Chair:** In clause 379, we have two amendments. We have amendment NDP-9 and amendment Liberal-10. They are essentially the same, so the vote on amendment NDP-9 will apply to amendment Liberal-10.

Monsieur Caron.

[*Translation*]

**Mr. Guy Caron:** Thank you very much, Mr. Chair.

This amendment provides for the restructuring to take place in a period of three years. The restructuring we are talking about is of Canadian Nuclear Laboratories Ltd.

The employees in that organization clearly came under federal jurisdiction in terms of their pension plan. There will be a negotiation in the new structure given that the organization is going to be taken out of the public system. For this restructuring to be done fairly, employees hired during the three-year restructuring period, and who are therefore part of the current bargaining unit, should be considered on the same basis as current employees. That would let us avoid ending up with a two-tier system with new employees having different conditions from those that are currently in effect. Basically, this is really about ensuring that, during the restructuring period, the same rules are applied to new employees hired during the negotiation period as exist for those who are currently employed.

**The Chair:** Thank you.

[*English*]

We'll go to the vote on amendment NDP-9.

(Amendment negatived [See *Minutes of Proceedings*])

**The Chair:** Amendment NDP-9 is defeated, and thus Liberal-10 is defeated.

(Clause 379 agreed to)

(Clauses 380 and 381 agreed to)

**The Chair:** Thank you to our officials. I appreciate very much your waiting until the end for this. Thank you so much.

(On clauses 382 to 386 inclusive)

**The Chair:** We'll now go to division 30, public service labour relations, where we have clauses 382 to 386.

Do you want to address these together, Mr. Caron?

We'll just wait for our officials.

Welcome to the committee.

[*Translation*]

Mr. Caron, the floor is yours.

● (2040)

**Mr. Guy Caron:** Thank you, Mr. Chair.

For all these measures, the amendments once more are intended to correct things that were established in previous budget bills. There must be five divisions, at least; I have not counted the number of clauses, but it is quite a lot. This shows again that the process used by the government to pass budget bills is completely inadequate because it prevents us from examining the elements in depth.

If the government had used principles of good governance and had introduced the amendments in bills that could have been studied in more depth, these errors could have been avoided. That is not the case, however, and here we are with a fifth division to amend. It is designed to correct errors that we discovered in previous budget bills.

This cannot be repeated often enough. But my impression is that, when we are studying the next budget bill, we will again have to be making substantial corrections to the errors this one contains.

**The Chair:** Thank you.

[*English*]

(Clauses 382 to 386 inclusive agreed to on division)

**The Chair:** Thank you very much, Mr. Heavens, for being with us here this evening.

We will now go to division 31, Royal Canadian Mounted Police pensions, and clauses 387 to 401.

We may have a member with a conflict of interest on this one. I hope he's not receiving his pension so far.

Is there any discussion, colleagues, on these clauses?

Mr. Cullen.

**Mr. Nathan Cullen:** I just have a small word—not on Mr. Wilks and his pension, but to the officials. We're voting for these.

Thank you for drawing the short straw. You folks got to stay with us all night.

The official opposition will be voting in favour of these.

**The Chair:** Thank you.

(Clauses 387 to 401 inclusive agreed to)

**The Chair:** I want to thank you for staying here this evening; I know you were in the last division. We appreciate that very much as a committee. Thank you so much.

Colleagues, we are into the short strokes here.

Shall the short title, carry?

**Some hon. members:** Agreed.

**An. hon member:** On division.

**The Chair:** Shall the title carry?

**Some hon. members:** Agreed.

**An hon. member:** On division.

**The Chair:** Shall the bill as amended carry?

**Some hon. members:** Agreed.

**An hon. member:** On division.

**The Chair:** Shall the chair report the bill as amended to the House?

**Some hon. members:** Agreed.

**An hon. member:** On division.

**The Chair:** Shall the committee order a reprint of the bill as amended for the use of the House at report stage?

**Some hon. members:** Agreed.

**The Chair:** Before I call the final adjournment on this bill, I think that on behalf of all of you we should thank all of the officials and all the people at finance who helped get the officials through. We should also thank our clerks—our regular clerk and our legislative clerks. Of course, as always, we thank the interpreters.

[*Translation*]

Thank you very much.

[*English*]

**Some hon. members:** Hear, hear!

**The Chair:** Mr. Saxton.

**Mr. Andrew Saxton:** As a friendly reminder, should we not ask for a government response? Is that not correct?

● (2045)

**Mr. Nathan Cullen:** I'd love to see a government response.

**Mr. Andrew Saxton:** Is it not necessary?

**The Chair:** No, it's not a committee report.

**Mr. Andrew Saxton:** Okay, thanks.

**The Chair:** But I'm sure you will respond to Mr. Cullen in the House.

Thank you so much, colleagues.

The meeting is adjourned.