



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on Finance

FINA • NUMBER 025 • 1st SESSION • 42nd PARLIAMENT

EVIDENCE

Tuesday, May 31, 2016

Chair

The Honourable Wayne Easter

Standing Committee on Finance

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• (1115)

[English]

The Chair (Hon. Wayne Easter (Malpeque, Lib.)): Could we come to order. Thank you.

Pursuant to order of reference of Tuesday, May 10, 2016, Bill C-15, an act to implement certain provisions of the budget tabled in Parliament on March 22, 2016, and other measures, today, we're to start clause-by-clause study.

Before we do that, the third report of the subcommittee on agenda and procedure was passed around to members, as members who were on that subcommittee would know. We met yesterday, and we made some decisions as a subcommittee that we will now put to the committee so this can be dealt with.

Do I need to read it?

Mr. Steven MacKinnon (Gatineau, Lib.): Mr. Chair, I would move the adoption of the report.

The Chair: Moved by Mr. MacKinnon.

It was agreed by the subcommittee that in relation to the motion of Guy Caron, the committee agreed to amend the amendment of Steven MacKinnon. I'll not go through all the words, but we proposed a list of witnesses for the KPMG study. That's point one.

Point two is that the committee agreed to the motion by Mr. McColeman that the Standing Committee on Finance invite the parliamentary budget officer to appear on or before June 16, 2016, for two hours, to provide testimony and answer questions on recent reports.

Point three is that the committee agreed to a motion by Mr. MacKinnon that the committee invite Mark Machin, the new president and chief executive officer of the Canada Pension Plan Investment Board, as well as Heather Munroe-Blum, chairperson of the CPPIB board of directors, to appear as witnesses as soon as possible after the beginning of his mandate.

Point four is that we agreed on the theme of the pre-budget consultations for the 2017 budget. I'll not read them. They are on the record that we would look at gaining economic growth in the country, and we would issue a news release to that effect on this Friday. The clerk will provide the committee with the different options to consider in organizing hearings with witnesses and travel in the fall of 2016.

It's been so moved. Is there any discussion?

Mr. Caron.

[Translation]

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Thank you, Mr. Chair.

I wanted to clarify publicly that I am still in favour of the original motion I submitted. I believe it would have been desirable to invite the people whose names appeared on the list we received from KPMG. That is, the people who took part in this scheme for the company.

However, I recognize that the subcommittee's decision was to propose an amended list of witnesses that included the names of some experts. I was not in favour of the proposed amendment, but I voted for it so that at least we could have a meeting with those experts, with a representative of the chartered professional accountants, and with Michael Hamerley, a former associate with KPMG in the United States. It was he who sounded the alarm, who drew attention to the similar situation that was going on with our neighbours to the south.

[English]

The Chair: Is there any further discussion on the subcommittee report that's before you?

(Motion agreed to)

The Chair: Starting on clause-by-clause study, in terms of clause 1, pursuant to Standing Order 75(1), consideration of clause 1, the short title, is postponed.

We'll start with clause 2. There are no amendments from clause 2 to clause 32. Does somebody want to discuss them as a block?

Mr. Caron.

[Translation]

Mr. Guy Caron: I would like to take out some clauses, so that we can discuss them.

[English]

The Chair: You'd like to do what?

[Translation]

Mr. Guy Caron: I would like some clauses not to be grouped together, so that we can discuss them. The clauses in question are 7, 9, 10, 13, 22, 26 and 27.

• (1120)

[English]

The Chair: Yes, Mr. Sorbara.

Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.): Could you repeat the clause numbers?

The Chair: We'll go through them one by one.

They are clauses 7, 9, 10, 13, 22, 26, and 27.

Could we have a motion to group clauses 2 to—

An hon. member: Does it need to be unanimous?

The Chair: Yes, we'd need unanimous consent on account of moving a motion.

Could we have unanimous consent to group clauses 2 to 6?

Some hon. members: Agreed.

(Clauses 2 to 6 inclusive agreed to)

(On clause 7)

The Chair: Mr. Caron.

[*Translation*]

Mr. Guy Caron: The intent of this clause is to increase the eligibility of exploration expenses in Canada. This seems to go contrary to the Canadian government's commitment to gradually withdraw subsidies for energy from fossil fuels. This is a new subsidy that the Conservatives proposed, but the Liberals have not really explained why they are continuing along those lines.

So these are the aspects that I wanted to make public and that express our disagreement with this clause.

[*English*]

The Chair: Is there discussion?

Mr. Ouellette, and then Mr. Champagne.

Mr. Robert-Falcon Ouellette (Winnipeg Centre, Lib.): It's just a question.

I can't hear you very well in this room. I'm hoping that they can turn up the speakers, because this room seems to have a terrible speaker system. I know there's the earpiece, but I've never used it before. I couldn't hear what clause you are doing. I apologize.

[*Translation*]

Mr. Guy Caron: Clause 7.

[*English*]

The Chair: It's clause 7.

Mr. Champagne.

Mr. François-Philippe Champagne (Saint-Maurice—Champlain, Lib.): For the benefit of the member, our position has been to phase out the tax credit for fossil fuel. I think that's what you're referring to. The position we have taken in the bill is very consistent with our commitment to phase them out in accordance with our international agreements with the OECD and G7 partners in that respect.

The Chair: Mr. Liepert.

Mr. Ron Liepert (Calgary Signal Hill, CPC): I think it's important that we go on record to correct what the NDP member

referred to as a subsidy. It is not a subsidy; it is a tax credit, Mr. Chairman.

The Chair: Is there any further discussion?

(Clause 7 agreed to on division)

(Clause 8 agreed to)

The Chair: Mr. Caron, did you have a point you wanted to raise on clause 9?

[*Translation*]

Mr. Guy Caron: No, I do not want to debate it. I just want a separate vote for this clause.

We can proceed to the vote.

[*English*]

The Chair: Okay, that's fine.

(Clause 9 agreed to on division)

(On clause 10)

The Chair: Are there any comments, or do you just want to have a vote?

Mr. Caron.

[*Translation*]

Mr. Guy Caron: I wanted to say that we want to avoid farmers being affected by an artificial increase in taxes as a result of the poor structure that the previous government designed when it privatized the Canadian Wheat Board. It is just that we are disappointed that the government is moving ahead with these various provisions that are designed to confirm the privatization and dismantling of an institution that was designed and built by generations of farmers.

The current government criticized the previous government for this measure. I find it a shame that all it is doing is continuing the work they started.

We are going to vote in favour, because otherwise there would be negative repercussions for farmers. However, we would have liked to see another solution proposed for the Canadian Wheat Board.

● (1125)

[*English*]

The Chair: Is it the Canadian Grain Commission or Canadian Wheat Board?

[*Translation*]

Mr. Guy Caron: I am talking about the Canadian Wheat Board.

[*English*]

The Chair: Is there any further discussion?

Shall clause 10 carry?

(Clause 10 agreed to on division)

(Clauses 11 and 12 agreed to on division)

(On clause 13)

The Chair: Mr. Caron, you had a point you wanted to raise.

[Translation]

Mr. Guy Caron: Thank you.

We support the increase in the deduction for residents of the Canadian north in order to help people living in those often remote communities. We know, because it has been made public, that they are facing extremely high prices. Our disappointment with this provision lies in the fact that it is not indexed to inflation, which means that the deduction will be eroded over time.

In short, we are in favour of this provision but we would prefer it to have been indexed.

Thank you.

[English]

The Chair: Is there any further discussion on clause 13?

(Clause 13 agreed to on division)

(Clauses 14 to 21 agreed to on division)

(On clause 22)

The Chair: Go ahead, Mr. Caron.

[Translation]

Mr. Guy Caron: We are opposed to the idea of income splitting. I am not referring to seniors, of course, but to what the Conservatives passed. We simply wanted to publicly express our disappointment with the fact that the government is replacing this measure by another tax-reduction measure, a pseudo-reduction for the middle class whose only effect will be to move money towards the 30% with the highest income and to ignore 70% of Canadians.

We are going to vote in favour of this clause because it does away with income splitting, not for seniors, but for the rest of the population, for couples with children. However, we would have preferred the government to listen more to what we were telling it about reducing taxes for the middle class in Bill C-2.

[English]

The Chair: Is there any further discussion?

I would remind members that if, on some of these clauses, they have some questions they want to raise, there are a lot of officials here, and you're quite free to ask them to come to the table and ask them questions, if you so wish. I'm not sure if members are aware of that, but just ask an official to come to the table and it will be done.

(Clause 22 agreed to on division)

(Clauses 23 to 25 inclusive agreed to on division)

(On clause 26)

The Chair: Mr. Caron, do you want to mention something?

[Translation]

Mr. Guy Caron: No. We can vote.

[English]

The Chair: Okay.

(Clause 26 agreed to on division)

(On clause 27)

The Chair: Do you have any comments, Mr. Caron?

[Translation]

Mr. Guy Caron: We support the measure included in clause 27, but we are concerned by the fact that, despite repeated promises that the details would be provided to us later, there is currently no plan, not even a sign of a plan, to create affordable daycare spaces.

In addition, for most provinces, the new benefit that the government will be proposing will far from make up for the high costs of the measures.

So we are going to vote for this measure, although unfortunately it does not really deal with the question of affordable day care.

● (1130)

[English]

The Chair: Is there any further discussion?

(Clause 27 agreed to on division)

(Clauses 28 to 32 inclusive agreed to on division)

(On clause 33)

The Chair: We have an amendment put forward by Ms. May.

Elizabeth, go ahead. Do you want to read your amendment?

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Chair, it's a bit perplexing for a committee chair the first time they encounter PV.

[Translation]

It stands for "Parti vert". In the last Parliament, we had got into the habit of using "PV" for "Parti vert" not

[English]

Green, "G", to avoid confusion with government amendments.

[Translation]

That is why my amendments have the letters PV.

[English]

I will refer to the amendment very briefly. You are familiar, of course, with the testimony of the Canadian Teachers' Federation at this committee.

The Chair: Just a minute, we have a point of order from Mr. Liepert.

Mr. Ron Liepert: Just for clarification, does the amendment have to be moved by a committee member?

The Chair: Independents can move motions at committee.

Mr. Ron Liepert: Thank you.

Ms. Elizabeth May: I'm not moving it.

Let me clarify. I'm not an independent member. I'm a member of Parliament for the Green Party of Canada.

The Chair: You sit as an independent.

Ms. Elizabeth May: I'm here based on a motion this committee passed, over my objection. The terms of the motion should be familiar to all of you because you passed it. The motion was drafted by the Harper PMO in the previous Parliament and it requires that I be here if I want to submit amendments because I'll no longer be able to provide my amendments at report stage. Each committee has passed an identical motion, and my amendments are deemed to have been moved. I do not have the power to move them. I don't have the power to vote, and it is entirely for the purpose of depriving me of my rights at report stage.

I will put my objection on the record once again. That's why I'm here, and I get to speak briefly to each amendment. I hope I still have some time.

The Chair: You do have some time. Go ahead.

Ms. Elizabeth May: Thank you.

This is a very salutary change in the tax code. I want to make it clear that I'm very supportive of introducing the concept that eligible educators, as described in subdivision A.4, school supplies tax credit, are allowed to submit their receiptable expenses as described under "eligible supplies expense". It's a very well-drafted section. The only problem is the suggestion that teachers might have to obtain from their employer a written certificate to attest to the eligibility of the expenses and that it was a proper deduction.

The Teachers' Federation would like this bill improved by amending it such that the requirement for a written certificate from employers be removed.

My amendment does exactly that. It removes proposed subsection 122.9(3) that creates a possibility, though not a requirement at all times, that the educator obtain a certificate from his or her employer.

The Chair: Thank you, Ms. May.

Is there any discussion?

Mr. Grewal.

Mr. Raj Grewal (Brampton East, Lib.): I have a quick point. Employer verification of expenses is essential to the operation of the income tax code. Otherwise it would create a very slippery slope and lead to a very bad precedent for other employment expense claims. It is just to keep everybody honest across the board, to ensure when teachers do submit their supply tax credit that it is verified by their employers. This happens not only in the teaching industry, but in every industry.

The government has done a great thing to ensure that teachers who do make students' lives a bit easier when they are teaching get this tax credit, but to keep everybody honest, it should be verified by the employer.

The Chair: Is there any further discussion?

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

(Clause 33 agreed to on division)

(On clause 34)

The Chair: We have amendment NDP-1.

• (1135)

[*Translation*]

Mr. Guy Caron: I would like to give the floor to Mr. Johns.

[*English*]

The Chair: Mr. Johns, go ahead.

Mr. Gord Johns (Courtenay—Alberni, NDP): Mr. Chair, the Liberal broken promise will cost small business \$2.2 billion over the next four years and will kill more than 1,200 jobs. We know the government and the Liberals made a clear promise in writing dozens of times on the campaign trail, and small businesses were counting on them to follow through. It's disturbing that they're breaking this promise to Canada's job creators and even more disturbing that they're making this change in an omnibus budget bill. Hard-working small business owners were counting on these tax cuts to expand and grow their businesses.

We urge the government members to stand by the commitment they made during the election and vote in favour of restoring the small business tax cuts.

I'll let Mr. Caron speak to our amendments.

The Chair: I probably should indicate to the committee that if amendment NDP-1 is adopted, NDP-2 cannot be moved, as they amend the same lines. I think that's understood.

Mr. Caron.

[*Translation*]

Mr. Guy Caron: I would like to explain that the amendment we are proposing would postpone the tax cuts by keeping the tax rate for SMEs at 10.5% for this year. The previous government did not reduce that rate, though it had a schedule that would have reduced it to 9%.

The amendment would keep the tax rate at 10.5% this year. Thereafter, we would go back to the planned schedule that would see it reduced to 9% in 2019, as the three major parties committed to do during the election campaign.

[*English*]

The Chair: Mr. McColeman.

Mr. Phil McColeman (Brantford—Brant, CPC): I will speak in support of this amendment for the very reasons that have been articulated. I won't go into them further. I spent quite a bit of time yesterday talking about how business expects consistency. When promises are made, especially to small business people to help them expand their businesses, and then are reneged on, it's not appropriate. We'll be supporting this amendment.

Mr. Chair, I'll add that I'd like to call for a recorded vote on this amendment.

The Chair: Okay.

Mr. Caron.

[Translation]

Mr. Guy Caron: In all my political experience, even going back before my election in 2011, this is one of the rare times when I have seen the three major parties agree on a measure for the entire duration of the very long election campaign. So it is extremely disappointing to see this promise, this commitment, has not been kept.

Before we vote, I would like one of the members of the government party to explain why they are renegeing on that commitment. I do not want them to explain the efforts made by the government on behalf of SMEs, but why they are renegeing on this specific commitment, given that the Liberal Party had it front and centre during the election campaign.

[English]

The Chair: Mr. MacKinnon.

[Translation]

Mr. Steven MacKinnon: I would like to clarify something.

As the minister said very clearly yesterday evening, this is not a broken promise but a decision made in one budget. There are three budgets left in the Liberal Party's mandate, perhaps even more. I find my colleague's remarks a little hasty and premature.

[English]

The Chair: Mr. Caron, and then Mr. McColeman.

[Translation]

Mr. Guy Caron: The minister talked about postponing the tax reduction indefinitely, although the timeline that the Liberal Party promised during the election campaign was to reduce the tax rate to 9% by 2019, and to maintain the schedule that set the rate at 10.5%, 10%, 9.5% and 9%. It was written in black and white in the Liberal Party's election platform.

[English]

The Chair: Mr. McColeman, and then Mr. Champagne.

Mr. Phil McColeman: Well, I've just been handed the transcript from yesterday. I don't want to correct Mr. MacKinnon on this, because I drove directly at the minister in my questioning about this particular issue as to whether this was deferred for future consideration in budgets.

First of all, it's not costed in any of the five-year plans going forward that the minister had, and he did confirm that this is a cancelled item. He confirmed it. I have the transcript in front of me, which I would be happy to read to you. It's cancelled indefinitely is what the response was from Minister Morneau yesterday. I just want to clarify that it's not—

• (1140)

Mr. Steven MacKinnon: On a point of order, Mr. Chair, he can't say he's quoting the minister and then not quote the minister.

The Chair: I don't think that's a point of order.

Mr. Champagne.

[Translation]

Mr. François-Philippe Champagne: Mr. Chair, I would like to respond to my colleague Mr. Caron.

We recognize the critical importance of SMEs to the Canadian economy. In the last budget, we reduced taxes for the middle class. We also established the Canada Child Benefit because we believe fundamentally that, by putting more money into the pockets of Canadian taxpayers, we are going to grow the economy and SMEs will benefit as a result.

I took part in the prebudget consultations that were held across the country, from Moncton to Yellowknife. SMEs told us that it was imperative to grow the Canadian economy and that would be the way for them to succeed. We talked with SME people and we understand how industry is structured in the country. If Canadians have more money in their pockets with which to invest in the Canadian economy, our SMEs will do better. That is why, in the recent federal budget, we established a series of measures designed precisely to help SMEs in Canada.

[English]

The Chair: We'll have Mr. Johns first, and then Mr. Liepert.

Mr. Gord Johns: Mr. Chair, the Liberals made a promise to cut taxes for the middle class, but anyone earning less than \$45,000 doesn't get a tax break. These are business owners. Some of them don't have children. They're going to be left behind. They get nothing. The Liberals knocked on their doors and made a promise to these people that they were going to get a tax cut of 2%. What are they saying to those people on those same doorsteps now: that they're not going to get a tax cut for the middle class, that those people don't earn \$45,000, and they're not going to get the 2% small business reduction? Those are two failed promises.

I think that the government has an opportunity right now to honour the promise they made to small business people. They deserve it. We've had decades and decades of tax cuts for Canada's largest corporations. This is the first time all parties agreed to cut taxes for small business. This is an opportunity to honour that commitment right now, today.

The Chair: Mr. Liepert.

Mr. Ron Liepert: It's also important to put on the record, Mr. Chairman, for the parliamentary secretary, that he was here when the Canadian Federation of Independent Business testified before our committee. They also made it very clear that a number of the small business owners fall in that so-called 1% tax increase. Not only did many of the small business owners not get a tax decrease as promised by the Liberals in the election campaign, but the Liberals have actually increased the personal taxes for many of the small business owners.

For the parliamentary secretary to sit there and talk about a middle-class income tax cut when in fact the Liberal government raised taxes for many small business owners is a bit rich.

The Chair: Ms. Raitt first, and then Mr. Caron. There's only about a minute left in your party's time in this discussion, and it's the same for Mr. Caron.

Hon. Lisa Raitt (Milton, CPC): Thank you very much, Mr. Chair.

Going back to the definition of “deferred”, according to Merriam-Webster it is “withheld for or until a stated time”.

Last night in testimony, the minister indicated, “We've decided...at this stage it's deferred and if there's future information provided we will certainly provide it to you.”

He said, “I have no further information at this time to answer that question”, meaning that there is no time associated with the term “deferred”. Therefore it is not an appropriate use of the term “deferred”. It is indeed cancelled.

The Chair: Mr. Caron.

[*Translation*]

Mr. Guy Caron: I would like to respond very quickly to Mr. Champagne's comments.

In his argument to me, he is clearly comparing apples to oranges. The Liberal Party made commitments about taxing individual taxpayers, and also about the Canada Child Benefit. That is one thing. Then, additional commitments were made about taxing SMEs. So to say that there is no need to honour the commitment to SMEs because commitments have been made to individuals makes no sense.

The fact is that, during the election campaign, the Liberal Party program said that it would reduce the tax rate for SMEs from 11% to 9%. The three parties had a similar platform. Now, in this budget implementation bill, the only thing kept is the first cut of 0.5% that was already scheduled in the previous budget; the sections in the Income Tax Act that deal with subsequent reductions have been eliminated. Those are the facts.

Consequently, the Liberal Party arguments make no sense.

•(1145)

[*English*]

The Chair: The NDP is out of time.

Is there any further discussion?

We want a recorded vote. Shall the amendment carry?

Mr. Guy Caron: I have a point of order.

The Chair: We'll take it.

Mr. Guy Caron: I'd just like you to actually rule to Mr. MacKinnon that their question cannot be called in committee. In calling the question all the time, I don't think he realizes he's wasting his breath.

The Chair: Okay, that's fine. There are lots of new members here.

(Amendment negatived: nays, 5; yays, 4 [See *Minutes of Proceedings*])

The Chair: On NDP-2, we have Mr. Caron.

[*Translation*]

Mr. Guy Caron: Thank you very much.

This amendment proposes reducing the tax rate for SMEs by one quarter of a percentage point for next year, by half a percentage point for the following year and by three-quarters of a percentage point for 2019. That would allow us to achieve the objective on which the three parties agreed during the election campaign, to reduce the tax rate for SMEs to 9% from 11%, for the same reasons.

Once again, I would have a hard time understanding if the government members were to vote against that amendment, given that it involves a commitment made in black-and-white in their election program.

[*English*]

The Chair: Mr. McColeman, and then Mr. Champagne.

Mr. Phil McColeman: For the same reasons as I articulated previously, this is just another way to get there, and I would hope it's a little more palatable to the government. It makes a lot of sense to the small business community.

I have correspondence and have had many discussions with small businesses. This correspondence comes from the Canadian Federation of Independent Business: how important it is to their members, the cost to their businesses that they're planning, investments into their companies. A commitment is a commitment. A promise is a promise. The government can slough it off and say that more people spend money at businesses because they have the child benefit, but that's a pretty weak argument for companies that drive this economy and employ over 80% of the people in this country and could hire more people if they had this incentive in place.

I completely support the NDP trying to get there through this amendment.

Mr. Chair, I would also like to call for a recorded vote on this particular amendment.

The Chair: We'll do a recorded vote when we get there.

Mr. Champagne.

Mr. François-Philippe Champagne: I want to state for the record and to my colleagues that this government has honoured its commitment to the middle class by reducing taxes for nine million Canadians, by providing more money—an average of \$2,300—to nine families out of 10. I can assure you that if the middle class is doing well in this country, small businesses will do well.

The Chair: I've been very lenient here. This isn't your motion, Mr. Johns, so I'm going to stick with Mr. Caron.

Are you okay with that?

Mr. Guy Caron: To speak, you mean?

The Chair: Okay. Mr. Johns.

Mr. Gord Johns: My honourable colleague talked about nine million Canadians benefiting from the middle-class tax cut. Some 17.9 million Canadians aren't going to benefit from that tax cut. There's also a small business community. These are the people who are building our communities, and they were given a promise that you are going to give them a 2% tax break. You're failing to deliver on that promise. Here's an opportunity to break it down over the next four years to ensure you deliver on your promise.

I think this is a very reasonable opportunity for government to give certainty to small business and ensure that the government is fulfilling the promise, although it would be delayed. You knocked on their doors. You promised chambers of commerce and the Canadian Federation of Independent Business that you were going to deliver. This is an opportunity to come back to small business and say that you're going to deliver on the promise you made to them, and all those people who are left out in your proposal right now.

• (1150)

The Chair: Is there any further discussion?

We will have a recorded vote on NDP-2.

(Amendment negatived: nays 5; yeas 4 [See *Minutes of Proceedings*])

The Chair: On clause 34, Mr. Caron.

Mr. Guy Caron: I'd like a recorded vote.

(Clause 34 agreed to: yeas 5; nays 4)

(On clause 35)

The Chair: There is an amendment, NDP-3.

[*Translation*]

Mr. Guy Caron: This time I will let Mr. Angus have the floor.
[*English*]

The Chair: Mr. Angus.

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Chair, I think it's been 11 years since I sat at a committee with you. It's nice to see you again. Let's not wait another 11 years before we meet again—two sword lengths away.

The Chair: We're sitting right across from each other, Charlie.

Mr. Charlie Angus: I'm just trying to buy some extra goodwill with him as I talk.

We recognize that in extending the mineral exploration tax credit for one year the government has finally understood that they need to do some work with the mineral exploration community; however, that is not sufficient to create the kind of climate we need in terms of stability for development and exploration. We've seen a 90% downturn in exploration since 2007. We've seen layoffs across Canada in terms of exploration projects. The Prospectors and Developers Association has been calling for at least a three-year extension so that we can get the kind of financial climate to bring investors back into Canada for exploration.

I think part of this is based on the great uncertainty that the exploration community has about the Liberal government's commitment. We remember that in 2005, it was the Liberal government that killed the flow-through shares mining program. They didn't believe in working with the sector. We've seen zero commitment on the Ring of Fire. This is a development that will have a huge impact for generations to come.

There are really three pillars if we're going to develop exploration and develop resources in Canada. Number one will be strong relationships with indigenous communities so that they are able to fully benefit. Number two is strong environmental regulations so that

these projects are credible. Number three is creating a coherent financial climate to bring investors into these developments, because many of them are very high risk. They're long-shot operations. They go through many downturns in an economic cycle. It's very hard to maintain economic interest with investors if we do not have a climate that's stable.

Having a mere one-year extension in the mineral exploration tax credit doesn't cut it, particularly when the government is telling the industry they're going to have to justify why they need these basic supports for investments. The New Democrats are saying that this program works. We have to get this industry working because northern Canada is being left behind in the economic renewal. For many of our provinces it's a major driver, particularly in northern regions. If we have a five-year extension, it will provide the kind of economic certainty for investment so that we can start to get these projects off the ground.

The Chair: Thank you, Mr. Angus.

Is there any further discussion on this point?

Mr. Caron.

[*Translation*]

Mr. Guy Caron: I request a recorded vote.

[*English*]

The Chair: We'll have a recorded vote, Madam Clerk.

(Amendment negatived: nays 5; yeas 4 [See *Minutes of Proceedings*])

(Clause 35 agreed to on division)

(On clause 36)

The Chair: Mr. Caron, do you want to speak to clause 36?

• (1155)

[*Translation*]

Mr. Guy Caron: Yes, I will be brief.

[*English*]

The Chair: My apologies, go ahead.

[*Translation*]

Mr. Guy Caron: When the previous government abolished their tax credit, we fought day and night to try to overturn that decision.

The tax credit is extremely important in raising venture capital. Canada is at the back of the pack among OECD countries when it comes to venture capital. Some countries are leaders in the field, like Israel and the United States. They are doing some very interesting things and we should be learning from them.

In all the OECD administrations, Quebec is behind Israel and the United States in terms of venture capital. We must also remember that private venture capital companies supported the labour-sponsored funds tax credit, because the two can work together.

Currently, 160,000 jobs are supported by capital from labour-sponsored funds. If the tax credit had not been established or if it had been reduced and eventually eliminated, 20,000 of those jobs would have disappeared.

My only regret is that the tax credit has not been immediately put back to 15%, as the Liberal Party committed to do during the election campaign. They committed to reset it to 15% immediately. It is at 5% this year.

Thank you.

[English]

The Chair: Is there any further discussion?

Shall clause 36 carry?

(Clause 36 agreed to on division)

(Clause 37 agreed to on division)

(On clause 38)

The Chair: I know there is a Liberal amendment.

Mr. Sorbara, before you move it, I have some questions on this.

This relates to the Canadian Wheat Board. Is there a representative here from Finance or Agriculture who can come to the table?

Mr. McGowan, welcome. Could you state what your position is, Mr. McGowan.

Mr. Trevor McGowan (Senior Legislative Chief, Tax Legislation Division, Tax Policy Branch, Department of Finance): I am the senior legislative chief in the tax legislation division in the tax policy branch of the Department of Finance.

The Chair: Okay.

I do know that the issue with regard to the Wheat Board relates to taxes, but I think you should be aware, Mr. McGowan, and the government should be aware, that this committee passed the following recommendation 48:

The federal government provide Western Canadian grains and oilseed farmers with a full and transparent accounting of the disposition of the Canadian Wheat Board's assets since the Marketing Freedom for Grain Farmers Act received Royal Assent, and of the effects on the grain handling and marketing system since that time.

I went back, Mr. McGowan, and looked at the various annual reports of the Canadian Wheat Board. The last one I can find is for 2011-12. That's the last time there was a full disclosure on the Canadian Wheat Board's financial position. It's for the 2011-12 crop year, which ended July 31, 2012. When I look at that annual report, the Canadian Wheat Board that year was an operation with revenues of \$7.213 billion. The annual report states:

On October 18, 2011 CWB received a directive through Order-in-Council P.C. 2011-1182 that all profits or gains (relating to non-pool programs) be transferred to the contingency fund unless a different disposition of those profits or gains is required under the Act.

It goes on from there to say that the surpluses were indeed transferred, and then states:

Under the terms of the Interim Act, effective August 1, 2012, the balance of the Contingency Fund was transferred to a new Contingency Fund and the upper limit for the fund was removed. Under the Interim Act, in addition to the uses of the Contingency Fund previously permitted under the Act, the Corporation may utilize the Contingency Fund for any activities set out in the annual corporate plan or on the approval of the Minister of Agriculture and Agri-Food Canada with the concurrence of the Minister of Finance.

Not to get lengthy on the matter, Mr. McGowan, or whoever can answer from Agriculture Canada eventually, what we have is pool accounts, non-pool accounts, the contingency fund being changed, an operation that was dealing with \$7 billion in terms of revenue, and the public does not have an accounting of what happened to those monies since then. We don't have an accounting. We, as a finance committee and as a government, should be concerned.

It's not an issue of a Canadian Wheat Board or no Canadian Wheat Board. The people of Canada transferred another \$349 million, I believe, to cover various issues relating to the old Wheat Board being shut down, to cover pensions and so on and so forth, but we don't have an accounting of that either. I can go into the annual report here, and it will spell out how many hopper cars the Canadian Wheat Board had at the time.

Greg Meredith, assistant deputy minister, was before this committee. I'll not get into the quote, but he basically said that there was a loss, and that therefore there were no assets to be disbursed to western grain farmers.

Well, where's the data? The public of Canada needs to see the data. We're making a decision here in terms of tax issues related to the new Canadian Wheat Board, but we do not know the disposal of the old Canadian Wheat Board, and I think the public should darn well know. That's why I'm raising this point.

Do you have anything to say on it, or can you provide the information? We do have a recommendation from committee. Whether you're pro-Canadian Wheat Board or anti-Canadian Wheat Board is beside the point. The fact of the matter is that we should know what happened to the assets of the Canadian Wheat Board after 2011-12. I can go back and show you annual reports for 30 years where you knew what the demurrage was, where you knew what the administration cost was per bushel, where you knew what the return was to the farmer on every bushel of grain sold and whatever pool account it was. Now we don't know.

● (1200)

I'm asking, Mr. McGowan, if you can provide us with information on whether there were assets. If there were assets or liabilities, what happened to them? Why has the Canadian public, especially western grain farmers, not been given a full accounting on this issue?

Mr. Trevor McGowan: I am with the tax policy branch and as such would be happy to discuss any of the tax matters contained in the bill. The specific questions about the implementation of the privatization transaction with the Canadian Wheat Board is something that I think would be, as noted earlier, within the realm of Agriculture Canada. That's why in a previous committee hearing Mr. Meredith came in to help us out with those sorts of questions. That is something that would be much more in their capacity to provide. I can speak to the tax measures of the bill, though.

The Chair: I understand that, but I guess you can understand that I'm not exactly satisfied with the answers the assistant deputy minister gave us previously on facts of the minutes. I'll not quote them. They're not answers at all. They're not giving a full accounting of what happened to the assets, or the liabilities for that matter. The Canadian Wheat Board and the public should know.

If Mr. Meredith or somebody else can provide us with written answers on that, we would appreciate it.

Mr. Champagne.

• (1205)

Mr. François-Philippe Champagne: Mr. Chair, I just want to confirm, I was conferring with officials, and we take your point very seriously. This is a very serious matter for Canadians and for the committee. We'll get back to Agriculture Canada and seek to get a written response to you that could be shared with the members of the committee. This is a very serious matter for all of us.

The Chair: Thank you, Mr. Champagne.

Is there discussion on LIB-1? Mr. Sorbara.

Mr. Francesco Sorbara: Mr. Chair, in Bill C-15, an act to implement certain provisions of the budget tabled in Parliament on March 22, 2016 and other measures, one of the measures proposes to amend the Income Tax Act to include rules that apply in respect of the continuance of the Canadian Wheat Board under the Canada Business Corporations Act.

The amendment ensures consistency between the English and French versions of clause 38 of the bill by correcting an editorial error in the English version. The correction adds to the English version the words “a Canadian partnership” at line 30 on page 41. The amended text appears in proposed paragraph 135.2(4)(b) of the Income Tax Act. The amendment ensures that a Canadian partnership is not deemed under the paragraph to be a designated beneficiary under an eligible trust.

The Chair: You're moving the amendment.

Mr. Francesco Sorbara: I am moving the amendment, yes.

The Chair: Mr. Caron.

[*Translation*]

Mr. Guy Caron: Here we are again with another symptom that confirms the definition of an omnibus bill. In fact, as we have seen in the past, and specifically since 2011, omnibus bills are often so big, so huge, that corrections always have to be made. We could have avoided that if we had spent more time presenting bills in a different way.

[*English*]

The Chair: I hate to interrupt, Mr. Caron, but I don't believe that's related to this clause.

Mr. Guy Caron: I'm sorry?

The Chair: I don't believe that's related to this clause. I don't think we're on topic.

Mr. Guy Caron: It is, because the government is bringing forward its own amendment to correct an oversight that's due to the length and complexity of the bill we have in front of us. I would submit that this is not the first time it has happened. It has happened in the past where mistakes were either corrected at committee at the time a bill was studied or corrected in future omnibus bills.

I think it's relevant because it's likely that the only amendments adopted by this committee will be those coming from the government side to correct mistakes made in the preparation of this

bill. We'll still be voting in favour of the amendment because it's correcting an oversight and that's important.

I wanted to put that on the record.

The Chair: Is there any further discussion?

(Amendment agreed to)

(Clause 38 as amended agreed to on division)

The Chair: Thank you, Mr. McGowan. My apologies for neglecting to thank you.

There are no amendments from clauses 39 to 46.

(Clauses 39 to 46 inclusive agreed to on division)

(On clause 47)

The Chair: We have amendment NDP-4.

[*Translation*]

Mr. Guy Caron: This is a clause that deals with sharing information with the Canada Revenue Agency. Since the technical information session at the beginning, we have made known our concerns about the protection of privacy that this clause raises.

In both the current Parliament and the previous one, this committee has, on a number of occasions, heard concerns raised not only by some members, but also by the Privacy Commissioner and by other authorities. The commissioner sounded the alarm when certain provisions about privacy were included in the Conservatives' legislation without appropriate oversight.

The proposal in our amendment is to require the Canada Revenue Agency to report on the frequency with which its new powers are used. This is a supervisory and monitoring measure that is essential if we want to reassure Canadians about the possible excesses that such a measure could bring with it. Our proposal is not for an in-depth amendment. It simply requires the Canada Revenue Agency to report on the frequency with which its new powers are used.

• (1210)

[*English*]

The Chair: On amendment NDP-4, is there any discussion?

Hearing none, shall the amendment carry?

An hon. member: A recorded vote.

(Amendment negated: nays 5; yeas 4 [See *Minutes of Proceedings*])

(Clause 47 agreed to on division)

The Chair: There are no amendments to clauses 48 to 59.

(Clauses 48 to 59 inclusive agreed to on division)

(On clause 60)

The Chair: We have amendment PV-2.

Ms. Elizabeth May: Mr. Chair, as you can see, my amendments have derived in good measure from the Canadian Teachers' Federation's concerns.

There is a list under the heading "School Supplies Tax Credit" that ties into the creation of that credit in clause 33. In clause 60 we find (a) to (d) how the tax code purports to define allowable prescribed durable goods, in other words, that a teacher would buy in one school season materials that would be used in the next year or years after, and would still be eligible for a credit.

The point made by the Canadian Teachers' Federation was that it really isn't helpful to enumerate an exhaustive list of non-consumable items that a professional teacher may deem necessary. What my amendment does is very simple; it merely creates a catch-all:

(e) other goods that have a life expectancy of more than one school year.

They still have to meet the definition of eligible school material in clause 33. You can't buy something that isn't of educational value, isn't important for teaching, and so on. Having described what an eligible teaching supply should be in clause 33, clause 60 now purports to prescribe very specifically what one would consider a durable good for a school. Clearly, books, games, puzzles, containers and educational support software are durable goods, but the professional teachers have asked that it be a bit more flexible as there may be other things a teacher may want to buy.

Therefore, I put forward my amendment. I hope it will have a fair opportunity to be passed now. It does no damage to the tax code and it meets a concern of an important group in our community, the very group the government has spoken to in helping teachers out by providing the school supply tax credit. Let it not be prescriptive to this extent.

Thank you.

The Chair: Thank you, Ms. May. I have to do a ruling on this amendment.

Bill C-15 seeks to amend the Income Tax Act and related legislation by introducing a refundable tax credit for specific teaching supplies. Amendment PV-2 attempts to add a category of prescribed durable goods eligible for the tax credit. *House of Commons Procedure and Practice*, Second Edition, states on pages 767-8, "Since an amendment may not infringe upon the financial initiative of the Crown, it is inadmissible if it imposes a charge on the public treasury, or if it extends the objects or purposes or relaxes the conditions and qualifications specified in the royal recommendation."

In the opinion of the chair, the amendment would relax the conditions specified in the royal recommendation. I therefore I rule the amendment inadmissible.

(Clause 60 agreed to on division)

The Chair: There are no amendments to clauses 61 to 66.

(Clauses 61 to 66 inclusive agreed to on division)

(On clause 67)

The Chair: We have amendment NDP-5. Mr. Caron.

•(1215)

[Translation]

Mr. Guy Caron: Once again, this is about sharing information with the Canada Revenue Agency. This amendment is designed to ensure that the agency submits to Parliament a report containing accumulated statistics on the frequency with which its new powers are used.

I would like to point out that I have seen government members vote against a simple amendment that was designed to provide for more serious supervision of these new powers. They voted against that proposal.

Before we move to the vote, I really would like to know what justifies this refusal to require the Canada Revenue Agency to provide a report on the frequency with which the new powers it has been given are used. I would like to be able to understand the government's objection.

[English]

The Chair: Is there any further discussion on this point?

Mr. Grewal.

Mr. Raj Grewal: The CRA already has existing safeguards in place to protect against the improper use of this information, and we'll continue to work with the Privacy Commissioner to minimize any compliance concerns in implementing and administering the proposal. This is an ongoing review that will happen every year. The record-keeping requirement will not add to taxpayers' protection, which is the most important thing for the CRA and for this government.

The Chair: Mr. Caron.

[Translation]

Mr. Guy Caron: I am trying to understand. Each of us is one of 338 members of Parliament representing our constituents. These amendments would affect all those constituents because, under the new powers given to the Canada Revenue Agency, they are at risk of seeing their data being shared.

I really do not understand the objection. We are asking for the agency to report to Parliament, meaning all those whom our constituents, those affected by this measure, have elected. We are being told that it is not necessary. I am trying to understand. On the one hand, we have the data given to the government of which the Liberal members are part. On the other hand, we have public reports to Parliament as a whole, meaning all Canadians represented in the House. Do the government members see the difference between the two?

[English]

The Chair: Is there any further discussion?

Mr. Caron.

[Translation]

Mr. Guy Caron: I would like a recorded vote, please.

[English]

The Chair: It will be a recorded vote.

(Amendment negatived: nays 5; yeas 4 [See *Minutes of Proceedings*])

(Clause 67 agreed to on division)

The Chair: There are no amendments to clauses 68 to 70. Are there any clauses to pull up?

Mr. Caron.

[*Translation*]

Mr. Guy Caron: No, I would like to comment on clause 71.

[*English*]

The Chair: Yes, clause 71.

(Clauses 68 to 70 inclusive agreed to on division)

(On clause 71)

The Chair: You have a point to make, Mr. Caron.

•(1220)

[*Translation*]

Mr. Guy Caron: I can say that we are pleased to see the government continuing its efforts to legitimize and give official status to the NDP efforts to remove the GST on feminine hygiene products. I am very pleased to see that the efforts made by my NDP colleagues in the last Parliament are now rewarded by this measure becoming official.

Thank you.

[*English*]

The Chair: Your point has been made.

(Clause 71 agreed to on division)

(Clauses 72 to 74 inclusive agreed to on division)

(On clause 75)

The Chair: We have amendment NDP-6.

Mr. Caron.

[*Translation*]

Mr. Guy Caron: This will be the third try. Third time lucky as they say. You never know.

I still do not understand the government's objection. I hope that Liberal members understand the difference between information provided to the government and information provided to Parliament as a whole, meaning to all Canadians, whom we represent. There is not a single government member of Parliament in this room at the moment; we are Canadian members of Parliament representing different constituencies, different constituents. I am trying to understand, but, once again, I am getting no clear explanation.

The Canada Revenue Agency has been given new powers but with no requirement for it to be accountable when it exercises those new powers. How can you be opposed to a measure whose only objective is to provide a report to Parliament on the matter?

If each of us went to see our constituents and told them that the Canada Revenue Agency would have access to new data about them,

I am sure that they would be concerned. On the other hand, they would be reassured by a requirement for increased accountability from the Canada Revenue Agency.

It is one thing for the agency to provide a report to the government. No one in this room would have access to it, with the possible exception of the parliamentary secretary. The agency should make that report accessible to Parliament as a whole by tabling it in the House of Commons, the very heart of our system of parliamentary democracy.

If there is an objection to ensuring greater accountability, I would like to know what it is.

[*English*]

The Chair: It will be a recorded vote on amendment NDP-6.

(Amendment negatived: nays 5; yeas 4 [See *Minutes of Proceedings*])

(Clause 75 agreed to on division)

The Chair: There are no amendments from clauses 76 to 81.

Mr. Caron, are you pulling up one?

[*Translation*]

Mr. Guy Caron: Could I ask for a five-minute break before we begin studying part four of the bill?

We have got to part four of the bill, haven't we?

[*English*]

The Chair: Yes, I think we're okay with that.

We'll suspend for five to seven minutes.

•(1220)

(Pause)

•(1235)

The Chair: Order. That's what you'd call a P.E.I. five minutes. We stretch it.

An hon. member: It's island time.

The Chair: Yes, it's island time.

Turning, then, to clauses 76 to 81, was there anything we were wanting to pull up?

(Clauses 76 to 81 inclusive agreed to on division)

Mr. Guy Caron: Mr. Chair—

The Chair: Sorry, Guy. We'll let you make your point, but they are carried.

[*Translation*]

Mr. Guy Caron: I would like clause 79 not to be grouped with the others.

[*English*]

The Chair: Go ahead.

[*Translation*]

Mr. Guy Caron: Are we calling the question on the other clauses or not? Can I talk about clause 79?

•(1240)

[English]

The Chair: You can speak to clause 79.

[Translation]

Mr. Guy Caron: I have made a number of comments on the matter and I am going to make another one.

This clause would retroactively rescind the Federal Balanced Budget Act. My concern is not so much about eliminating or rescinding that act in particular, but rather about the fact that we are making a retroactive change in order to avoid the government finding itself in an illegal situation, which will be the case as of tomorrow, June 1.

We consider that this retroactive change to a situation in which the government finds itself is problematic in terms of the rule of law. I certainly heard the parliamentary secretary's comments about the fact the Parliament is sovereign, but that does not mean that the government can escape from its obligations by legislation that it itself imposes.

The current President of the Treasury Board, Mr. Brison, who was once my colleague on the Standing Committee on Finance, said this when the Conservatives were doing the same thing, retroactively rescinding an act: "...a government that, effectively through an abuse of power, is changing a law retroactively to make legal that which was illegal at the time..."

When the current government was in opposition, it condemned this kind of approach. Now, it seems to be going in the same direction and embracing retroactive changes which, let me remind you, contravene recognized rules of law, even though it is possible for a sovereign Parliament to act in that way. That is what the Liberals are doing at the moment.

For that reason, we cannot support retroactive changes in the way they are being made. The act should have been eliminated or rescinded in an open and straightforward manner, and the government would have suffered the consequences of not honouring an act that was voted in by another sovereign Parliament.

[English]

The Chair: Okay. We've already carried the clause on division.

(On clause 82)

The Chair: Amendment CPC-1 was moved by Mr. McColeman.

Ms. Wagantall, you will comment.

Mrs. Cathay Wagantall (Yorkton—Melville, CPC): Mr. Chair, first of all, I'd like to express for the record that the official Conservative opposition was prepared to support Bill C-12, the veterans budget, when presented as a stand-alone bill in the House, a bill which we applauded, which the veterans deeply recognized as timely, and which would have been very effective in ensuring that the funds allotted to them would have been out the door sooner.

With regard to this first amendment, the Liberal government has changed the formula for the earnings loss benefit from 75% of a corporal's salary as the minimum to 90% of a senior private's salary. This could result in lower payout for veterans. While the Liberals are

claiming that they are increasing the earnings loss benefit, lowering the minimum benefit threshold to a senior private's salary instead of a basic corporal's salary will result in a significant reduction in the benefits received by the most vulnerable injured veterans. This amendment would safeguard the financial support from the earnings loss benefit to ensure that it could not be lowered for any veteran.

The earnings loss benefit is an important source of support for our veterans who were injured through their service to Canada. It's important that the Liberal government's budget not in real effect reduce this benefit to veterans who served in the lower ranks of the Canadian Armed Forces. Just recently, the veterans website was updated with the budget information. The rationale there was that they had to make this change because otherwise some veterans would be receiving more income than serving armed forces members, yet at the same time we are penalizing the lowest-income veterans, who are the most vulnerable.

This amendment would basically ensure that it would "not have the effect of reducing the imputed income to an amount less than the amount that would have been determined before the coming into force of section 82".

The Chair: Mr. Champagne, go ahead.

Mr. François-Philippe Champagne: I would like to call as a witness the representative from Veterans Affairs. I don't think what the member said was accurate, so I would like to correct the record and have the official answer that question.

•(1245)

The Chair: Could the official come forward, please.

Ms. McIntyre is director general, policy and research division, strategic policy and commemoration, with Veterans Affairs Canada.

Welcome, Ms. McIntyre.

Go ahead. You heard the amendment.

Ms. Faith McIntyre (Director General, Policy and Research Division, Strategic Policy and Commemoration, Department of Veterans Affairs): Yes, I did. Thank you very much.

The earnings loss benefit provides income support to veterans while they are participating in rehabilitation, as well as support to those who aren't able to be suitably and gainfully employed once rehab is complete. It is part of a suite of programs that Veterans Affairs Canada offers in terms of re-establishment to promote support and encourage wellness, independence, and successful transition to civilian life.

The earnings loss benefit is designed to replace lost income and therefore has always directly corresponded with the veteran's salary at the time of release or the minimum level, whichever is greater. Changes to budget 2016 do not impact this.

With the proposed amendment, if Bill C-15 is passed, veterans who would have previously received 75% of whatever their salary was at the time of release would now receive 90% or the minimum, whichever is greater.

What is paramount in looking at this modification of 75% to 90% is that injured veterans have access to benefits that allow them to focus on recovery, so all veterans will benefit from the increase from 75% to 90%. Again, what is paramount is the support they require during recovery, and with the adjustment, that is pre-release salary or the minimum, whichever is greater.

The Chair: Thank you, Ms. McIntyre.

Do you have any questions, Mrs. Wagantall?

Mrs. Cathay Wagantall: We are all in agreement that these programs are all in place to help them become successful once they are released from the forces. You are talking about a minimum, but are you saying that this minimum in no way is going to be less than what any veteran is receiving right now?

Ms. Faith McIntyre: It is complicated, because it is an individual calculation and it will depend on offsets, so it will also depend on employment earnings that the veteran might have. That 15% increase in the benefit itself will apply to all eligible veterans.

For those who are at the minimum, the increase would not be 15%. It would be around a 5% increase from the minimum to the minimum, because of that adjustment as well. Again, individual veterans' circumstances would differ, depending upon offsets in terms of employment earnings.

The Chair: Is there anything further, Mrs. Wagantall?

Go ahead.

Mrs. Cathay Wagantall: From conversations with individuals who are determining these for themselves, they are finding that they are actually going to be earning less with the change in the threshold. That is the concern for that particular part of their scenario, outside of all the other things that are happening: they are actually ending up with less.

The Chair: If I could ask for a point of clarification.... Is that under Bill C-15 or before Bill C-15?

Bill C-15 hasn't passed. Are they going to end up with less under Bill C-15? Is that what you are saying, Mrs. Wagantall?

Mrs. Cathay Wagantall: With the way it is structured now, with the lowering of the minimum benefit threshold, that is my understanding, that it will be less for some of the lower-income veterans.

Ms. Faith McIntyre: Just a point of clarification, the legislation amends the 75% to 90%. The actual reference to the minimum is in the regulations.

Mrs. Cathay Wagantall: Okay.

The Chair: Mr. Caron, go ahead.

[Translation]

Mr. Guy Caron: We could have drawn more attention to this aspect if the amendments had been included in Bill C-12, as was intended. The matter would then have been studied independently. When a committee studies a stand-alone bill, it can spend more time assessing the concerns that are very often raised. Unfortunately, the government has chosen to include these amendments in a bill that is 179 pages long, meaning that the committee can devote less attention to matters of that kind.

Ms. McIntyre, thank you for being here. I would like to ask you a question.

If the amendment were passed, what would the consequences be? Would this benefit provide greater protection? Would there be an effect on the act?

• (1250)

Ms. Faith McIntyre: I should have put my headset on. I have to confess that I did not hear you.

Mr. Guy Caron: I will repeat my question. I know that it is difficult to hear clearly in this room.

If the amendment is passed, what would change? Would there be greater protection? Would the changes succeed in reassuring veterans about their benefit?

Ms. Faith McIntyre: I cannot speak on behalf of veterans' organizations, but I can certainly talk about the amendments and about the fact that it would move the earnings loss benefit from 75% to 90%. The rate would go up 15%, so they would have increased protection.

Mr. Guy Caron: My question is very simple. What is your interpretation of the provisions proposed in the amendment? What consequences would they have?

Ms. Faith McIntyre: As I see it, the minimum would remain as it is at the moment. In the new charter, there would be no change in the minimum provided for in the regulations.

Mr. Guy Caron: Have there been recent amendments or are the amendments to the regulations still to be made?

Ms. Faith McIntyre: No, there have been no recent amendments. The amendments to the regulations will be made after the bill is adopted.

Mr. Guy Caron: Thank you.

[English]

The Chair: Thank you, Mr. Caron and Ms. McIntyre.

Mr. MacKinnon.

[Translation]

Mr. Steven MacKinnon: My thanks to Mr. Caron for his enlightening questions.

I have one final question. We have heard the minister talk about an in-depth review of veterans' benefits, to be revealed this year

In addition to this increase in benefits, can you confirm that a more in-depth review is in progress and that it will be finished this year?

Ms. Faith McIntyre: Thank you very much.

We are indeed in the process of reviewing all of the economic and non-economic forecasts, all the benefits, all the programs and services that currently exist for veterans. We will communicate the fruits of this labour to cabinet shortly, probably for Budget 2017.

Mr. Steven MacKinnon: It seems clear to us that the situation is indeed better and that the amendment proposed by my friends opposite would cancel out the benefits of the intent and the wording of the bill.

[English]

The Chair: Mr. McColeman, and then Mr. Ouellette.

Mr. Phil McColeman: As the expert on this matter, could you tell me if this would cancel out the benefits as just described by my colleague across the table? Would this amendment cancel out the benefits?

Ms. Faith McIntyre: This amendment doesn't really cancel them out, but in essence what it would do.... There's nothing that would change without the amendment either, so for what's in play for budget 2016, the increase of the 15% in the earnings loss benefit is there, and that's what's being proposed in Bill C-15 in the legislation

Mr. Phil McColeman: This amendment doesn't—

Ms. Faith McIntyre: However, as indicated, we are certainly looking at the whole picture in detail with the financial benefits review that will come forward to cabinet in the fall.

Mr. Phil McColeman: But this amendment doesn't cancel out what's in the legislation.

Ms. Faith McIntyre: It adds another element which would then tie our hands in terms of the regulations.

[Translation]

Mr. Steven MacKinnon: I think that was an error in the translation. I did not say that the amendment that the Conservatives are proposing would cancel the benefits; I said that it would cancel the benefits of the budgetary provision that we are presently considering.

[English]

The Chair: You're saying the 15%.

An hon. member: That's right.

The Chair: Mr. McColeman, are you complete?

Mr. Phil McColeman: I am, but I'd like to yield any time I have, or perhaps the mover would like to speak to it again.

The Chair: Okay. We'll come back to the mover.

I have Mr. Ouellette, and then Mr. Caron, and then we'll come back to Mrs. Wagantall.

Mr. Ouellette.

Mr. Robert-Falcon Ouellette: I'm looking at this and I'm thinking it's very interesting. As someone who was in the army for a very long period of time, who had friends who served and lost legs in Afghanistan.... They go over as a private. This is real. This is not something that's abstract.

At the end of the day, what I want to know is this. Suppose you go over there and you're a private. You come back and, because of universal service ability or your ability to serve in the Canadian Forces, you can't do the rucksack march. You can't get promoted to corporal. You're now released from the armed forces. You're 25 years old. You have PTSD. You have other issues. Are you going to be

able to see some...? The pay of a private is a lot less than that of a corporal. There is that substantive jump when you move up the ranks.

My concern is this. Can you make this a little bit less abstract for me, make it a little bit clearer? Is there an actual benefit to especially these lower ranks within the Canadian Armed Forces, the young people who are actually going over into these hard places and serving Canadians? Not everyone goes over as a sergeant, a major, or a lieutenant-colonel. We're talking about some of our youngest people in the country who often might not have as much education as other people have or life skills, all sorts of other things. I just want to make sure they're well protected.

I'm hearing stuff here. I want to know what your intent is, because it's very concerning to me.

● (1255)

Ms. Faith McIntyre: Certainly.

Indeed, this is about individuals who have served our country. This benefit in particular is for those who have become injured or ill because of their service. For most cases, eligibility is tied to that.

To make it concrete, I guess I'll just say, as I said earlier, that this is only one part of a whole suite of programs that exist under the new Veterans Charter to support independence, wellness, and re-establishment.

Currently the benefit is payable at 75% of a basic corporal, which is about \$3,500 a month based on 2013 rates, and at 90% of a senior private. With the proposed change, it would be about \$3,700 a month. There is an increase. Again, when we increased the amount of the benefit, we did look at the minimum. The intent of the policy and the rationale is to ensure sufficient support for the needs of these individuals while they recover.

Mr. Robert-Falcon Ouellette: You mentioned previous to this that you could also see an increase according to your progression in what you might have had in the ranks. Is that still...?

Ms. Faith McIntyre: That, sir, is another program. It's the permanent impairment allowance, career impact allowance. That is the proposed title change. It's another one of the amendments that we're proposing under Bill C-15. It's an additional benefit that's available to individuals from an economic loss perspective. There's also the disability award, which again we're increasing to \$360,000 as proposed under Bill C-15 for non-economic loss award.

The Chair: Thank you both.

Mr. Caron.

[Translation]

Mr. Guy Caron: I have a very simple question about the interpretation of the proposed amendment.

Am I wrong to think that, basically, the effect of the amendment would be to remove a discretionary power from the hands of the minister and put it back into Parliament, that it would remove the regulations and instead enshrine them in the act?

Ms. Faith McIntyre: It adds an element to the act that describes how the regulations must be written. At the moment, in the act, there is no reference to "income imputed to a lower amount".

Apart from that, I can make no comment.

[English]

The Chair: Thank you, Mr. Caron.

Mrs. Wagantall.

Mrs. Cathay Wagantall: Mr. Chair, just in closing, the intent originally was to increase to 90%, but the fact that it has been adjusted to change the minimum benefit threshold to a senior private's salary instead of a basic corporal's salary impacts the lower-paid veterans. I understand from the website that the concern was if they didn't change that designation, some veterans would end up earning more than our armed forces serving right now, so the adjustment seems to have been on the high end to ensure that we don't end up overpaying.

I understand our people serving shouldn't be receiving less than veterans, but I would rather ensure that our veterans who are earning the lower-level incomes were protected and come in with maximums instead of minimums because a number are going to be facing a difference in their salaries because of the change to the minimum benefit threshold.

Thank you.

● (1300)

The Chair: Okay, back to Mr. Ouellette.

Mr. Robert-Falcon Ouellette: Mr. Chair, I was just reviewing some of the salaries that we can find online. A senior private makes around \$4,120 a month. A basic corporal earns \$4,714. Under the old rate at 75% they would be making around \$3,535.50. Under the new charter they would go down, so for a senior private, we would take that \$4,120 and multiply it by 90%, so they would be getting \$3,708. There would be an increase of a hundred-and-some dollars, so they'd be better off.

The Chair: Ms. McIntyre, you're nodding your head. We can't put that in the record, but you're saying yes, I gather.

Ms. Faith McIntyre: Yes, those are the figures that I quoted earlier. They're based on 2013 rates.

The Chair: Thank you, all.

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

(Clause 82 agreed to on division)

The Chair: On clauses 83 to 88 there are no amendments.

(Clauses 83 to clause 88 inclusive agreed to on division)

The Chair: On clause 89 there are no amendments.

(Clause 89 agreed to on division)

The Chair: Clause 89.1 is considered a new clause.

(On clause 89.1)

The Chair: On new clause 89.1, Conservative amendment CPC-2 is moved by Mr. McColeman.

Mrs. Wagantall.

Mrs. Cathay Wagantall: Mr. Chair, veterans who are injured due to their service must have access to the necessary benefits and

resources to support them. We all agree with that. However, veterans with significant mental and/or physical injuries can suffer due to delays before receiving their benefits during the transition period between leaving the jurisdiction of the Canadian Armed Forces and entering into the jurisdiction of Veterans Affairs Canada.

This is something that we've seen and heard over and over again on our committee, which is functioning very well, by the way.

The federal government has a responsibility to support veterans who have been injured as a result of their service to all Canadians. In order to enhance the support that is provided to veterans, this government must also build on the process of delivering services and resources, an objective that is missing from the program in the budget.

The federal budget outlines increased financial resources for veterans, building on a significant 35% increase in funding for each veteran, which was an investment provided by the previous Conservative government. However, the budget does not address the procedural issues that are leaving the most vulnerable veterans, men and women, who suffer from significant physical and mental injuries at risk, by not receiving the support they deserve in a reasonable time frame.

This amendment would help bridge the gap between the period when injured men and women in uniform are in the jurisdiction of the Canadian Armed Forces and already require assistance from Veterans Affairs.

By passing this amendment, veterans who have suffered as a result of their service could immediately begin the process of applying for their benefits with the help of a Veterans Affairs representative while in the jurisdiction of the Canadian Armed Forces, expediting the current delay and ensuring injured veterans receive the support needed immediately upon exiting the armed forces.

Currently, a member of the Canadian Armed Forces who is injured can be waiting three to six months before meeting with a Veterans Affairs representative, resulting in a gap between the time they leave the care of the Canadian Armed Forces and begin receiving benefits from Veterans Affairs Canada.

● (1305)

The Chair: Thank you, Madam Wagantall.

This amendment is inadmissible. It seeks to add a new section between section 75.2 and section 76 of the Canadian Forces Members and Veterans Re-establishment and Compensation Act.

House of Commons Procedure and Practice, Second Edition, states on pages 766-7, "an amendment is inadmissible if it proposes to amend a statute that is not before the committee or a section of the parent Act, unless the latter is specifically amended by a clause of the bill."

Since neither section 75.2 nor section 76 of the Canadian Forces Members and Veterans Re-establishment and Compensation Act are amended by Bill C-15, it's the opinion of the chair that this amendment is inadmissible. I declare it inadmissible.

We have a new clause in amendment CPC-3.

You are signed in, Mrs. Wagantall. If you want to move it, you're signed in, I think, for Lisa Raitt.

Mrs. Cathay Wagantall: Okay. I'm fine to do that.

I so move.

The Chair: Go ahead.

Mrs. Cathay Wagantall: Mr. Chair, the federal government must enhance its services to injured veterans and provide proactive assessments and services to veterans who injure themselves during their service to our country. Due to geographic distance and unreliable Internet availability, many rural veterans face severe difficulty accessing the support and resources they deserve for their well-being.

A constant theme from the testimony at the Standing Committee on Veterans Affairs is the need for Veterans Affairs Canada to be proactive and on the ground to assess and support our veterans. Too many injured veterans suffer from vulnerable situations and deplorable living conditions due to their physical or mental injuries as a result of their service.

Additionally, for injured veterans in rural communities, access to online or office-based service is not reliable. This amendment would mandate Veterans Affairs Canada to determine a policy that provides injured veterans with a departmental representative at the veteran's place of living.

By providing injured veterans with in-person support at their home at the request of the veteran, the department could better assess the well-being of injured veterans and their quality of life and determine the best assistance possible to serve them.

This amendment also would ensure that service is in place for injured veterans in rural communities who cannot reach a Veterans Affairs office, stakeholder organization, or online support, allowing injured veterans to receive support regardless of their geographic location.

I would add that this in no way impacts the requirement of more funds. This is something that the caseworkers could and should be doing.

The Chair: Thank you, Mrs. Wagantall.

Similar to CPC-2, I also have to rule this as inadmissible. In this case, I'll not read the passage from *House of Commons Procedure and Practice*. Since section 76 of the Canadian Forces Members and Veterans Re-establishment and Compensation Act is not being amended by Bill C-15, it's the opinion of the chair that this amendment is inadmissible.

Turning to clauses 90 to 106, are there any clauses in that block which members want to make a comment on or have witnesses come forward on?

(Clause 90 to 106 inclusive agreed to on division)

(On clause 107)

The Chair: We have amendment NDP-7, moved by Mr. Caron.

● (1310)

[*Translation*]

Mr. Guy Caron: Thank you very much.

We truly believe that Canada has the legal but also the moral obligation to look after its veterans who have run great risks in the service of our country and, all too often, by paying a high personal price. We are clearly in favour of the increased benefits or compensation included in this bill. However, as I mentioned—and I think it is worth mentioning it again—these provisions should have been studied separately in committee, out of respect for our veterans. They would have been able to say a lot more had they not been mixed in with witnesses dealing with a variety of topics, which, moreover, were dealt with very superficially. We find it quite unfortunate that the government acted in that way.

I would also like to take the opportunity to emphasize that I am still very concerned that the government still chose to continue the battle in court against our veterans, even after promising to put an end to it. We feel that this is an outright betrayal of the men and women who served this country.

With respect to clause 107, we are proposing an amendment to solve the problem facing some veterans who, year after year, must justify a permanent medical condition such as the loss of a limb. Some of those stories have been covered in the media. The amendment seeks to allow the minister or the department to ask veterans to provide information about their medical condition, but not to constantly ask for information about a condition considered permanent from a medical standpoint. This would put an end to the insults to those veterans who have to justify the loss of a leg year after year.

I hope that all members of this committee will rally behind this amendment.

[*English*]

The Chair: Thank you, Mr. Caron.

Mr. Champagne.

[*Translation*]

Mr. François-Philippe Champagne: Contrary to what my colleague said, I think veterans are happy to see that we have invested \$1.6 billion to help them, out of respect for them and their service to our country. If you raise this issue with the veterans, I feel they will say that they are pleased to see those measures included in the first budget of Mr. Trudeau's Liberal government.

I would just like to tell my colleague that the amendment presented, even though it seems good in principle, could lead to undesirable consequences in some circumstances. Take a change of address, for example. In that case, it would be necessary to repeat the request for information already on file to ensure that the payments owed to the veterans arrive at the correct destination and are not late.

We are therefore going to vote against this amendment, because it would pose administrative problems in the cases when we would have to ask veterans for information again so that they promptly receive the benefits they are entitled to under the legislation currently in effect in Canada.

[English]

The Chair: Thank you, Mr. Champagne.

Mr. Caron, and then Mr. McColeman.

[Translation]

Mr. Guy Caron: If Mr. McColeman has not had the floor yet, I can let him go ahead.

[English]

Mr. Phil McColeman: I would like a recorded vote on this one.

The Chair: Yes, okay.

Mr. Caron.

[Translation]

Mr. Guy Caron: Once again, the explanation makes no sense.

We are not denying the fact that increased compensation is being granted; that is certainly the case. However, there is also no denying that the government continues to appeal a decision in court on veterans' cases. That is also a fact.

Let me go back to our amendment.

If the amendment is not passed, the current practices will continue. The government would rather continue to force veterans with permanent medical conditions—we are not talking about a condition that may change—to provide information about that condition every year under the excuse that some may move and they would need to be contacted to confirm some information. That makes no sense to me.

If we want to put an end to this insult of asking veterans to justify the loss of a leg year after year, then this is the amendment that we have to pass.

•(1315)

[English]

The Chair: Nobody needs to hear from any witnesses, and it's a recorded vote.

(Amendment negatived: nays 5; yeas 4 [See *Minutes of Proceedings*])

(Clause 107 agreed to on division)

The Chair: Are there any of clauses 108 to 188 that need to be brought up, or hear witnesses on?

Mr. Caron.

[Translation]

Mr. Guy Caron: I would like to speak to division 5, please.

[English]

The Chair: Division 5, starting at what clause?

[Translation]

Mr. Guy Caron: I have one simple comment on division 5 of part 4 as a whole.

[English]

The Chair: All right, we might as well do it now and then we'll go to the vote.

[Translation]

Mr. Guy Caron: Division 5 of part 4 deals with the recapitalization of the banking system. It is a group of provisions that is extremely important and delicate. It would change the way in which our banking institutions would be protected if any serious problems were to undermine their viability.

We are not opposed to a solution like recapitalization. However, I find it extremely problematic that this committee has not conducted an in-depth study of the consequences of the provisions in this division of the bill, given that they cover more than twenty pages or so and are very technical in nature.

As members of the Standing Committee on Finance, our responsibility is to hold the government to account for the provisions that it is making, whether they are good or whether they need more discussion. Our responsibility is to conduct a thorough study of measures that are going to be very important for our economy in the years to come. We are about to make major changes to the lifelines we give to our banking institutions and we are doing so with a minimum of debate and a dearth of questions. Such behaviour should lead us to reflect on the role of this committee. We must keep in mind its basic function, that of requiring the government to account for its proposals. That has not been done.

A government official, Mr. Campbell, came to answer a few questions about the consequences of these provisions. I would like to thank him for that, because he provided us with useful answers.

However, did anyone from a financial institution testify before the committee? Did we hear from external analysts who have studied these provisions? We could have heard the views of OECD or IMF representatives. We could have spoken to all of them.

I can tell you that Canadians from my constituency and some from outside it are worried. I do not necessarily share those concerns, but they are worried because they have seen the abuses that bank recapitalization measures can cause. The most common example is Cyprus, where amounts deposited in savings accounts were seized in order to recapitalize the banks. That is not what is in this bill, I admit, but the concern exists, and we did not have the opportunity to study this issue in depth.

Once again, some of these provisions are not in the bill, but they will be included in the regulations to come and those regulations can be changed at any time by the government, by the Governor in Council. It would have been important to make sure that safeguards are in place. We have had no guarantees in that regard.

I can tell you that this division of the bill on bank recapitalization is one of the most significant and complex that I have ever seen in more than four years on the Standing Committee on Finance. But the study it has been given is extremely superficial.

I do not know what else to say to make committee members realize the importance of the work that we have to do for our public finances and for the Canadian economy. Dealing so casually with something so crucial and so technical leads me to question the legitimacy and the effectiveness of the committee's functions.

For those reasons, even though we are not opposed to the provisions that the government is proposing, we cannot support this approach. The government should have introduced this part of the bill as a separate bill. Then it could have been closely studied. That was not the case.

• (1320)

[English]

The Chair: Thank you, Mr. Caron.

Comments are basically on part 4, division 5 as a whole. We are not on any specific clause.

I know these folks who are in the room because I spoke at a panel this morning. There's a delegation who just walked in the room who are with the Commonwealth Parliamentary Association, our colleagues in other parliaments with that institution.

I say welcome and I know all our members will be on their best behaviour just because you're here.

Thank you.

Mr. MacKinnon.

[Translation]

Mr. Steven MacKinnon: I would like to reassure my opposition colleague that we are not in Cyprus, far from it. We will avoid situations like that.

If possible, Mr. Chair, I would like to ask Mr. Campbell to be good enough to come forward, plus any of the officials with us today who would like to answer questions on these provisions.

[English]

The Chair: Mr. Campbell, Ms. Dostal, and Mr. Robinson.

Mr. MacKinnon, the floor is yours.

Mr. Steven MacKinnon: Thank you.

It's good to see you again.

Could you explain, Mr. Campbell or Ms. Dostal, the consultation process that occurred? Perhaps start at the beginning. What was the genesis of this idea, what form of worldwide collaboration was undertaken, and what were the specific steps in consulting with stakeholders, clearly financial institutions and any others you may care to mention, since the genesis of this proposal?

Ms. Alexandra Dostal (Senior Chief Framework Policy, Financial Institutions Division, Financial Sector Policy Branch, Department of Finance): Thank you very much for the question.

The Department of Finance has been in consultation with respect to the provisions here, but with respect to the bail-in regime more broadly, on a very consistent basis over the past several years. As you may be aware, there was a consultation paper issued by the Department of Finance in August 2014. However, even in the run-up to that consultation, there were extensive consultations with the industry and other interested stakeholders. That includes banks, investors, and others who possibly would be impacted by the development of this regime.

We've been in continuous contact, actually, beyond the consultation paper, through the continuation of the development of the regime, and we'll continue to do so as the regulations are developed, if the legislation passes, to continue to implement the regime.

Mr. Steven MacKinnon: Do you have anything to add to that, Mr. Campbell?

Mr. Glenn Campbell (Director, Financial Institutions, Financial Sector Policy Branch, Department of Finance): Yes. I have just one supplemental point, if I may.

While this bill has been pre-reviewed in the other place in Parliament, I can say, not speaking for them, that the Canadian Bankers Association, representing all of the affected institutions, have come forward to suggest that we had consulted, and they were supportive of introducing this regime quite consistent with standards internationally. I'm not speaking for them, but I am referring to them being on the record in that regard.

We also have consulted widely in past months with both the investors as well as the various institutions, and collaborated closely internationally with all of our peer jurisdictions, to make sure we are consistently following the guidelines set out by the financial stability board and the G20. While this is an important provision to ensure financial stability in Canada, we also want to make sure our institutions and investors are treated the same globally so that there's an equal platform upon which the banks operate and investors participate in as well.

Mr. Steven MacKinnon: If I'm understanding this, these are measures that are being adopted across the G20, the OECD countries.

• (1325)

Mr. Glenn Campbell: That is correct.

Mr. Steven MacKinnon: Yesterday we heard the minister, however briefly, on these measures. I don't have his exact words in front of me, but if memory serves, I think he qualified that all of these measures are being undertaken in the extremely remote chance of a looming failure, an impending failure, of a recognized financial institution.

How would you qualify that?

Mr. Glenn Campbell: Far be it from me to qualify the minister's statements, but I think he reflected the sentiment that this is a provision that is designed to protect customers and depositors, hence that all deposits are excluded. It really is to keep the institutions operating.

From a broad point of view, this is one measure we hope never to test, but it's adding one element to the tool kit of many tools that already exist under the CDIC Act. From a large system point of view, this is one extra feature. It's important, and we hope we never test it.

That being said, it's important to ensure that even under hypothetical scenarios our system works sufficiently to give confidence to investors in the Canadian financial system.

Mr. Steven MacKinnon: Belt and suspenders, as it were.

The Chair: I think you'll have to interpret that, Mr. MacKinnon. What do you mean?

Mr. Steven MacKinnon: Belt and suspenders: one assurance on top of another set of assurances.

Mr. Glenn Campbell: That would be correct.

The Chair: Okay. There we go.

Mr. Champagne, do you want to comment?

Mr. François-Philippe Champagne: No. I think the officials have made the case that we have had extensive consultation. The minister has testified. Officials have testified. We have consulted stakeholders broadly.

So I would think the comments from Mr. Caron on that are just not accurate. The facts are quite different, Mr. Chair.

The Chair: Mr. Sorbara and then Mr. Caron.

Mr. Francesco Sorbara: Mr. Chair, I would just like to add, and we need to put it on the record, that this has been a multi-year process evolving from the global financial crisis. There has been extensive consultation with the Canadian financial institutions and with global financial institutions.

As the minister stated last night, similar legislation in terms of winding up a failing bank or anything to that extent exists in a number of countries. We're just adopting similar legislation, really, and evolving legislation to where the U.K. or the United States and many of the European countries are. Is that not correct?

Mr. Glenn Campbell: Yes, I would affirm that statement.

The Chair: Mr. Caron.

[*Translation*]

Mr. Guy Caron: I am going to say this in English, because I believe that government members are simply not understanding what I am saying in French.

[*English*]

Mr. Campbell, you did amazing work explaining what this part of the bill is about, and thank you for that. It's been really informative. The work the department has done on this is no reflection on the work of the department. You're saying there's been consultation, but there has been no consultation in this committee. This is what we're responsible for. We're the ones who are going to be voting on this on behalf of our constituents.

Mr. Campbell, the department is not voting on this. We are. We need to do our work and by this thinking, this rationale, we don't even need to discuss it here. We just need to vote because why should we have extensive study of this legislation not only with the department, and not only with the officials, but in broad consultation? If the banking institutions have been consulted, I would like to know exactly what was said in those consultations, because I was not part of them.

I am sitting in this finance committee. I have the responsibility to study, analyze, and bring scrutiny to what's being proposed by the government in this legislation. This is the role of the MPs on the government side as well, and we didn't have a chance to do it on this bill because it's been integrated into 179 pages of legislation.

I'd like everyone here to reflect on what their role is in this committee. Our role is to hold the government to account on what it's

proposing. If everybody here is satisfied with just having assurances from the department, the minister, and the officials, why bother to have consultations with witnesses? There is no need, because we have assurances. This is not something we should be accepting at face value. This is technical. This is important for the future of our banking system, and we've only superficially addressed it over the course of the study. This is far from being the way things should be. I am hoping this is not the taste of what we'll be facing in the next four years because honestly this doesn't reflect well on our democracy. This doesn't reflect well on our roles as members of Parliament. It doesn't reflect well on the role of this committee.

● (1330)

The Chair: Thank you, Mr. Caron. I could have ruled you out on relevance, but I figured it was relevant to what the committee does.

You're off the list now, Mr. Champagne.

Mr. MacKinnon.

[*Translation*]

Mr. Steven MacKinnon: I have a lot of respect for my colleague from the third party, and we must all respect Parliament. However, we refuse to be lectured to. During our work so far, including our study of this bill over a number of meetings, and in other areas, we have shown that we are willing to work hard. The same is true for upcoming studies, and you are aware of the scope and details of them.

That said, we also have a responsibility to those same stakeholders, the same interested parties, to bring Canada up to par with other countries as regards a regulatory framework that has been discussed internationally, that industry has been consulted on, and that will serve to reassure people making deposits in our financial institutions. It is also our responsibility as parliamentarians to make regulations so as to ensure that our financial system is on par with global financial institutions and with those in other countries.

I object to the member opposite lecturing us. The wording or bills that we put forward on a regular basis are broad in scope and we are confident that their intent is fairly clear.

Like you, dear colleague, I would like to thank the officials and those who explained the various provisions of the bill to us.

Nonetheless, eight or nine years after the financial crisis, we are now implementing measures that we hope we will never have to review, and I hope this is the last time we discuss this.

That said, I have some difficulty with being accused of not taking our responsibilities as parliamentarians seriously. I object to that.

[*English*]

The Chair: We're going to have to come back on that track.

Mr. Caron, I'll give you one last comment and then we're going to the clauses. Go ahead.

[Translation]

Mr. Guy Caron: My comments do not pertain to the content of the bill or to the fact that such measures have been adopted in the rest of the OECD. I know that and recognize that. I am not saying that we should not adopt such a measure. This measure might in fact be extremely good, and I might even vote for it. That is not the issue.

My concern is that a bill of over twenty pages is contained in another bill of 179 pages. No witnesses have appeared before the committee in this regard. In every other committee, however, there are six witnesses for the study of a bill, even for bills that are very often only three or four pages long.

I still maintain that we have not done our job. I am not saying that our work, if we had done it properly, would have produced a different result. I am simply saying that we have the duty to thoroughly analyze such an important bill, and we have not done that.

This is no reflection on the work of the officials or of the department, or on the quality of the bill. Regardless, I am certain that the other countries that adopted similar laws reviewed their provisions much more thoroughly than we have done.

[English]

The Chair: Okay.

(Clauses 108 to 188 agreed to on division)

The Chair: There is a proposed new clause 188.1, according to amendment BQ-1.

Go ahead, Madame Paupé.

[Translation]

Ms. Monique Paupé (Repentigny, BQ): Mr. Chair, last week, we learned that the federal government intends to go ahead with automatic enrolment for the guaranteed income supplement for seniors aged 65 and over, but not until 2018. The minister also confirmed this in the House yesterday, during oral questions.

Under our proposed amendment, automatic enrolment would take effect immediately after Bill C-15 is passed, and not in 2018. Looking back in time, I note that the federal government has known since 1993 that seniors have been shortchanged on their right to GIS benefits, seniors who have slipped through the cracks and ended up at food banks.

For 15 years, the federal government has said it would move forward on automatic enrolment, but that is not what it has done. It has implemented automatic renewal. That's a good step but there are still 19% of seniors who do not receive what they are due.

My amendment says one thing: enough waiting, it's time to take action now to automatically enrol seniors for the guaranteed income supplement to which they are entitled.

Thank you.

• (1335)

[English]

The Chair: Thank you, Madame Paupé.

I will have to rule this amendment as inadmissible. Amendment BQ-1 seeks to amend section 11 of the Old Age Security Act. *House of Commons Procedure and Practice*, Second Edition, states on page 766-7, "an amendment is inadmissible if it proposes to amend a statute that is not before the committee or a section of the parent Act, unless the latter is specifically amended by a clause of the bill."

Section 11 of the Old Age Security Act is not being amended by Bill C-15, so it's the opinion of the chair that this amendment is inadmissible.

(On clause 189)

The Chair: We will go to amendment NDP-8.

Mr. Caron.

[Translation]

Mr. Guy Caron: Thank you.

The next three amendments, numbers 8, 9, and 10, pertain to the same same matter.

We are of course pleased to see that the government has taken action to fulfill a commitment that was initially made by the NDP. The Liberals' commitment was different, but it still increases GIS benefits.

We are also pleased that the government has taken action to reduce the OAS eligibility age from 67 to 65, which required a legislative amendment, contrary to what the Prime Minister stated initially.

We maintain nonetheless that the government must fully live up to its promise and commitment regarding the GIS. During the election campaign, it promised to increase the GIS for seniors who live alone, immediately after the election. Unfortunately, this bill would not increase the GIS until July 1, which is eight or nine months after the election.

The three amendments are intended to make the increase in the GIS retroactive to January 1, in order to fully live up to the government's promise and to help the seniors in greatest need.

Thank you.

[English]

The Chair: On NDP-8, in the opinion of the chair, the amendment would impose a charge on the public treasury; therefore, I'd rule the amendment inadmissible.

As you know, Mr. Caron, *House of Commons Procedure and Practice*, Second Edition, states, on pages 767-8, "Since an amendment may not infringe upon the financial initiative of the Crown, it is inadmissible if it imposes a charge on the public treasury, or if it extends the objects or purposes or relaxes the conditions and qualifications specified in the royal recommendation."

I declare that this amendment is inadmissible.

(Clause 189 agreed to on division)

(On clause 190)

The Chair: We have amendment NDP-9.

• (1340)

Mr. Steven MacKinnon: On a point of order, Mr. Chair, I'm not trying to anticipate anything and I'll certainly defer to your judgment in making various interpretations and rulings on amendments, but I'd just like to clarify, is it your intent to rule on these after the amendments have been explained and put, as opposed to ruling on them prior to? I'm just thinking of the efficiency of the committee's time.

The Chair: Yes, it's normal practice that the amendment is put by the mover, the promoter. As is the practice, they have the right to explain why they believe the amendment should go forward, and then a ruling is made on the amendment at that point.

Mr. Steven MacKinnon: Thank you, Mr. Chair.

The Chair: We'll move to NDP-9.

[Translation]

Mr. Guy Caron: This amendment has the same effect, namely, to make GIS benefits retroactive to January 1. This is to hold the government to account on its promise to increase this supplement immediately and not wait until July 1.

[English]

The Chair: Mr. Caron, I have the same ruling on this. It's the opinion of the chair that the amendment would impose a charge on the public treasury; therefore, I rule the amendment inadmissible. I'll now go to the same section I mentioned in the previous amendment.

I would also say that NDP-10 is inadmissible as a result.

(Clauses 190 and 191 agreed to on division)

The Chair: There are no amendments from clauses 192 to 206.

(Clauses 192 to 206 inclusive agreed to on division)

(On clause 207)

The Chair: Is there anybody here to speak to PV-3, the Green Party amendment?

Mr. Marcil.

[Translation]

Mr. Simon Marcil (Mirabel, BQ): The Green Party representative is not here.

[English]

The Chair: The Green Party isn't here, so it's not been moved. Therefore—

Mr. Robert-Falcon Ouellette: I suspect she's talking about the long-tenured worker and having to look into the definition.

The Chair: Anyway, she's not here, so it's not moved. It doesn't stand.

A voice: It's deemed moved.

The Chair: It is deemed moved, so we do have to deal with it—my mistake.

There's nobody to speak to it.

I would rule the amendment inadmissible. Bill C-15 seeks to amend the Employment Insurance Act by increasing benefits for long-tenured workers. Amendments PV-3, PV-4, and PV-5 attempt to remove all references to “long-tenured workers” from the bill.

House of Commons Procedure and Practice, Second Edition, states, on pages 767-8, “Since an amendment may not infringe upon the financial initiative of the Crown, it is inadmissible if it imposes a charge on the public treasury, or if it extends the objects or purposes or relaxes the conditions and qualifications specified in the royal recommendation.” Therefore, in the opinion of the chair, the amendment would impose a charge on the public treasury by relaxing the conditions and qualifications specified in the royal recommendation. Therefore, I rule the amendment inadmissible. That ruling also applies to PV-4 and PV-5.

Turning to BQ-2, is there somebody who wants to speak to that?

Mr. Marcil, the floor is yours.

[Translation]

Mr. Simon Marcil: Thank you, Mr. Chair.

Amendments BQ-2 and BQ-3, by correlation, seek to restore the presumption of innocence for workers applying for employment insurance. The adoption of amendment BQ-2 would by correlation lead to the adoption of amendment BQ-3. The goal is to restore justice to unemployed persons who are treated differently if their employer is a family member. The assumption that people who work for their family are fraudsters is unique in Canadian law. Even members of organized crime are presumed innocent until proven guilty and their benefits are not cut until then.

The unemployed are not fraudsters, Mr. Chair. This presumption of innocence must apply to everyone, including the unemployed. The unemployed should be granted the presumption of innocence when applying for benefits, even if they work for family members. That is what the amendment says.

• (1345)

[English]

The Chair: Thank you, Mr. Marcil.

I would also rule that in the opinion of the Chair, these amendments, both BQ-2 and BQ-3, are inadmissible. The amendment seeks to add a definition in the Employment Insurance Act in relation to BQ-3 and seeks to amend section 5 of that act. *House of Commons Procedure and Practice*, Second Edition, states on pages 766-7, “an amendment is inadmissible if it proposes to amend a statute that is not before the committee or a section of the parent Act, unless the latter is specifically amended by a clause of the bill.”

Since section 5 of the Employment Insurance Act is not being amended by Bill C-15, I would rule that the amendments are inadmissible. That applies to both BQ-2 and BQ-3.

(Clauses 207 and 208 agreed to on division)

(On clause 209)

The Chair: There's an amendment, BQ-4.

Go ahead, Mr. Marcil.

[Translation]

Mr. Simon Marcil: Amendment BQ-4, and by correlation amendments BQ-5, BQ-6, BQ-10, BQ-11, BQ-12, and BQ-13, pertain to access to the program. This amendment is probably the most important of all of them since it affects the greatest number of people.

The employment insurance program, as the name indicates, is designed to serve as insurance. When it was created in the 1930s, it was indeed a type of insurance. When Quebec agreed to the constitutional amendment that made this a federal program—it had been under provincial jurisdiction—, it was on the understanding that it would truly be insurance for employment that would provide a safety net to people who lost their job.

At present, fewer than 40% of the unemployed qualify for employment insurance. The figure is less than 40% for women and even worse for young people, less than one third.

We would like to restore the eligibility requirement to what it was, 360 hours. Right now, the government no longer contributes to EI; it simply draws on the EI fund, which reduces access for workers who might need this wage loss insurance.

Even someone in the Gaspé region who works in the hotel industry could lose their job in the summer. Seasonal workers lose out because they do not qualify for EI. Our amendments would improve access to the program.

Thank you.

[English]

The Chair: Thank you, Mr. Marcil.

I would rule that due to the need for a royal recommendation, this amendment is inadmissible. BQ-4 seeks to amend section 7 of the Employment Insurance Act to reduce the number of hours of insurable employment required to qualify for benefits.

House of Commons Procedure and Practice, Second Edition, states at pages 767-8, “Since an amendment may not infringe upon the financial initiative of the Crown, it is inadmissible if it imposes a charge on the public treasury, or if it extends the objects or purposes or relaxes the conditions and qualifications specified in the royal recommendation.”

The amendment proposes to relax the conditions and qualifications specified in the royal recommendation, so it is inadmissible.

(Clause 209 agreed to on division)

(On clause 210)

The Chair: I have amendments BQ-5 and BQ-6.

• (1350)

Mr. Phil McColeman: On a point of order, Mr. Chair, for the sake of time, and I won't take up a lot here, I have been on committees, and chaired one where it was appropriate at times, given the

conditions, at the chair's call that you could on clauses, as Mr. MacKinnon said, rule on them prior for a time-saving initiative. That is your prerogative, and I would ask that you consider that, sir.

The Chair: Okay. Could you tie amendments BQ-5 and BQ-6 together? We'll give you a quick comment. Keep it as short as you can, because we are going to rule, based on the royal recommendation, that these are inadmissible.

[Translation]

Mr. Simon Marcil: Okay. Amendments BQ-10, BQ-11, BQ-12, and BQ-13 are similar to amendment BQ-4. So I can withdraw them.

[English]

The Chair: Okay, thank you, Mr. Marcil.

(Clause 210 agreed to on division)

(On clause 211)

The Chair: We have amendment NDP-11.

[Translation]

Mr. Guy Caron: Mr. Chair, amendments NDP-11 and NDP-12 are similar. Ultimately, we want to make sure that the 20-week extension of the benefits period during a year will apply to long-tenured workers as well. Under the act, long-tenured workers do not qualify for this extension. We don't see why and would like these workers to be eligible for this extension.

[English]

The Chair: Thank you, Mr. Caron. Because it requires a royal recommendation, I would rule that the amendment is inadmissible. That is amendment NDP-11, and that ruling would apply to amendment NDP-12.

(Clause 211 agreed to on division)

The Chair: We are not going to finish before question period. Do people want to break until 3:30? There are a lot of amendments on clause 212, so I would suggest we break now and come back here at 3:30.

I understand there are votes later today.

Go ahead, Ms. O'Connell.

Ms. Jennifer O'Connell (Pickering—Uxbridge, Lib.): Mr. Chair, I'm wondering, since we will be breaking, if you could let the members know which clauses or amendments you will be ruling out of order so they can determine if they want to speak to them when we return, or if they want to withdraw the amendments, just to save time?

The Chair: I don't think I can until we get to them.

Ms. Jennifer O'Connell: That's fine, thank you.

The Chair: We will be sitting in another room, room 237 at 3:30.

The meeting is adjourned.

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