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—
Chair

The Honourable Wayne Easter

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•(1535)

[English]

The Chair (Hon. Wayne Easter (Malpeque, Lib.)): We'll call the meeting to order.

Pursuant to the order of reference of Thursday, November 17, 2016, we're here to deal with Bill C-26, an act to amend the Canada Pension Plan, the Canada Pension Plan Investment Board Act and the Income Tax Act, in clause-by-clause consideration.

I would just mention a couple of things before we get to that. Officials are in the room. If there are any questions on any clause, officials are willing to come to the table and answer them.

We also have a written response from the Department of Finance on Bill C-26, which we asked for at a previous hearing. That is on your iPads. It just came in.

The Clerk of the Committee (Ms. Suzie Cadieux): No, not yet. It will be.

The Chair: It will be on your iPads.

It's about the impact of the CPP enhancement on GDP and employment, the impact of the CPP enhancement on retirement savings, and the impact of the CPP enhancements on business investment. If you don't use that for these purposes today, you might use it for your purposes in the House debate.

Before I turn to the bill, I believe Mr. MacKinnon has a notice of motion.

[Translation]

Mr. Steven MacKinnon (Gatineau, Lib.): Thank you, Mr. Chair.

Actually, I have a motion that I will be happy to read. But I think my committee colleagues would be happier if I didn't, unless they indicate otherwise.

[English]

The Chair: Does anybody...? I see heads shaking.

Mr. Ron Liepert (Calgary Signal Hill, CPC): No.

The Chair: We don't need it read. It is a notice of motion, and it will be given 48 hours' notice before it's debated.

Dan, you had a question?

Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC): I was just going to say that obviously this has been well thought out, and I do appreciate that it's written in both English and French as presented.

One of the things I'd like to see is that I believe on December 8 and 15—this is just so everyone has full notice and can consider it—we may perhaps want to look at Mr. May's private member's bill. I think it will probably take only two sessions as well. That's just to put it out there that we'd love to utilize our time here in Ottawa, particularly before the December break, to take a look at it. There was a lot of support for that measure in the House.

The Chair: Okay. In any event, it's a notice of motion, and it will be scheduled in and debated at the first opportunity after 48 hours.

Turning to Bill C-26, I think everybody has been through this procedure before. There are only two amendments for the bill, which have been proposed by the NDP. One is on clause 22 and the other is on clause 24.

The procedure we can follow is to go clause by clause or, where there are no amendments, we could go from clause 1 to 21. How do you want to proceed? Do you want to go clause by clause or have them in a block?

Mr. Albas.

Mr. Dan Albas: Mr. Chair, to take a quick bit of time now so we don't have to do it later, first of all, I think we'll find support, at least from our mini-caucus on this side, to do this in chunks.

The Conservatives, as you know, are opposed to the legislation, so perhaps we could do a certain block on division unless a particular member has an interest that they would like to speak to. It's just that we believe in honouring everyone's time, particularly since we have so many people who probably have other duties that they can attend to besides this.

Thank you.

The Chair: Okay. On clauses 1 to 21, are you okay with that block?

Mr. Ron Liepert: Yes.

The Chair: Shall clauses 1 to 21 carry?

(Clauses 1 to 21 inclusive agreed to on division)

(On clause 22)

The Chair: Mr. Duvall.

Mr. Scott Duvall (Hamilton Mountain, NDP): Thanks, Mr. Chair.

I'm assuming that everybody has the amendments? Okay.

Mr. Chair, what we found during the discussion at committee, when we had all the stakeholders and all the witnesses here, was that we noticed that some language was missing on the enhancement part, which had to do with the drop-out clauses that are in the base. We heard from many witnesses that this should be fixed. They weren't aware of it, so on the many times I've been speaking on it in the House I was saying to bring it to committee to see if we can get it changed here.

These amendments are absolutely critical. The language is very critical in making sure it's put in for the enhancements so that women and people with disabilities will not be penalized going forward on the enhancements. I'm encouraging this committee to accept the amendments and also to vote on them to make sure the bill is not flawed.

The Chair: Okay. People do have copies of the amendment.

I have a ruling on this particular amendment, Mr. Duvall.

The amendment seeks to amend Bill C-26, an act to amend the Canada Pension Plan, the Canada Pension Plan Investment Board Act and the Income Tax Act. The amendment would result in an increase in the value of the benefit in question. Therefore, as *House of Commons Procedure and Practice*, Second Edition, states on pages 767 and 768:

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 proposes to increase the value of the benefit, which could impose an additional charge on the public treasury, and therefore I must rule the amendment inadmissible.

That's the ruling.

• (1540)

Mr. Scott Duvall: Mr. Chair, can I comment on that?

The Chair: There's no further debate once that ruling is made. If you want to, you could no doubt challenge the chair.

Mr. Scott Duvall: I don't want to challenge the chair, but since my amendment was ruled out of order, I would like to move the following motion—

The Chair: We're on the amendment now. This one is ruled out of order. You can move a motion later.

Mr. Scott Duvall: Okay.

The Chair: Mr. Albas.

Mr. Dan Albas: Mr. Chair, with all due respect, I'd like us to have a question about that particular ruling, so I'll challenge the chair. Again, with respect, it's nothing personal at all.

The Chair: It's not a problem. It wouldn't be the first time the chair was challenged.

Voices: Oh, oh!

Mr. Dan Albas: Can I make my point?

The Chair: Yes.

Mr. Dan Albas: Okay. I'm reluctant, and I certainly don't have any skin in the game on this one because we're against the bill in its

present form, for reasons I've given earlier, but there is no charge on the public treasury, because CPP is not under the direct direction of the government and it is not the actual monies collected by government in forms that would establish that criterion.

The premiums are drawn from the public, both from personal contributions as well as employer contributions. Thus, while I understand the rationale you've put forward, I don't think it necessarily gives us as a committee full comfort that it's in order.

The Chair: The consolidated revenue fund is actually the backstop. That's where you get to.

Mr. MacKinnon.

[*Translation*]

Mr. Steven MacKinnon: That's what I was going to say. There are guarantees about the Canada pension plan from the Crown, from the Government of Canada. Changes to the Canada pension plan could therefore affect the consolidated revenue fund.

[*English*]

The Chair: The chair has been challenged. Does anybody want to call the question?

Mr. Dan Albas: I'd like to raise one more point.

On that point, is there anything in the CPP act that actually says that the federal government will backstop any losses of CPP?

The Chair: Could we...?

Mr. Steven MacKinnon: I call the question.

The Chair: The question has been called, but we can ask officials to come forward and answer that question if you so wish.

Mr. Dan Albas: Yes, I'd like that, if it's possible. We have officials sitting here, so it would be good just to know. I might learn something.

The Chair: Mr. Liepert.

Mr. Ron Liepert: Could you reread your ruling for me, please?

The Chair: Yes.

Are there officials who want to come to the floor to answer that question?

A voice: I'm not sure.

The Chair: The ruling, Ron, is:

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.

That's from the *House of Commons Procedure and Practice*, Second Edition, at pages 767 and 768.

I ruled that the amendment does propose to increase the value of the said benefit, which could impose an additional charge on the public treasury. Therefore, I ruled it inadmissible.

An hon. member: [*Inaudible—Editor*]

The Chair: That's all it requires.

Mr. Duvall.

Mr. Scott Duvall: In saying that, when we were in committee we talked to the Canada Pension Plan Investment Board, and that question was asked, was there a cost analysis done? I'm hearing that we think there might be a cost; we don't know. When I asked that question of the investment board—was a cost analysis done?—the answer was no, so how did we come up with “there's a cost”?

• (1545)

The Chair: As Mr. Albas said, the Canada Pension Plan is paid for by employers and employees. However, the consolidated revenue fund is a backstop to that if there's a shortfall and, therefore, it could impose a charge on the public treasury. Therefore, it requires a royal recommendation and I had to rule it out of order.

The question has been called. All those in favour of the challenge to the chair?

Mr. Dan Albas: Mr. Chair, we did ask questions of officials, and rarely do we have an opportunity to ask a question when they're in the room. You yourself suggested that, so I'd like it if we could take a look at that, please.

The Chair: I've already started the vote, and I don't think I can stop it after starting it. Two hands went up.

Mr. Dan Albas: You have full control.

The Chair: We'll ask if there are any officials in the room who can answer that question in terms of how the consolidated revenue fund is a backstop to the Canada Pension Plan and its enhancement.

Is there anybody here who can answer that or do we have to get them from somewhere?

Do you want to take a seat, Mr. Purves?

Mr. Glenn Purves (General Director, Federal-Provincial and Social Policy Branch, Department of Finance): Thanks very much.

I just want to point out one element. If there's an increase in the contribution for CPP and it's shared by both employees and employers, think of it from the standpoint of public employees. There are many public employees who are part of the federal government but also of provincial governments, so if you increase the contribution rates, that will then, by definition, have an impact on the finances of a government.

Mr. Dan Albas: Mr. Chair, that might be incidental, but it's not consequential. This is not under the administration of the federal government. The funds are not held in the consolidated fund.

To me, it sounds like there's nothing in the CPP act that says the federal government will backstop any shortfalls. In fact, in the nineties, when they actually saw the correction in that, it was at the expense of the people who were giving premiums and the people who were receiving them—it was the beneficiaries who took the wash.

I would make the suggestion, again, that your ruling in this case is in error, and I don't mean it intentionally, Mr. Chair. I just don't think the ruling applies. Hopefully, other members—

The Chair: You've challenged the chair, and we are now going to take the vote. All those in favour of challenging the chair—in other words, that the chair's ruling is wrong—raise your hands.

(Ruling of the chair sustained)

The Chair: Okay. The ruling stands. Now—

Mr. Dan Albas: Chair, could I just have it on the record that I expect the NDP to send a nice card saying “thanks for trying”?

Some hon. members: Oh, oh!

The Chair: Shall clause 22 carry?

(Clause 22 agreed to on division)

The Chair: Shall clause 23 carry?

(Clause 23 agreed to on division)

(On clause 24)

The Chair: There's an amendment for clause 24.

Mr. Duvall.

Mr. Scott Duvall: It's the same. This was put in there for needed language in terms of child-rearing and people with disabilities in order to make sure it was included so that people would not be penalized in the future. The language would stay the same as the base, and the people would have the same rights as the base, but this is some language we need to make sure that penalizing does not happen.

• (1550)

The Chair: Okay.

My ruling will be the same. I'll not go through the quote from the *House of Commons Procedure and Practice*, but it's the opinion of the chair that the amendment proposes to increase the value of the said benefit, which could impose an additional charge on the public treasury. Therefore, I rule the amendment inadmissible.

Shall clause 24 carry?

An hon. member: On division.

(Clause 24 agreed to on division)

The Chair: For clauses 25 to 69, are there any clauses in that block that people are going to want to raise questions on or discuss?

Shall clauses 25 to 69 carry?

An hon. member: On division.

(Clauses 25 to 69 inclusive agreed to on division)

The Chair: Shall the schedule carry?

Some hon. members: Agreed.

An hon. member: On division.

The Chair: Shall the title carry?

Some hon. members: Agreed.

An hon. member: On division.

The Chair: Shall the bill carry?

Some members: Agreed.

An hon. member: On division.

The Chair: Shall I report the bill to the House?

Some hon. members: Agreed.

An hon. member: On division.

The Chair: That completes Bill C-26.

Mr. Duvall, you had a motion.

Mr. Scott Duvall: Yes. Given that my amendments were ruled out of order, I would like to move the following motion: that the finance committee make a report to the House recommending that the government amend Bill C-26 at report stage in order to include child-rearing and disability drop-out provisions like those present in the existing CPP.

The Chair: Could you read your motion again, Mr. Duvall?

Mr. Scott Duvall: Yes: that the finance committee make a report to the House recommending that the government amend Bill C-26 at report stage in order to include child-rearing and disability drop-out provisions like those present in the existing CPP.

The Chair: I'm told that it's a recommendation to basically be like another study, so the motion is in order. It's up for debate.

Ms. Jennifer O'Connell (Pickering—Uxbridge, Lib.): Mr. Chair—

The Chair: Go ahead.

Ms. Jennifer O'Connell: —I move that we adjourn debate.

The Chair: There's a motion to adjourn debate. It's a substantive motion. I can't do anything about it.

All those in favour?

Mr. Scott Duvall: Can we have a roll call on that motion?

The Chair: Yes, you can.

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

The Chair: The debate is adjourned.

We will adjourn the meeting. Thank you for the efficiency.

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