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—
Chair

The Honourable Wayne Easter

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• (1550)

[English]

The Chair (Hon. Wayne Easter (Malpeque, Lib.)): I will call the meeting to order and thank folks for their patience while we were in camera for a few moments.

We're under the order of reference of May 9 on Bill C-44, an act to implement certain provisions of the budget tabled in Parliament on March 22, 2017 and other measures. We're here to hear witnesses on various divisions that we didn't get through yet.

At our last session, we hadn't completed our questioning of those who were here from the office of infrastructure of Canada and the department: Mr. Campbell, assistant deputy minister; Mr. Fleming, chief, infrastructure, sectoral policy analysis, economic development and corporate finance branch; and Mr. Grover, senior policy analyst at the Canada infrastructure bank transition office.

Gentlemen, I think you had given a presentation and we were already into a series of questions, unless, Glenn, you have anything you want to add to start off.

Mr. Glenn Campbell (Assistant Deputy Minister, Canada Infrastructure Bank Transition Office, Office of Infrastructure of Canada): No.

The Chair: The floor is now open to questions on part 4, division 18. Are there further questions or did we exhaust the questions in the last round and these folks have made a trip over here just to get some exercise?

I guess you just got some exercise, folks. There seem to be no further questions. You must have answered them all successfully previously.

Are there no further questions? All right. Thank you.

Thank you, Glenn and company. You don't get off that easy very often. Run while the going's good.

We'll bring up the next panel, which is from the Department of Citizenship and Immigration, on part 4, division 13, the Immigration and Refugee Protection Act.

From the Department of Citizenship and Immigration, we have Mr. de Vlieger, acting director general, strategic policy and planning; Ms. Paré, executive director, cost management, finance branch; and Ms. Côté, acting director, strategic policy and planning.

Welcome, folks. I assume you have a short presentation.

Mr. Matt de Vlieger (Acting Director General, Strategic Policy and Planning, Department of Citizenship and Immigration): Yes. We have a short presentation.

The Chair: The floor is yours.

Mr. Matt de Vlieger: Thank you, Chair and committee members.

As mentioned, my name is Matt de Vlieger. I'm the acting director general of strategic policy at Immigration, Refugees and Citizenship Canada.

I'm here today to speak to the legislative amendments to the Immigration and Refugee Protection Act dealing with the functioning of the express entry application management system. Today we're looking at part 4, division 13, and specifically at clauses 300 to 303.

My colleague Karine Paré, the executive director of cost management, is with us this afternoon. She'll speak to the Immigration and Refugee Protection Act amendments that relate to the user fees.

By way of context on the part dealing with express entry, express entry is the Government of Canada's electronic system for managing applications and selecting skilled immigrants for permanent residency in Canada. It really has become the backbone of our points-based system for economic immigration. It was launched in January 2015.

The amendments to the Immigration and Refugee Protection Act that are being proposed are largely technical in nature and are designed to ensure that the system is functioning as intended. There are eight amendments in clauses 300 to 303. Two of them are changes to only the French portion of the act. Jurilinguists had a look at those and thought we could improve them.

I'll focus on the six amendments.

I'd say that a few of them are really focused on client service and processing efficiency. The department is seeking a clear authority to ensure that candidates who decline an invitation to apply in the express entry system within the prescribed period go back into the express entry pool and are eligible for future invitations to apply. That's a facilitative amendment for clients of our express entry system.

A second amendment is to provide authority for immigration officers not to refuse an application even in circumstances when there are changes in the period between candidates' invitation to apply and when they put in their application for permanent residence. Again, that's facilitative to the candidates who've put their expressions of interest into the express entry system.

A third one is looking to provide flexibility to administer rounds of invitations resulting in different ranks in different programs. The express entry management system is applicable to three of our flagship economic programs—the Canadian experience class, the federal skilled worker program, and the federal skilled trades program—as well as a portion of the provincial nominee program. This would allow us to deal at the same time with an invitation to apply around two or three of those programs with different ranks, and that will facilitate both for clients and for the department the processing of those applications.

A fourth change relates to allowing changes to the minimum entry criteria to apply to people already in the express entry pool to ensure that they do not get invited without meeting the new criteria. If we change minimum entry criteria to any of our programs and that happens between the period in which they are invited to apply, it avoids their having to submit an application that would have to be turned down and they would lose the application fee they submitted. Again, this is something that's looking at the client service and ensuring that this works properly for clients.

Then there are a couple of technical amendments that relate to our relationships with partners in express entry, specifically provinces and the Department of Employment and Social Development Canada. One is to ensure that provincial nominees in the express entry pool—I mentioned that there's a portion of the provincial nominee program that runs through the express entry program—are invited only as provincial nominees and not under any other program. This is something that provinces were looking for in terms of the management of the system, because they expend considerable efforts and resources to screen applicants through their programs and, if they do so, they're hoping that they come through the provincial nominee program and do not get pulled as one of the federally streamed candidates.

Finally, there is a clause that deals with information sharing. Again, that's for provinces in particular as third parties, so we can share information with them that the department generates about express entry candidates, including things like the client identifier and their comprehensive ranking system score. Again, this is a facilitative amendment.

• (1555)

Those are the technical amendments that we're looking for in the budget implementation act in clauses 300 to 303. My colleague will cover the other amendments dealing with the User Fees Act portions.

Ms. Karine Paré (Executive Director, Cost Management, Finance Branch, Department of Citizenship and Immigration): Thank you.

Immigration, Refugees and Citizenship Canada is proposing to amend the Immigration and Refugee Protection Act to allow IRCC to set permanent residencies in a timely manner. More specifically, these amendments would exempt IRCC from the requirements set

out under the proposed service fees act for the processing of our permanent residence applications, permanent resident cards, and permanent resident travel documents, as well as the right of permanent residence fee. These amendments would provide IRCC more flexibility in the management of its fees considering the unique nature of our clientele, and also in relation to the processing continuum, which includes several delivery partners for our immigration business lines.

It is important to note that the permanent residence fees have not been reviewed since 2002. As a result, Canadians are subsidizing an important portion of the cost of processing these applications. Despite these amendments, IRCC will still respect the spirit of the act by consulting some of its clientele, as appropriate, via the regulatory process. We'll also establish service standards by business lines. We will continue to report on service standards and costs via the departmental plan.

We will also respect the legislative framework around fees, such as the Financial Administration Act, which stipulates that we cannot charge more than the cost of processing a service. More importantly, we also will ensure that our fees remain competitive with those of other countries, such as the U.K., New Zealand, Australia, and the U.S. This is important, especially in the context of increasing levels, to make sure that we are competitive and that we can still attract immigrants to Canada.

My colleague and I are now happy to take questions from the committee.

• (1600)

The Chair: Thank you for your presentations.

We'll start with Mr. Albas.

Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC): Thank you, Mr. Chair.

To our witnesses, thank you for the work you do for Canadians every day.

I would like to start with you, Ms. Paré.

In regard to the changes, obviously the User Fees Act is a very cumbersome piece of legislation. It was put forward by a private member's bill. It has hamstrung many departments, including yours, over the years in regard to being able to have timely and quick changes to rates that make sure the costs of citizenship in terms of processing and applications and whatnot are covered by the applicants and not by the taxpayer. That's partly due to inflation and partly due to all sorts of things; obviously, there's more process now than there was 20 years ago.

In regard to these changes, does it open the door for an expedited service whereby someone could pay to have a much more streamlined service in comparison to regular streams?

Ms. Karine Paré: These are all elements that we consider when we do a fee review. In reviewing our fees, we look at the different services we offer. We can look at these types of services. We will be envisioning those types of services as we perform the review for our permanent residence streams.

Mr. Dan Albas: Okay. Just so I have an abundantly clear understanding, will the flexibility that you are calling for in these amendments allow for the establishment of an expedited service whereby someone in an entrepreneurial class, etc., or someone who is just willing to pay more to accelerate their process of immigration would be allowed to do that?

Ms. Karine Paré: To charge for an expedited service is not necessarily directly linked to the amendments we're...

Mr. Dan Albas: With these amendments, Parliament would be giving the authority either to the Governor in Council or directly to the minister's office to implement, by regulation, that set schedule. Is that correct? The schedule would allow them to set fees for any particular services, including, perhaps, an expedited process, with a shorter time period and a slightly higher fee to accelerate through the system.

Ms. Karine Paré: As I explained before, we are always bound by the Financial Administration Act, so we always have to make sure that the fee we are charging is relevant to the cost of processing. In the case of an expedited service, we would have to assess the cost of actually providing that expedited service and charge that fee, so that we're not overcharging.

Mr. Dan Albas: Yes, for recovery, but do these amendments allow the government to do that?

Ms. Karine Paré: These amendments in particular? No.

Mr. Dan Albas: Okay, thank you.

Just to review the overall changes, I have a particular example with regard to the express entry program. Right now there is a lady in my riding who applied, and she had an issue with her payment due to a technical blip. She was unable to get someone to take her payment through the system for whatever reason. She now is being told, since she was in line, that because of that payment she has to go back to the end of the line. That usually wouldn't be an issue, but the thing is that with the changes to the points system, it doesn't allow for her to qualify anymore.

Is there anything in these changes to allow officials to be flexible and fair to people who, through no fault of their own, get stuck in the system? Would this allow officials to help people in these circumstances?

• (1605)

Mr. Matt de Vlieger: While I can't comment on the particular case, I would say that these amendments are pretty discrete. They help address some of the particular challenges, but in very narrow circumstances.

I can give you one example. If someone has entered an invitation to apply and they've had a subsequent change of circumstance that would change their points—they've had a birthday and their age has changed—this would allow the immigration officer to allow that candidacy to continue. There is some narrow flexibility.

I'm not aware of the particular case in terms of the fee payment and the cost payment. It doesn't sound like that would be addressed, but I can't comment without knowing the case.

Mr. Dan Albas: No, I understand that. I've made the minister's office well aware of that case.

To me, because we are so dependent on computers, if there is a glitch where someone has tried to correct it multiple times but for whatever reason cannot, because of said glitch, make the payment, then I think most people would say that the system in that case would need review. I really hope we're not looking the other way when we have these small glitches where in some areas we're offering flexibility for certain things for certain people and in other areas we're basically leaving those other people on the sidelines.

Thank you again for your service to our country.

The Chair: Thank you, folks.

Thank you, Mr. Albas.

Mr. Fergus.

Mr. Greg Fergus (Hull—Aylmer, Lib.): I have a small question for Mr. de Vlieger. It follows up on Mr. Albas' question.

Let's take the hypothetical of a family applying through the entrepreneur class. The entrepreneur is applying through that class for herself plus her family. Three of the kids are 12 and under, but one of them is 17 and will turn 18 sometime during the processing of that application. This is where you're asking for that flexibility to not change the requirement so that the 18-year-old would have to apply on her or his own.

Mr. Matt de Vlieger: No, not so much. This would apply to the application of the principal applicant. You mentioned an entrepreneur. That would be the person submitting an application on behalf of themselves and their dependent family. The points are associated with their human capital. It would be that person's age, not their dependent children, that gets them the points.

Mr. Greg Fergus: All right. That's fine.

Thank you, Mr. Chair.

The Chair: Thank you.

Mr. Ouellette.

Mr. Robert-Falcon Ouellette (Winnipeg Centre, Lib.): I have a few questions about the service fees act. Perhaps you could go into greater detail here.

When you read the service fees act, it's really about providing a framework where departments and ministries need to justify any increases in fees, and ensuring it's done in a timely way. Can you describe how you came to your decision that you needed to be exempt from that act? What would it enable you to do in the long term? I'm a little unclear about that. Perhaps you could explain that for the immigrant people and newcomers to this country.

Ms. Karine Paré: In the service fees act, the consultation aspect is covered, in a way, via the regulatory process. That's our assessment. However, there are some areas that are a bit problematic from IRCC's perspective in terms of the unique nature of our clientele. It's more related to the fact that in the service fees act there are penalties when service standards are not met. We would need to remit a certain portion of the fees that were paid directly to the applicants. Our applicants are across the world. We have some service standards, but due to the fact that we have some security aspects when we do processing, and also the fact that we have to deal with many different partners when we process applications, it can limit our ability to consistently meet service standards. We want to have flexibility on that.

There's also the fact that some areas of our business are not controlled. The intake is not controlled. We don't necessarily control the number of applications we will be receiving. Service standards are an indication for clients, but if we're not able to meet the service standard in certain circumstances where application intake is really high, we want to have that flexibility.

More importantly, the inflation factor that's included in the service fees act is a good way to manage fees. However, some of our clientele are more vulnerable. We want to have the flexibility to decide if we want to increase fees or not, and not necessarily have that systematic inflation factor included in our fees. It's really to have a bit more flexibility due to our clientele, who are unique in nature, and our operational reality.

•(1610)

Mr. Robert-Falcon Ouellette: Sorry, but I'm not really following you in your argument or your logic. How do the service standards relate to the fee, exactly, and how do they impact the setting of those fees for people? For instance, you were talking about trying to set a good standard. Does that impact the cost, and if so, in what way?

I'm not an immigration specialist, so if you could dumb it down for me, I would really appreciate it. No jargon.

Ms. Karine Paré: The service standards are not necessarily linked to fee setting, but if you look at the service fees act, we need to have service standards by business lines. Each department needs to establish service standards by business lines. That's one element. If we don't meet service standards in the service fees act, you need to have a system to remit the fee to the applicant where you have not met the service standard.

That's the relation to the User Fees Act. It's not necessarily in setting your fees. It's more in the process of managing your fees.

Mr. Robert-Falcon Ouellette: Has it often happened that Immigration Canada hasn't met the service requirements in the last few years? Is that something that has occurred often, where you would have to remit the service fees to clientele who didn't receive an appropriate service, or good enough service, or the high-quality service they were expecting for the fees they paid?

Ms. Karine Paré: We are not subject to those clauses at this point, so I cannot comment on this specifically.

Mr. Robert-Falcon Ouellette: I'm just trying to understand this. In the budget bill here, you're asking that the service fees act does not apply to a fee for the provision of services in relation to the

processing of an application, but the service fees act does apply to you right now, correct?

Ms. Karine Paré: I'm not the expert on the service fees act, obviously, because this bill is not from my department. From the preliminary discussion we had on that bill, the service fees act would replace the User Fees Act. The User Fees Act was established in 2004. A department that has not changed their fees since 2004 is not subject to the User Fees Act until they change their fees. The fees we are talking about today have not been changed since 2002 and are therefore not subject to the User Fees Act.

I don't know if it answers your question.

Mr. Robert-Falcon Ouellette: It does to an extent. Maybe my memory is wrong, but as I remember it, there was an increase in the fees required for a lot of these services for people who were applying for permanent residency. Why does the act then not apply to you now?

I don't mean to waste the time of the committee, but since we're here until tomorrow morning, we might as well get to the bottom of it.

Voices: Oh, oh!

Ms. Karine Paré: Our permanent residence fees have not changed since 2002. Yes, some fees from Immigration and Refugees Canada were changed in the past; however, those fees were exempt from the User Fees Act. This is the reason we were not subject to the clause of the service standards.

Mr. Robert-Falcon Ouellette: You also mentioned that the reason you want this exemption is the clientele you serve. For instance, overseas is it difficult to collect these service fees.

Matt de Vlieger, I believe you also mentioned that you want to remain competitive with other international markets. Could you discuss that a little more? Obviously, to exempt one ministry compared to others is a fairly major change. I'd just like to ensure that it's appropriate.

•(1615)

Ms. Karine Paré: Yes, competitiveness from a fee perspective, definitely. We want to make sure as we review our fees that we are not charging more, necessarily, than other countries that have similar immigration systems. We want to make sure that we are competitive with those countries and that we can attract our clientele. That's an element we consider when we do a fee review. That's the competitive aspect that I was talking about.

The Chair: Can you tell us in comparable dollars what our fees in Canada are versus what they are in the United States and what they are in Australia? Are we comparable? If you can't tell us today, could you get it to us?

Ms. Karine Paré: I don't have the analysis with me, but we can provide it.

I can tell you that our fees are quite a bit lower than those of similar countries in terms of the permanent residence application. There are many factors that we need to consider, because every country is a bit different in terms of their immigration system, but when we compare similar business lines, our fees are lower.

The Chair: Mr. Ouellette.

Mr. Robert-Falcon Ouellette: I have one final question.

Are there stats about the impact of fees on people applying to various jurisdictions? If the fees are set at a certain level, will you see less or more, or do they not even matter in people's calculations? Do they just say that they want to go to Canada and that no matter how much it costs—if it's \$10,000 or \$600—they're going to go to Canada? If someone says they want the American dream and they're going to the United States no matter what, or they want to be in Australia, what impact is there? Are there statistics or studies on that impact that you know of?

Ms. Karine Paré: We don't have studies at this point, but we are reviewing our fees, and this is definitely something we want to look at in terms of the elasticity of the demand. I think that's what we want to see: how much of an impact the fee has on the overall clientele approach in terms of coming to Canada or not. We don't have those studies at this point, not that I know of.

Mr. Robert-Falcon Ouellette: Thank you very much.

The Chair: Thank you.

We did stray a little from the division, but maybe we need to look at a briefing on that area at some point.

Are there any other questions? Have we exhausted all the questions?

Thanks to all of you for coming today. Also, our apologies for having you come before us before today and not being able to deal with the division due to time.

We will turn to part 4, division 14, on the Employment Insurance Act, with Mr. Shaw, director, employment insurance part II benefits and measures, and Ms. Young, manager, employment insurance part II benefits and measures.

Welcome, Ms. Young and Mr. Shaw. Who is going to do the presentation?

Mr. Duncan Shaw (Director, Employment Insurance Part II Benefits & Measures, Employment Programs Policy & Design, Skills & Employment Branch, Department of Employment and Social Development): I'll start.

The Chair: The floor is yours.

Mr. Duncan Shaw: Thanks very much.

We're from Employment and Social Development Canada.

The purpose of part II of the Employment Insurance Act is to help maintain a sustainable employment insurance system through the establishment of employment benefits for insured participants and the maintenance of a national employment system. This is carried out through the establishment of employment programs, referred to as “employment benefits and support measures”, which help unemployed individuals in Canada prepare for, find, and maintain suitable employment.

[*Translation*]

Part II of the act helps us support similar programs provided by the provincial and territorial governments through bilateral agreements on labour market development and by indigenous organiza-

tion agreement holders, in keeping with the aboriginal skills and employment training strategy.

[*English*]

The Employment Insurance Act prescribes that only insured participants can have access to employment benefits programs such as skills development, wage subsidies, and self-employment assistance. The current definition of “insured participant” under the act is someone “who requests assistance under employment benefits” and is an unemployed person “for whom a benefit period is established” or “whose benefit period has ended within the previous 60 months”.

In order to develop the amendments for division 14 in part 4, we staged major consultations with provinces, territories, and stakeholders last summer, and then developed these amendments that expand eligibility for the employment benefits to include unemployed individuals who have made a minimum employment insurance premium contribution above the premium refund threshold in at least five out of the last 10 years. This threshold is currently set at \$2,000 of insurable earnings as per subsection 96(4) of the act. That's the first part of the eligibility changes.

The second piece is around employment assistance services under the support measures. Support measures are programs such as employment counselling and job search assistance. Those are currently available to all unemployed Canadians. Now, with these amendments, this changes it to all unemployed and employed Canadians. Additionally, it increases the flexibility to support employer-sponsored training by expanding eligibility under the labour market partnerships measure to include employers whose employees need this assistance in order to maintain their current employment, for example, to adjust to technological and structural changes in the economy.

These three major amendments under employment insurance part II and for the labour market development agreements and ASETS program would come into effect on April 1, 2018.

With that, I'd be happy to answer any questions you have.

• (1620)

The Chair: Are there any questions?

Ms. Hutchings.

Ms. Gudie Hutchings (Long Range Mountains, Lib.): Thank you, Mr. Chair.

Mr. Shaw, I was wondering about EI and maternity benefits. If a mother has already applied for benefits, is she going to be able to access the extended benefits when the bill comes into effect in July, or is it just for new applicants?

Mr. Duncan Shaw: These aren't extended benefits. This is part II, so it's the employment programs. They are delivered by the provinces and territories and by the aboriginal organizations for training. This has nothing to do with the maternity benefits. It's a different part of the act.

Ms. Gudie Hutchings: Okay.

The Chair: Do you have any other questions, Gudie?

Ms. Gudie Hutchings: No.

The Chair: Does anyone else have any questions?

Go ahead, Mr. Albas.

Mr. Dan Albas: A lot of these agreements do require labour market agreements with the provinces. Do these changes force the government to sign new ones, or is it within the discretion of the government to work within the existing agreements right now?

Mr. Duncan Shaw: Once the EI Act gets amended through the budget implementation act, the government, in order both to extend the new funds announced in the federal budget and to also then have the new eligibility in each province and territory, will need to sign amendments to those labour market development agreements.

Mr. Dan Albas: Okay. Even though the legislative authority is there, there still is a lot of process to go through before the funds actually are delivered.

Mr. Duncan Shaw: That's right. We'll be going into negotiations with each province and territory over the next few months, with the hope of signing next fall.

Mr. Dan Albas: Thank you.

The Chair: Did I get it right? For upgrading skills and training, will it now cover both those who are unemployed and those who are employed?

Mr. Duncan Shaw: The distinction is that there still needs to be a connection between the contribution of premiums to the EI Act, the paying of premiums, and training. If someone has contributed premiums in five of the last 10 years, they'll be eligible for training for the employment benefits, but there's another measure, employment assistance services, which are basically job counselling, job finding, and job search. That's going to be both for people who are unemployed, which is the existing definition, and for people employed in the future, on April 1, 2018.

The Chair: If the negotiations go well....

Mr. Duncan Shaw: Sure.

The Chair: Okay.

Mr. Fergus, go ahead.

[Translation]

Mr. Greg Fergus: Thank you, Mr. Chair.

Mr. Shaw, in your response, you spoke of people who contributed for five of the last 10 years. Is it five years or five months?

Mr. Duncan Shaw: Five years.

Mr. Greg Fergus: Okay. Thank you.

[English]

The Chair: I have another question. Is there any cost analysis on this, as to what it's going to cost the employment insurance fund for these new changes?

Mr. Duncan Shaw: There's not a particular cost analysis because the labour market development agreements are a budget allocation. Each province has an allocation each year, and they make their own decisions on who is eligible for their own programs. They're not federal programs. Under the federal budget, there was a \$1.8-billion increase announced for the next six years. Provinces and territories will get that on top of the current \$2.1 billion, but it's up to them how they increase the coverage for their citizens. With the existing

amount, they already need to ration training and employment services, so now with this expanded eligibility, they'll be able to broaden the coverage for their citizens.

• (1625)

The Chair: Are there any other questions?

Thank you both for your presentation and for answering the questions. Again, my apologies for your having had to come before, probably, three times, and never getting to the table.

Mr. Duncan Shaw: Thanks very much.

The Chair: I believe that ends all our divisions, so we can start on Bill C-44, the budget implementation act.

We will ask officials to come to the table. There are quite a number of officials here from Finance and other departments. If members have questions for officials at any time on any of these clauses, fire away.

Welcome and thank you, folks, for coming.

We will postpone clause 1, the short title, until we complete clause-by-clause.

On part 1, amendments to the Income Tax Act and to related legislation, we are looking at clauses 2 to 34. I would note there are no amendments to clauses 2 to 22. We would need unanimous consent to group clauses 2 to 22.

Do we have unanimous consent to group them? This will happen several times. No? You want to go through them one by one, Pierre.

(Clauses 2 to 5 agreed to on division sequentially)

(On clause 6)

The Chair: Mr. Dusseault, the floor is yours.

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): I have a problem with clause 6.

[Translation]

On the one hand, this clause refers to payments to Canadian Forces members and veterans. On the other hand, subclause 6(3) refers to payments to members of legislative assemblies and to municipal officers. The goal of subclause 6(3) is to eliminate the tax exemption for municipal officers and members of provincial legislative assemblies.

It's a shame that these two components are grouped together in the same clause, meaning clause 6. You're asking us to support or reject clause 6. In doing so, you're asking us to vote the same way on two completely different things. I have a problem with this.

I simply want to specify that I was in favour of the first part of clause 6, but not in favour of subclause 6(3), which eliminates the tax exemption for elected officials of the legislative assemblies and for municipal officials. Since these two components were grouped together, as a parliamentarian, I can't address each of them separately.

•(1630)

[English]

The Chair: Do you have any questions for officials, Mr. Dusseault? Have you made your point?

[Translation]

Mr. Pierre-Luc Dusseault: I understand the components of this clause very well. I don't think the witnesses, whom I want to thank for being here, can shed more light on the matter. I'll need to vote against this clause, unfortunately.

[English]

The Chair: Are there any thoughts from the witnesses on this point? Why were they blocked together?

Mr. Trevor McGowan (Senior Legislative Chief, Legislative Review, Tax Legislation Division, Tax Policy Branch, Department of Finance): The clauses of the bill are aligned with the provisions of the act they seek to amend, and so, unfortunately, because our Income Tax Act is a somewhat complex statute, you'll see some measures appearing in multiple clauses, and some clauses that touch on multiple measures will have a few different things as you have here.

In this case, the section of the Income Tax Act being amended is section 81. It deals with, effectively, various tax exemptions both relating to veterans and also relating to these allowances in subclause 6(3) of the bill.

All of the amendments in clause 6 amend the same section of the Income Tax Act. That's why they were put together.

The Chair: Okay. Thank you.

We did have a member on this committee previously who wanted to do a review of the Income Tax Act, if I recall correctly.

Mr. Dusseault.

Mr. Pierre-Luc Dusseault: I have a quick question, Mr. Chair.

It has been the practice during past clause-by-clause studies to separate the different paragraphs in the same clause. If it's something you considered in the past, would you be willing to consider it now?

The Chair: We can't separate the clause as such. It has to be voted on as is or by way of an amendment, and I'm pretty sure there's no amendment to this particular clause.

Is there any further discussion on clause 6?

(Clause 6 agreed to)

The Chair: Would we be willing to block from clauses 9 to 22? Do we have consent to block? No? Okay.

No harm in trying, Pierre.

(Clauses 7 to 12 inclusive agreed to on division sequentially)

(On clause 13)

The Chair: Mr. Dusseault.

Mr. Pierre-Luc Dusseault: I want to express my disagreement with this clause in the bill.

[Translation]

I completely disagree with this clause, which seeks to eliminate the tax credit for public transit.

The government is arguing that the measure doesn't really promote the use of public transit. However, about 1.5 million Canadians have claimed and benefited from this tax credit. This tax credit put \$225 million back into the pockets of Canadians who use public transit. The people who use public transit and who can also obtain this tax credit are members of the middle class, as pointed out by my Conservative colleagues.

It's a shame that the proposal is being made today to eliminate the tax credit for public transit, even though the figures show that the measure is effective and that Canadians are claiming this tax credit.

I simply want to emphasize my outright opposition to clause 13 in particular. I didn't want to discuss the clauses as a group, because I wanted to firmly oppose this clause.

•(1635)

[English]

The Chair: That's not a problem; that's your right.

Mr. Fergus.

[Translation]

Mr. Greg Fergus: Unless I'm happily mistaken, I think I'm the only person here who uses public transit every day. I've been using public transit for 20 years, and I haven't seen an increase in the number of users in my region since the introduction of this tax credit.

I think the idea of the government investing much larger amounts into other measures to attract new public transit users, rather than providing the tax credit, is the best decision. That's why I'll vote in favour of this clause.

[English]

The Chair: Mr. Albas, then Mr. Liepert.

Mr. Dan Albas: I just want to point out that it's very interesting that someone is using anecdotal experience as evidence for a rationale.

That's all I would say.

The Chair: That's all you had to say? Well, that's interesting.

Mr. Liepert.

Mr. Ron Liepert (Calgary Signal Hill, CPC): I would like to support what Mr. Dusseault said, and disagree with this intent. I just want to get that on the record.

The Chair: Mr. Deltell, then Mr. Ouellette.

[Translation]

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Thank you, Mr. Chair.

On that note, it's absolutely incredible to see that this government, which prides itself on being a green government that cares about taxpayers and the environment, has cancelled a tax credit that helps people take public transit. As a result of this budget, Canadian workers who are public transit users will pay more for their journey. It's completely illogical.

[English]

The Chair: Mr. Ouellette, then Mr. Badawey.

[Translation]

Mr. Robert-Falcon Ouellette: I liked the comment about the fact that people are using anecdotal evidence to make decisions.

However, we've heard what the witnesses told us. One witness in particular spoke of the cost of the reducing one tonne of carbon dioxide emissions. The cost is huge. This measure costs about \$4,000 per new user, and it hasn't even managed to reduce carbon dioxide emissions.

We can better direct our efforts to reduce the greenhouse gas effect. Above all, we can use other ways to reduce the carbon dioxide emissions that enter our atmosphere.

We've even heard this measure didn't significantly increase the number of public transit users. We must find measures that will actually use our resources where they're most likely to improve the situation. That's why the government is proposing major investments in public transit systems to improve the service offering, so that all Canadians can use public transit more easily and can have easier access to it across the country.

[English]

The Chair: Mr. Badawey.

Mr. Vance Badawey (Niagara Centre, Lib.): Mr. Chairman, I have a few questions for the witnesses with respect to this credit.

Currently most if not all the capital that goes into transit services is from the municipal sector. Is that true?

Ms. Jenna Robbins (Chief, Employment and Education Section, Personal Income Tax Division, Tax Policy Branch, Department of Finance): I can't speak for the spending side of it. We're on the tax side. I would say it's a combination of federal funding from Infrastructure Canada and provincial funding.

Mr. Vance Badawey: So a lot of the dollars that would otherwise go into capital at the municipal level for the transit systems, the costs of the same, are borne by the property taxpayers?

Ms. Jenna Robbins: I think it's....

Mr. Trevor McGowan: I think specific questions about who bears the cost of transit in terms of direct spending are outside the scope of our expertise here. We're looking at federal taxation, specifically the income tax side of things, and in particular here, the impact of the public transit tax credit. Unfortunately, spending at the provincial and municipal levels is outside our area of expertise.

Mr. Vance Badawey: Just to help you out a bit, it is, so a lot of the capital and the costs of operating a transit system are borne by the property taxpayers at the local level, unless, of course, they get federal grants and federal-provincial grants. That being said, with the transit pass tax credit being repealed, what will these dollars now be invested into?

● (1640)

Ms. Jenna Robbins: The budget included significant funding through the Canada infrastructure bank along with general infrastructure money for transit systems.

Mr. Vance Badawey: So a lot of this money can go forward to offset those costs that would otherwise be borne by the municipality and the property taxpayers.

Ms. Jenna Robbins: Potentially.

Mr. Vance Badawey: Thank you.

The Chair: Mr. Albas.

We're going to be flexible here. We're well over our time frame, but go ahead.

Mr. Dan Albas: I'll be very brief.

We've heard that some of the monies that will be recovered from cancelling this tax credit will go to things like the infrastructure bank and to funding public transit in other ways. Let me just note that the way the Liberals have constructed both operations, basically the monies will go largely on a per capita basis to large urban municipalities, whereas users of other rural systems, like the one in my old city of Penticton, which is a legacy system of mainly road traffic, bus traffic, and HandyDART, will no longer receive this tax credit, and rather than their getting some of their tax money back, it will go toward funding transit in large urban communities.

I'm just making sure exactly what is happening is on the record, Mr. Chair.

The Chair: Are there any further thoughts?

Is there any cost-benefit analysis on this point? Were the targets met with the transit pass tax credit? Are there any figures?

Mr. Trevor McGowan: A number of studies have been undertaken, and I believe provided to members of this committee, looking at the effectiveness of the public transit tax credit in terms of achieving its stated objective of increasing transit usage. In those studies, it was concluded that it did not have a significant impact on this usage. I believe that goes to your point.

The Chair: Ms. May, go ahead.

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Usually I don't have a chance to speak to a section I have no amendment to, but given my history on this, I'd just like to affirm that there was no chance in hell this public transit tax credit would ever reduce greenhouse gases. It wasn't designed to reduce greenhouse gases.

I think that if we want to help low-income people take buses, there are better ways to do it. This was never going to work, and it wasn't a significant greenhouse gas reducer.

The Chair: All those in favour of clause 13?

Mr. Ron Liepert: I would like a recorded vote.

(Clause 13 agreed to: yeas 5; nays 4)

(Clause 14 agreed to on division)

The Chair: Are we going to give this another try to go to clause 22, Pierre?

Mr. Raj Grewal (Brampton East, Lib.): Come on, Pierre.

The Chair: That's okay. It's your right, Pierre. If you want to do—

Mr. Pierre-Luc Dusseault: Yes.

The Chair: We're okay? Do we have unanimous consent to deal with clauses 15 through to 22?

Mr. Greg Fergus: Agreed.

(Clauses 15 to 22 inclusive agreed to on division)

(On clause 23)

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

I have a technical point on PV-1. If PV-1 is carried, the question cannot be put on PV-2 due to a line conflict in the bill.

The floor is yours, Ms. May.

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

I do like to put on the record at every occasion when I am compelled by the motion passed by this committee to appear here that this actually reduces my rights as a member of Parliament and prevents me from making substantive amendments at report stage. By the use of identical motions in every committee, the rights I have under our current Standing Orders are reduced. I'm here at your insistence; otherwise, I couldn't put forward these amendments.

Parti vert 1 is dealing with a perverse subsidy, which is the mining income tax credit. It's being extended under this legislation. We in the Green Party don't believe that it should be extended. It will cost \$30 million to the federal treasury to provide a tax credit. This tax credit was initially put in place before the previous administration under Stephen Harper, back in the year 2000. It essentially encourages junior mining companies to conduct exploration in places where there is less likelihood of actually discovering minerals. It's damaging to the environment.

It's also been found by other observers that on the investor side it really is used more for tax planning purposes, as a benefit for high-income taxpayers. It's been also seen administratively to have very high administrative and compliance costs.

In 2015 *Maclean's* magazine had a review on this. It suggested that this tax credit primarily benefited tax lawyers and accountants. My main reason for opposing it is it encourages mining activity for exploration in places where you don't have good geology but where you do have a good tax advantage. It's disrupting sensitive environments for purposes of a tax credit.

In the first amendment, Parti vert 1, we essentially delete the sections that you find on page 13 of Bill C-44 in clause 23. We delete the extension, which means that the tax credit would end in the year 2018, because the extension would not be brought forward.

Thank you, Mr. Chair. I hope our intention is clear.

•(1645)

The Chair: Okay, thank you.

Mr. Albas, go ahead.

Mr. Dan Albas: Mr. Chair, I'm going to be voting in opposition to this, simply due to the fact that I attended a natural resources summit in Prince George in January 2016. I specifically went a day early and had a first nation elder who has been working in mining for quite a number of years, most of his life, go through how mining is done from the start to the remediation of the land. There is such a change in the types of technologies and the methods that are used to respect the environment but at the same time to continue to supply good-paying Canadian jobs. Canadian mining companies are the largest users of computer technology in the country because of the sophistication, and that is reflected at all stages.

I profoundly disagree. There are challenges with junior mining companies. It is how they finance their operations, which is going to have long-term issues, but this is not going to assist in dealing with what the member is speaking to. I do appreciate her opinion. I would suggest, though, that she actually talk to some of the industry, maybe even walk some of the different projects, because the care that's given and the remediation that's done in those cases are quite significant.

The Chair: Are there any other thoughts on this amendment?

Shall amendment PV-1 carry?

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

The Chair: We'll move to PV-2.

Ms. May, go ahead.

Ms. Elizabeth May: Mr. Chair, I am disappointed that there were no other members of Parliament or other parties, although my colleague from the Bloc appears to have been willing to vote with me if either of us had been allowed to have a vote.

What the Parti vert is doing here is being more aggressive in getting rid of the mining tax credit by changing the language of the amendment so that not only is it not extended, but there is an actual retreat to the year 2017.

I appreciate the comments from my friend Mr. Albas. I just want to say that I worked extensively with the Mining Association of Canada. Before I became involved in partisan politics, I was actually on the advisory board of the Mining Association of Canada and their towards sustainable mining initiative.

I completely agree that a lot of the larger mining companies show a lot of care and concern, and I wouldn't want my comments to apply to the mining industry in general. But there is no reason—and I think that the essence of conservatism should agree with this—to essentially give a \$30-million tax bonus to mining companies to encourage exploration. The mining companies most likely to do environmental damage are the junior prospectors and junior miners. Many of those companies aren't members of the Mining Association of Canada.

I continue to maintain that this is a perverse subsidy. The federal government doesn't need to give mining companies money to mine, and it particularly doesn't need to give a tax credit to encourage exploration in places where you're unlikely to find anything except for a tax credit.

•(1650)

The Chair: Are there any other thoughts?

Mr. Albas, go ahead.

Mr. Dan Albas: Mr. Chair, I'll just reiterate. Junior mining companies, as well as the larger ones.... First of all, many large mining companies do not do exploration. They actually purchase prepackaged sites from the juniors. That's how it works. Second of all, provinces like British Columbia heavily regulate how these companies act. A big part of British Columbia is under federal crown lands, reserves, and whatnot. There are specific requirements for them to work with first nations when they are looking, and a big part is demonstrating that they are going to be very diligent in how they do their exploration.

A lot of it now is done with drone technology and is based on magnets and whatnot, as well as site checks. In the old days, absolutely, site checks would happen, large strips of land. The industry has changed enormously over the past 10 years. If you looked 30 years ago, perhaps you might see some of those things. But in British Columbia, whether it be sustainably harvesting trees or putting forward mining projects, they are doing their due diligence and making sure harm isn't done.

Unfortunately, this may not be the proper venue, Mr. Chair, but I really wanted to raise those points. There are issues with how the financing of these companies is done, but the withdrawal of a tax credit like this would be extremely damaging to the industry overall, which is why I think they have continued to support this, even with a change of government. This tax credit is not a major component, but it does help a struggling industry.

Thank you.

The Chair: Are there any other comments?

Well, the discussion was educational, for sure. Thank you both.

Shall amendment PV-2 carry?

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

The Chair: Shall clause 23 carry?

(Clause 23 agreed to on division)

The Chair: There are no amendments for clauses 24 to 102. I'll give you a moment to think about whether we want to carry them in a group.

Okay, can we go from clause 24 to clause 41?

Some hon. members: Agreed.

(Clauses 24 to 41 agreed to on division)

The Chair: That included part 2, amendments to the Excise Tax Act.

Part 3 is on amendments to the Excise Act, the Excise Act, 2001, and the Economic Action Plan 2014 Act, Number 1, under clauses 42 to 67.

(On clause 42)

The Chair: Mr. Albas.

Mr. Dan Albas: Mr. Chair, I certainly appreciate that at committee a number of witnesses from various industries said this will be very harmful not just to the producers of beer, wine, and spirits—Canadian companies—but also to those who support them. For example, there will be a demand change for everyone, from the farmers who make the hops all the way through to restaurants. That entire chain contributes greatly to this country in terms of taxes and productivity.

•(1655)

The Chair: I have to interrupt for a second.

We've had a discussion on this and there are no amendments in this section. However, I think we are agreeable to having a discussion about these points and giving people some flexibility to have the floor to make their points.

I just want to make that point, because we're not speaking to an amendment.

Go ahead.

Mr. Dan Albas: Mr. Chair, I appreciate the clarification. I will keep it rather succinct.

In my work as a member of Parliament previous to this 42nd Parliament, I had a chance to engage with people involved in the beer- and wine-producing industries. My area is a wine-producing region. I'm proud to say that today it is also a beer-producing region, with microbreweries opening in Kelowna, West Kelowna, and Summerland.

Mr. Chair, I think the challenge is that there are certain producers who will just decide not to grow or will decide to let go of certain staff to offset the cost increase that will happen here so they can maintain competitiveness. You also have the people who have entered into this industry in good faith under a business plan. Their markups provincially are very high. Again, they are not just paying GST and income tax and corporate income tax. They are also paying provincial markups as well as licensing fees, etc. These kinds of year-over-year excise taxes, when you add the GST on top of those, will make the industry less competitive.

For example, there's one large-scale producer that produces in both Canada and the United States. They have a 105,000 hectolitre deficit. There's more demand in Canada than not, and if you do not.... You know, they could go either way.

If we are adding costs that make them less competitive, they will go to where they, first of all, can sell much more easily, places like the United States where they don't have the same kind of interprovincial trade laws. For those that are just not big enough to have that choice, they will let jobs go. They will choose not to replace equipment.

Again, as I said to the minister, we're at the lowest levels of business investment since 1981. A year-over-year escalator is not in anyone's interest, not just for the industry, but I would say for the taxpayer. I think, year over year, you'll see a reduction in investment, as well as a reduction in jobs, and a reduction in the taxes from lower levels of production.

Thank you.

The Chair: Mr. Dusseault, and then Mr. Liepert.

[*Translation*]

Mr. Pierre-Luc Dusseault: Thank you, Mr. Chair.

I just want to echo what my colleague said, to inform my colleagues across the way that the witnesses were perfectly clear on this issue. The experts disagreed on other issues, clauses or parts of the bill. However, in this case, their opinions were aligned. The witnesses were clear and specific. If my memory serves me correctly, the five witnesses before us all disagreed with these increases, particularly the increases that will be adjusted based on inflation.

I'm talking about clauses 42 and 43, which seek to increase, in line with inflation, the excise duties on beer. I'm talking about both clauses. My colleagues can support an increase in excise duties on beer once, on this occasion only. However, I urge them to reject clauses 42 and 43, which seek to adjust the increase in excise duties based on inflation.

I think this will be extremely harmful to the industry. It's not only my opinion. I'm echoing what the witnesses told the committee, in particular the beer industry representatives, who are obviously directly affected by clauses 42 and 43. Later, we'll talk about wines and spirits, which are covered further down in part 3 of the bill.

I want to point out that the witnesses were unanimous, especially when it came to the increases based on inflation. I implore my colleagues to reject this component of Bill C-44, because it will clearly harm the industry. It will impose tax increases indefinitely, for an indeterminate number of years. It will also create a constitutional issue, as indicated by the beer industry representatives. They said,

[*English*]

no taxation without representation.

[*Translation*]

This measure seeks to increase taxes indefinitely in future years, and Parliament won't even need to approve the increases each time. If we approve this measure today, the excise duties will keep increasing indefinitely. The parliamentarians will never again have the opportunity to vote on the matter, unless other amendments are made to the Excise Act, 2001. Therefore, I implore my colleagues to reject this indefinite increase. Their desire to support a relatively small increase in excise duties is understandable. However, the increase should be made only on this occasion. Please don't support an indefinite increase.

● (1700)

[*English*]

The Chair: Thank you, Mr. Dusseault.

Mr. Liepert, and then Mr. Ouellette.

Mr. Ron Liepert: I won't repeat what my colleagues Mr. Albas and Mr. Dusseault said, but just say that I certainly concur with those comments.

The other thing that was very clear from several of our guests, and we have in recent weeks had a number of indicators, is that this particular initiative will trigger some trade contracts that we have internationally. We are already under severe pressure with the United

States. Why, over a few dollars, we would poke at an international trade agreement is beyond me. I think it needs to go on record here today, and we will put it on record, that these escalators are going to trigger an international trade dispute that this country, frankly, does not need.

The Chair: Thank you, Mr. Liepert.

Keep in mind, if anybody has any questions for the witness from the Department of Finance, Mr. Bourgeois, that is possible, too.

Mr. Ouellette.

Mr. Robert-Falcon Ouellette: There is a witness, and we totally forgot. We were conversing across the way here.

One thing that I think has really been forgotten in a lot of this debate is the health implications. It wasn't something that was raised by any of the witnesses until I had the opportunity, so it's something that's been absent from this whole debate. In fact, I actually heard one of the witnesses make the same arguments that big tobacco made many years ago, that we can't do this, that those studies are all fake, and they're not true.

At the end of the day, we know that alcohol has a huge impact on a lot of communities, and prices haven't gone up for a lot of these products. Maybe we need more witnesses to come to testify about the health impacts of alcohol on various communities, not only in Winnipeg Centre but also, I'm sure, in Quebec and in Alberta. I'm sure the effects of alcohol are very important to a lot of communities.

When I look at the excise tax and the escalator, the thing I see is stability. I see a way of offering businesses a long-term vision of what the costs are going to be for them, and they can calculate those. They won't have a new government showing up after 10 years, saying that they had forgotten to raise those excise taxes for the last 10 years and maybe they should increase them by 15% or 20% because they haven't kept pace with inflation and the cost of actually providing these services and ensuring how much it actually costs to calculate this, and the cost to society. I think that's really important.

I was reading in greater detail... Perhaps they were unable to explain it. At the same time, you have a Canadian primary product—Canadian wheat or Canadian grapes used in these products—and you use Canadian labour and you produce it in a Canadian place; there is no excise tax, which is what I heard. At the end of the day, for instance, for a case of beer it's 5¢ on a case of 24. To me that doesn't seem like a whole lot.

I'm really supportive of this measure, because I think it's moving in the right direction.

Finally, there is this idea of taxation without representation. I disagree with that. We were elected and we're standing here right now, and I think we're offering a long-term vision. Every one of the witnesses who came here to testify to the finance committee had the opportunity—

Mr. Ron Liepert: Was that in the platform? It wasn't in the platform.

The Chair: Order.

Mr. Robert-Falcon Ouellette: —to vote for an elected representative, so they all have representation. It is not the case of Washington, D.C., where they don't have a congressman or it's not a state. They have the opportunity of being represented in this place by us, so for me it's a misnomer to say that they do not have representation. They do.

I do have a question for Mathieu Bourgeois, the witness, perhaps to his chagrin; I'm not sure. We'll find out.

• (1705)

[Translation]

Mr. Mathieu Bourgeois (Tax Policy Advisor, Sales Tax Division, Tax Policy Branch, Department of Finance): Hello.

[English]

Mr. Robert-Falcon Ouellette: Could you give us some of the reasons behind this increase?

Mr. Mathieu Bourgeois: My name is Mathieu Bourgeois. I'm a tax policy officer at Finance Canada, for the sales tax division.

To respond to your question, basically it's all based on the fact that alcohol excise duty rates have not been adjusted to account for inflation in the last almost three decades, and in that sense it has lost some of its value over time. The change we would introduce today would be to ensure that the effectiveness of those rates will be maintained going forward. It's purely a matter of maintaining the effectiveness of those rates.

Mr. Robert-Falcon Ouellette: Thank you.

The Chair: On the point of this escalator, could you give us the figure? You've indicated there have been no increases for x number of years—I didn't catch the number. If those weren't in place in the past 20 years, what would be the excise tax today? If this clause had been in place 25 years ago, what would be the excise tax today? Going forward 25 years, it is going to be in place if it passes this committee.

Mr. Mathieu Bourgeois: Without doing all the calculations off the top of my head, I think it would be about a 90% increase for the last 30 years. It would basically be the consumer price index at the rough average of 2% per year, so every year it would have meant a 2% increase for the last 30 years.

The Chair: If the consumer price index went up to 9% or 10%—and I was around when it was 10%, and I remember interest rates very well at the time—is that how much the excise tax would go up as well?

Mr. Mathieu Bourgeois: Correct, but in the last 10 years, the average was roughly 1.9%.

The Chair: You're a little like my son. He believes interest rates are never going to go over 6%. I've seen them at 23%.

Mr. Dusseault.

Mr. Pierre-Luc Dusseault: No.

The Chair: Mr. Liepert.

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

The Chair: Are there any other questions?

Mr. Albas. I knew there was someone.

Mr. Dan Albas: Previous governments have cancelled the escalator because of what it did to the industry. The committee heard from witnesses who saw the spirits industry levelled, and they had to let go of a lot of people.

We're here to listen and pay attention to those things. Again, we heard at committee that there has been a 125% increase in the excise tax since the 1980s, so it's not like this has been.... That's just one form of taxation. Add on to it the provincial markups, which continue to irritate and cause all sorts of angst.

I do respect all honourable members in this place, but once you get out to the different municipalities and communities or to other parts of the country that depend heavily on these things, you're going to hear a much different story from what you have put here today.

The Chair: Shall clause 42 carry?

Mr. Pierre-Luc Dusseault: I would like a recorded vote.

(Clause 42 agreed to: yeas 5; nays 4)

The Chair: Is there any discussion on clause 43?

Mr. Ron Liepert: I would like a recorded vote.

(Clause 43 agreed to: yeas 5; nays 4)

The Chair: Shall clause 44 carry on division?

• (1710)

Mr. Ron Liepert: No, I would like a recorded vote.

(Clause 44 agreed to: yeas 5; nays 4)

The Chair: May we consider clauses 45 to 48 together?

Mr. Ron Liepert: On division.

(Clauses 45 to 48 inclusive agreed to on division)

(On clause 49)

The Chair: Mr. Dusseault.

[Translation]

Mr. Pierre-Luc Dusseault: Thank you, Mr. Chair.

After we took on beer, clause 49 is now targeting spirits. We're moving from one target to the next one. This time, through clause 49, the government is deciding to target spirits. The government is imposing increases based on inflation, according to the same cumulative principle, as of April 1, 2018.

Again, I must say the industry representatives were very clear on this issue. They said it would harm their industry, particularly the spirits industry. The level of regulation is a heavy burden for the industry. People must comply with multiple rules resulting from the Excise Act, 2001 and other regulations, including provincial regulations, to sell a single litre of spirits in a business in Canada.

Again, we're harming an important industry in Canada, an industry that's growing and that has already demonstrated its worth. I'm thinking in particular of Canadian whisky, which was referred to in certain testimonies.

After targeting beer, we're letting spirits get caught up in the indefinite cycle of cumulative inflation.

Our colleagues across the way will defend this idea by saying they were elected. However, I want to point out that, in 2019, they may not be re-elected, yet these indefinite increases will continue. We say no taxation without representation. After 2019, my friend who voted in favour of this may no longer be here, but the legislation will continue to apply. Over the years, the taxes will increase based on the cumulative inflation. The inflation could be 2%, but it could also be 20%, as you said, Mr. Chair. We don't know. We can't predict the future.

I find it completely irresponsible to impose increases in excise duties indefinitely without giving Parliament the chance to vote again on the issue. I'll oppose the clause. This time, it's spirits. What will be targeted next? Wine?

[English]

The Chair: Is there anyone else?

Mr. Albas, and then Mr. Ouellette.

Mr. Dan Albas: We had a debate not too long ago with Ben Lobb's bill in the House. He was talking about reducing the cost, partly because producers in the United States do not pay the same high excise tax that we do here in Canada, and it is the same with the Europeans.

As we continue to live longer, etc., just to your point about health and whatnot.... I'm not even going to go into the argument of harm and all that stuff. I'll stay very focused.

Makers in British Columbia, such as Victoria Distillers, have said that they have not been able to break into the American market as strongly as they want to because their cost is so much higher. They were looking for excise relief.

Let's not forget, though, that they would be able to buy more Canadian products from Canadian farmers and would be able to produce them here. These are groups like Maple Leaf Spirits on Naramata Road in Penticton. It used to be all wineries on the Naramata Bench. There are some of these artisan spirits and distillers who are trying to make a go of it, and it's very difficult under that regulatory environment.

As I said, if you look at what happened with the wine industry when 100% Canadian content was made exempt, we now have hundreds of wineries across the country. When we actually made some excise relief for beer, the microbrewery movement went up tremendously. I would suggest that this is going to really harm the spirits manufacturers, whether they be big or small.

Thank you, Mr. Chair.

•(1715)

The Chair: Mr. Ouellette.

Mr. Robert-Falcon Ouellette: We just voted on clauses 45 and 46 that were about taxing cigarettes, which we know are very harmful to people's health. When you read the literature concerning *les spiritueux*, the absolute ethanol alcohol, or spirits, you find, when you deal with the court system, that in some places 95% of people are in the court system because of their relationship with alcohol. It has a huge impact on many communities. We pass many laws in the criminal justice system in order to deal with the problems related to that. I know it's not the fault of the spirits makers, manufacturers, or

whatever name we give to them—sorry; I'm not familiar with the industry too much in the sense that I'm not a manufacturer of spirits or ethanol alcohol—but it does have an impact.

We have to think about that impact and how to curb it in some way. If we make it too inexpensive, people will abuse it. When they abuse it, they end up in the court system, and then we end up with many other problems that we're trying to deal with here in Parliament day in and day out and even in my community.

For me, I support this measure. I just can't support this industry in the way that you on the opposition side would like. I respect that, but it's just not something I believe we should encourage wholeheartedly. I think we have to take a bit more of a circumspect view of it.

Thank you.

The Chair: Thank you all for your points.

Mr. Badawey.

Mr. Vance Badawey: This is just a quick question. I do apologize; I was going to call for it earlier, but it slipped by me. Is there any chance of having a recorded vote on clause 45?

The Chair: No, we're too late on clause 45 now.

Mr. Vance Badawey: We're too late. Okay. Thank you, Mr. Chair.

The Chair: You have to call for it prior to the vote.

Is there any further discussion on clause 49?

Do you want a recorded vote?

Mr. Dan Albas: I would like a recorded vote, please.

(Clause 49 agreed to: yeas 5; nays 4)

The Chair: I will inform the committee, because we are going well into the night, we will suspend for 15 minutes at six o'clock so people can take a health break and get a bite to eat.

(On clause 50)

The Chair: Mr. Dusseault.

[Translation]

Mr. Pierre-Luc Dusseault: Thank you, Mr. Chair.

What a surprise! After beer and spirits, we're now targeting wine. We want to impose on wine the same increases according to the cumulative principle. I won't repeat everything I said about the two other alcohol industry sectors. However, I want to specify that both the people from the Canadian Vintners Association and wine producers clearly told us they would face challenges in terms of the WTO's trade rules. I want to note that this isn't my opinion, but their opinion.

Indeed, 100% Canadian wines are exempt from excise duties. The other wines that will be sold in Canada, including those from our economic partners, will be subject to these excise duties. The duties will increase each year based on inflation. The increases will be indefinite. We don't know when they'll stop. These people clearly told us that our rule exempting 100% Canadian wines from excise duties would be challenged by our international competitors and by other businesses that sell wine in Canada.

As a result, I implore my colleagues to act wisely and to take a clear stand on this issue by opposing clause 50. Obviously, according to the witnesses, this clause will result in challenges before trade tribunals. An international tribunal may reject the rule exempting 100% Canadian wines and may consider that the rule should no longer exist. This could harm our industry, in this case the wine industry, and specifically Canadian wine.

I implore my colleagues to act wisely and responsibly to avoid having the Canadian wine industry face possible legal challenges. If they don't do it for beer and spirits, I hope they'll do it for wine.

• (1720)

[English]

The Chair: Mr. Albas, I believe you were....

Mr. Dan Albas: I'm glad you're now presuming that I will speak, Mr. Chair, because from a wine-producing area—

The Chair: Well, I thought maybe you were scratching your head.

Mr. Dan Albas: I often scratch my head when the NDP speak, but not on this one. In this case, I'm scratching my head because here we have a government that claims it was voted in on an economic platform, to grow the economy, to make it more inclusive growth, so to speak. You have many areas, such as in Nova Scotia, in Ontario, in Quebec.... There's a lot of investment that has gone on to improve wine quality and to attract tourism. Even our committee, Mr. Chair, suggested in our pre-budget reports to the Minister of Finance that the government look at ways to assist wineries to grow and build on the international brand Canada has.

Unfortunately, it does seem that the government did not necessarily take that advice. Maybe we should take that in mind, and make recommendations not to do things, so that they'll at least protect them from further things.

I just want to say how disappointing it is to see that where we have an industry that has had proven growth, the government has chosen to add.... This is, in addition to provincial markups, which continue to go up. This is the wrong direction, I believe, for the industry.

We all like to say that we love Canadian wine and we want to see the industry succeed, yet here today we're putting that at risk by adding costs, in addition to a carbon tax, in addition to payroll taxes, in addition to not allowing the small business tax rate to continue to lower.

I think we're going in the wrong direction, and it's going to hit the government coffers eventually, particularly when wineries just decide it's not worth it to grow, and they'll just stay small. We have far too many small wineries in this country. We have only a very few medium size and a very limited number of large ones that can compete with the likes of those in Australia and the United States.

This will throw a wrench in the works and make it much more difficult for that industry to grow and be able to start to build that market share.

The Chair: Mr. Ouellette.

Mr. Robert-Falcon Ouellette: In terms of the comment about remaining small, small is sometimes good. We could always want to be the Jackson-Triggs, the large winery, but if you had a choice

between having an ice wine or something from the Niagara region or something that was produced by a local family that was putting their care and love into their product compared to something mass produced on the market, I think I would take the local winery, because maybe you're going to get something that's extraordinary.

Sometimes I think it's easy to make a blanket judgment on things, but we also shouldn't.... In the 1980s after the entry of NAFTA and the free trade agreement, a lot of wineries in the Okanagan went out of business, but what they did was they revitalized themselves. I remember that. My uncle was a journalist who worked for the *Oliver Daily News*, not a big news company or a corporation, just a small little group. What they were able to do was replant and they've grown from it. Obviously they've received some great support and promotion, but they started from when most of those wineries were going out of business and were ripping out the vines. I think we can underestimate the entrepreneurship of some of the people who are involved in this industry. I think the escalator offers a level of stability for them, because it's going to say this is the amount and this is the cost.

Don't forget that at the end of the day, if it's a Canadian product made in Canada, there is no excise tax.

• (1725)

The Chair: Mr. Liepert.

Mr. Ron Liepert: Mr. Chair, it would only be a Liberal who would think an escalating tax would be a stabilizer.

I couldn't help but respond to Mr. Ouellette's first line about maybe small is good. I wish he'd have a conversation with his finance minister, because remember: we were promised a small deficit. Small would be good when it comes to a deficit. I'd ask him to take that to his finance minister.

In the meantime, I think what this committee should be recommending to our friends in the wine industry is the wine industry needs to declare that they're a cluster, and if they become a cluster, they'll get the attention of this government. It seems that unless you're a cluster, you can't get any attention from this government.

Mr. Pierre-Luc Dusseault: Supercluster.

Mr. Ron Liepert: That's right: a supercluster. We need a supercluster of wine growers in this country and then maybe the Liberal government will actually listen to them.

The Chair: I do think we're straying a little from clause 50, but go ahead, Mr. Albas.

Mr. Dan Albas: I will be very succinct. Fred King used to be the member of Parliament for Okanagan—Similkameen. He probably was the member of Parliament when your family member was there. Fred King, like many of the people who got into the industry, was a farmer. He was from Kaleden. He said that at the time when NAFTA came in, everyone saw the industry as going nowhere. They could not compete with the Americans. The Mulroney government did a replant program that changed the industry. Where people saw opportunity and put in a lot of hard work, that industry made distinct changes, distinct investments, and changed everything in my area. I will say this. If we think that throwing up more challenges and roadblocks is a way to make things better for our economy, that is wrong. I would also argue for a moment that when we heard from them during the pre-budget consultations, we actually agreed that government could do more to support a thriving sector.

As has been said very poignantly by my NDP colleague as well as my Conservative colleagues, this will put the industry on the wrong footing. It's the wrong place to go. I would suggest to the member opposite that if he has met with as many wineries across this great country... I would agree small can be beautiful, but I will say that having so many small firms try to compete and try to build economies of scale where they can compete with Australia.... There's one vintage in Australia that is larger than the Canadian wine industry as a whole—one vintage by one company in Australia. We need to have larger firms and more market share. This puts not only an anchor around the larger players.... By the way, many of them have huge investments in premium VQA wineries. That will mean less investment in those smaller wineries, but the small people, as we've heard, may be increasingly at risk to challenge. This is not the way to grow an economy, I submit.

The Chair: Mr. Badawey.

Mr. Vance Badawey: Mr. Chairman, I have a question for staff.

With respect to the excise tax, if in fact the wine that's produced is 100% Canadian content with respect to the grapes, does that trigger the excise tax as well?

Mr. Mathieu Bourgeois: There's no excise duty on 100% Canadian wine.

Mr. Vance Badawey: Thank you.

The Chair: Is there any further discussion on clause 50?

Mr. Ron Liepert: I would like a recorded vote, please.

(Clause 50 agreed to: yeas 5; nays 4)

The Chair: Could we get unanimous consent to deal with clauses 51 through to 63?

Mr. Ron Liepert: Agreed.

The Chair: Are you okay with that, Pierre?

Mr. Pierre-Luc Dusseault: Yes.

Mr. Ron Liepert: On division.

(Clauses 51 to 63 inclusive agreed to on division)

(On clause 64)

• (1730)

The Chair: Who wanted to speak to clause 64? I think it's somebody from the Conservative Party.

We'll give you a minute to find clause 64. I have to find it, too. It's on rates of duty on spirits.

Mr. Greg Ferguson: It's on page 37.

The Chair: Okay.

Mr. Albas, go ahead.

Mr. Dan Albas: We are opposed.

The Chair: You are opposed. Is that your total discussion? For previous reasons outlined, I'm sure....

Is there any other discussion on clause 64?

Mr. Ron Liepert: I would like a recorded vote, please.

(Clause 64 agreed to: yeas, 5; nays, 4)

(On clause 65)

The Chair: Mr. Deltell.

[*Translation*]

Mr. Gérard Deltell: Thank you, Mr. Chair.

We oppose this clause, for the same principles mentioned earlier.

On the contrary, if we want to help our businesses grow, a lower tax rate would allow for these investments. In the legislation, the government promises to increase the excise tax, which is an escalating tax. Unfortunately, this tax could slow the momentum of our entrepreneurs. That's why we'll vote against this clause.

[*English*]

The Chair: Is there any further discussion?

I expect it's a recorded vote.

Mr. Ron Liepert: Yes, a recorded vote.

(Clause 65 agreed to: yeas 5; nays 4)

The Chair: We probably can go through to clause 103. It's the next one that there's an amendment on, I believe. I'll give people a moment to think about this. Can we go from clause 66 to clause 102 inclusive?

Mr. Ron Liepert: We're good.

The Chair: Does anybody have anything they want to raise in any of that section?

Mr. Dusseault.

[*Translation*]

Mr. Pierre-Luc Dusseault: I want to ask the witnesses here a question.

Clause 66 of Bill C-44 seeks to repeal subsections 69(3) and 69(5) of the Economic Action Plan 2014 Act, No. 1.

I didn't fully understand the interpretation. Can you shed light on the subject?

Mr. Mathieu Bourgeois: I don't have the information on hand. However, I think I remember that the Economic Action Plan 2014 Act, No. 1 contained a definition of "taxed cigarettes", which included a date. Since we're changing the cigarette tax rate as of September 2017, we must slightly modify the definition to make sure things will run smoothly.

Mr. Pierre-Luc Dusseault: That answers my question. Thank you.

[English]

The Chair: Okay, it's not so much on this section, but Mr. Bourgeois, can you tell me if there was any analysis done on this trade challenge business?

[Translation]

Mr. Mathieu Bourgeois: Trade challenges, in particular potential issues, aren't my area of expertise. Obviously, a team from the Department of Finance has looked into the matter. Remember that, when the special measure for Canadian wine was established, the Government of Canada at the time reduced or eliminated certain tariffs, which somewhat solved the issue.

However, I can't predict the future, unfortunately.

• (1735)

[English]

The Chair: That's fine, Mr. Bourgeois.

Are you up to answering this question, Ms. Govier?

Ms. Michèle Govier (Chief, Trade Rules, International Trade Policy Division, International Trade and Finance Branch, Department of Finance): No. I thought it was related to the next section.

The Chair: That's fine. It was just going through my mind.

(Clauses 66 to 102 inclusive agreed to on division)

(On clause 103)

The Chair: We will turn to division 2.

We have amendment PV-3 on page 68 of the bill.

Ms. May, go ahead.

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

I'll try to be succinct. I just want to give a bit of background. This amendment relates to the fundamental principle that Parliament controls the public purse. It's a principle, but increasingly it's one held in theory but not in reality. In the Harper years, the then prime minister developed the practice of having the borrowing authority for the federal government passed by order in council, in other words, by cabinet alone.

It was one of the promises made in the election platform of the Liberals to require the government to receive Parliament's approval on borrowing plans. Now, I approve of the effort, but basically burying this provision for the Borrowing Authority Act in the middle of a 400-page omnibus bill is not much accountability or as much focus on the section as we would have liked.

There's a section relating to the borrowing authority, proposed section 8 on page 68, that relates in general to the question of how we report back to Parliament about borrowing. As an effort to increase accountability when we have the three-year report to Parliament, my amendment says that the government should consult with the leaders of all parties in the House, and note, I have not used the word "recognized". There is no reason not to consult with leaders of parties whether it be the Green Party, the Bloc, or any other party,

every three years. The amendment I am proposing, which I hope people will consider, is an effort to have greater accountability. It's only a consultation. It's not a veto. It says:

the results of consultations held with representatives of every party in the House of Commons on the adequacy of borrowing authority Acts as a means of ensuring accountability to Parliament in respect of the Minister's borrowing authority.

In other words, it's an attempt to ask leaders of all parties in the House if this method we have just chosen is working well to ensure accountability, to bring back the fundamental notion that Parliament controls the public purse.

I would be grateful if members would seriously consider this. I can't see any reason for opposing a consultation with leaders of parties in the House about how this mechanism is working. I generally support the mechanism.

The Chair: The amendment is on the floor.

Mr. Albas.

Mr. Dan Albas: Just to get my thinking straight, you're asking for a read and review where the minister will report back in a certain amount of time.

Ms. Elizabeth May: We do have in the act now that the minister shall cause to be tabled in Parliament within three years of when this section comes into force.... The minister is already going to do that. What we're saying is that when the minister reports to the House on how these new reviews of borrowing authorities are working, one of the things the minister will report on is the consultations with other parties in the House.

There's no downside here, honestly. As I said, it doesn't give any party in the House a veto, but it does create more of a role for the leaders of parties in the House to speak to the question of whether we think this is working well. There's nothing more fundamental for Parliament to review than how much in debt we're getting as a government. It's an attempt to make sure that this section that we're passing today—I assume we'll pass it in Bill C-44—is responsive to how parliamentarians feel this is working.

• (1740)

The Chair: Could I ask a question, Elizabeth?

Ms. Elizabeth May: I think it's up to you if you can ask a question, and I think it's up to you if I can answer it.

The Chair: Well, I'm going to ask one anyway. Do consultations not occur by the debate in the House on a budget bill?

Ms. Elizabeth May: Not in the sense that the report of the minister would be on consultations held about the adequacy, about how the mechanism is working. With debates in the House, for one thing you don't always know that every leader in the House is going to have an opportunity to debate. When we have time allocation, as the leader of the Green Party I'm sometimes not able to get a speaking slot. I have to say debates in the House are not as useful a consultation mechanism as talking to each other outside of debate—how is this working; how could it be improved—and reporting on that to Parliament.

The Chair: Does anybody else want to raise a point?

Mr. Ron Liepert: I'd like a recorded vote.

(Amendment negatived: nays 5; yeas 4)

(Clause 103 agreed to on division)

The Chair: I don't see anything before me before part 4, division 4. Could we have consent to deal with clauses 104 to 112?

Some hon. members: Agreed.

(Clauses 104 to 112 inclusive agreed to on division)

(On clause 113)

The Chair: We're on division 4, Shared Services Canada Act, clause 113.

Mr. Deltell.

[*Translation*]

Mr. Gérard Deltell: Thank you, Mr. Chair.

This section concerns the Shared Services Canada Act. We understand that changes will be made regarding Shared Services Canada. This is perfectly legitimate in an omnibus bill. However, we're concerned about security issues. We don't have a problem with the government occasionally dealing with private businesses. We're either conservative or not conservative. However, there comes a time when the government must take precedence over everything, especially in terms of security. We think clauses 113 and 114—we'll likely have the chance to look at them later, but since they're before us, we can talk about them now—generate significant concerns about security.

We understand that, in today's world, we can't play around with this. We realize that people's concerns about security measures directly affect public services. Our war against terrorism is now multi-faceted. We're not immune to the potential consequences of dark forces that could undermine our public service. That's why we have concerns about clauses 113 and 114, which affect the Shared Services Canada Act.

[*English*]

The Chair: Are there any further comments?

Mr. Ron Liepert: I would like a recorded vote.

(Clause 113 agreed to: yeas 6; nays 3)

(On clause 114)

The Chair: Is there any discussion on it? Will we have a recorded vote on it as well?

Mr. Ouellette.

Mr. Robert-Falcon Ouellette: I'd like to say one final thing. We did have the opportunity to attend other committees. I went to the government operations committee and heard some of the testimony on Shared Services Canada and about many of the issues they've been facing. I think it's going to offer a greater level of flexibility to various departments to really ensure that this is a successful new ministry.

Shared Services Canada has had an awful lot of problems for five years and is an example of many of the problems that we are dealing with now and trying to clean up.

(Clause 114 agreed to: yeas 6; nays 3)

● (1745)

The Chair: Could we deal with clauses 115 through to 127? Does anybody have any problems with that?

(Clauses 115 to 127 inclusive agreed to on division)

(On clause 128)

The Chair: Thank you to the witnesses for coming forward.

We have an amendment, LIB-1. I would say first that if LIB-1 is adopted, the question cannot be put on NDP-1 due to line conflicts in the budget bill.

Who is moving this? Mr. Fergus.

[*Translation*]

Mr. Greg Fergus: Mr. Chair, the goal of my amendment is simply to ensure that the French version matches the English version. I move that clause 128 of Bill C-44 be amended by replacing lines 8 and 9 on page 78 of the French version with the following:

tant sur les politiques macroéconomiques et budgétaires — dans le but d'améliorer la qualité des débats parle-

That's what I want changed.

[*English*]

The Chair: Mr. Deltell.

[*Translation*]

Mr. Gérard Deltell: Thank you, Mr. Chair.

It's worrying how we end up losing our French. For the record, as we say in English, we'll support the amendment proposed by our colleague.

As you know, we don't agree with the entire bill. I don't think I'll surprise anyone by saying that we'll vote in favour of the amendment, but against clause 128.

Thank you.

Mr. Greg Fergus: You're sticking to your position.

[*English*]

The Chair: We're just—

[*Translation*]

Mr. Gérard Deltell: It happens.

[*English*]

The Chair: We're just such a place of compromise, Gérard.

Shall LIB-1 carry?

(Amendment agreed to on division [See *Minutes of Proceedings*])

The Chair: Due to the line conflict, NDP-1 is not going to be dealt with.

NDP-2 is an amendment to clause 128.

Mr. Dusseault, there's no need to read the amendment. Everybody has it. Do you want to go to the explanation?

[Translation]

Mr. Pierre-Luc Dusseault: Mr. Chair, I think the amendment is very important. I believe it reflects the spirit of other amendments. It would involve establishing an inclusive process for selecting the parliamentary budget officer. The process would require the participation of MPs from parties recognized in the House, to make sure the person has everyone's support, which obviously means multi-partisan support.

This amendment also specifies the qualities and skills required to hold the position, including the appropriate educational background and the expertise in federal budgeting and financial analysis. It would be a matter of simply inserting, directly into the legislation, certain eligibility conditions for holding this extremely important position.

The main goal is to make sure that the person will be selected following a consultation and that the person will have received the support of MPs in the House, unlike other recent appointments that have been somewhat called into question. We want to avoid similar situations when appointing a person to hold such an important position. It's a non-partisan position that should be considered as such at all times. We want to avoid dangerous situations, such as the case of a recent appointment to a commissioner position.

The goal is simply to provide a clear description, in the legislation, of the selection process and the qualifications needed to hold the position.

• (1750)

[English]

The Chair: Thank you, Mr. Dusseault.

Mr. Fergus.

[Translation]

Mr. Greg Fergus: Like all my colleagues here, in my own way, I'm very seriously considering the amendments proposed in the bill. The amendment I'll propose shortly has the same goal as the amendment proposed by my NDP colleague. However, it's simpler. That's why I'll vote against the amendment he proposes, for the benefit of the amendment I'll submit shortly.

[English]

The Chair: Mr. Dusseault.

[Translation]

Mr. Pierre-Luc Dusseault: I think my amendment is better than yours.

Voices: Oh, oh!

Mr. Pierre-Luc Dusseault: We could argue about this for a long time.

[English]

The Chair: Okay, we'll not have Ping-Pong.

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

The Chair: We turn now to amendment PV-4. I would make a comment here on PV-4. The vote on PV-4 applies to amendment PV-13 as they are consequential to each other. If PV-4 and PV-13 are adopted, amendments BQ-5 and NDP-12 cannot be moved due to

line conflicts in the bill. It's just a technical matter, according to the legislative clerk.

Amendment PV-4 is deemed moved. Does anybody want to speak to it?

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

The Chair: We turn now to amendment LIB-2.

Go ahead, Mr. Fergus.

[Translation]

Mr. Greg Fergus: Mr. Chair, as I just said, I think the amendment I'm proposing regarding the skills needed to hold the parliamentary budget officer position is very simple. Through the amendment, we want to ensure the person appointed has experience at both the federal and provincial levels when it comes to the budget process.

It's crystal clear.

[English]

The Chair: Mr. Dusseault.

[Translation]

Mr. Pierre-Luc Dusseault: I want to thank my colleague for his proposal, although it's insufficient compared to the NDP-2 amendment, which unfortunately was defeated. My colleague's amendment is too limited and narrow in scope. I must oppose it because it doesn't cover the objective I wanted to achieve through my own amendment, namely, the establishment of a selection process and the required qualifications. These items were much more detailed in my amendment. Obviously, my colleague's amendment is insufficient. I don't think we need to insert the sentence he's suggesting. We need to specify the skills required, as proposed by my amendment. My amendment also made the selection process much clearer. Even though my colleague's proposal is good, I don't think it adds anything necessary to the bill.

[English]

The Chair: Thank you.

Mr. Albas.

Mr. Dan Albas: Mr. Chair, I want to ask a question about the amendment itself. Given the experience of the proposed official languages commissioner, many people would say it's very much a partisan appointment. The amendment states:

The Parliamentary Budget Officer shall have demonstrated experience and expertise in federal or provincial budgeting.

There's no designation like a CPA or something to say that this person has a strong background in accounts and whatnot. Given that there is quite a bit of difference between public finances and a private corporation, this could easily leave the door open for someone who is a former minister provincially or even federally who has had some experience in provincial or federal budgeting.

Does the member anticipate that this could be interpreted as leaving it open for a partisan appointment vis-à-vis what we have seen happen with the—

• (1755)

[*Translation*]

Mr. Gérard Deltell: —Commissioner of Official Languages.

Mr. Dan Albas: Absolutely. It's the same situation as for the position of—

Mr. Gérard Deltell: —Commissioner of Official Languages.

Mr. Dan Albas: —Commissioner of Official Languages.

Thank you for the lesson.

Mr. Gérard Deltell: Congratulations on your use of French.

[*English*]

The Chair: If I may interrupt as chair—I know you're having a wonderful discussion—I thought you were talking about Mr. Liepert, a former minister, who might be eligible. Was that the discussion?

Mr. Dan Albas: Well, I think he'd be humbled to be asked, but I'll let him answer whether or not he'd be interested in the job.

The Chair: Okay.

Mr. Ouellette.

Mr. Robert-Falcon Ouellette: For me, it's very important that they do have experience with government. As parliamentarians, in the debate with the parliamentary budget office when they came to testify, we heard about the mission of the parliamentary budget office and who they serve. I think they need to have a profound understanding of how this place works—the parliamentary system, the House of Commons, and the Senate—and how they're supposed to help serve us so that we can hold the government to account.

When you read the bill, you can see that the government is still supposed to consult with the Governor in Council, the leader of the government in the Senate, the leader of the opposition in the Senate, and the leader of every caucus. It is still supposed to do that. That's not taking away from that level of consultation, but I think it's really important to note that if, for instance, we say it only has to be a CPA, at the end of the day, there may not be a chartered accountant who has an understanding of how Parliament works. Maybe in 10 years Dan or Ron Liepert might actually be an excellent choice for that position. Who's to say they won't be? Maybe they'll be able to understand how this place works, how you get something done, and how you provide that level of expertise.

Obviously this is done in consultation, and I don't think they're taking anything away from that.

The Chair: Mr. Albas.

Mr. Dan Albas: Mr. Chair, I do appreciate the member's intervention, but as you know, consultation means many different things to many different people. On the Conservative side, and I believe also the NDP side, we have highlighted that apparently the length of the consultation on the official languages commissioner was a letter saying that this is who it is, someone who donated and supported the Prime Minister in both his leadership and his election. This is coming from a former Liberal cabinet minister.

To the officials here, in your opinion would a former federal or provincial minister of finance have demonstrated experience and expertise in federal or provincial budgeting?

The Chair: Mr. Sutherland or Mr. Booth.

Mr. Allen Sutherland (Assistant Secretary, Machinery of Government, Privy Council Office): Thank you for the question, Mr. Chair.

In a very narrow sense, yes they would. I would say, though, that the question before you is whether to put it in legislation. Certainly, as a competition is set up for a future PBO, the sorts of considerations around educational experience could be something that would be written into the job application.

Mr. Dan Albas: To me, the wording that the parliamentary budget officer “shall” means that the person absolutely has demonstrated experience and expertise in federal or provincial budgeting. That's going to be in law. Is that correct? Someone might say that the person has served provincially, and they may have even served with distinction and honour, but by the same token, that could potentially lead to the same kind of contention with the opposition parties that it is a partisan figure.

I'm not going to be voting in favour of this. I think the member is probably well intentioned, but at the same time, you can drive a bulldozer through this and make a partisan appointment to what should be a position that serves both Houses with integrity. To allow someone with a partisan background may call the whole exercise into question, Mr. Chair, so I will be voting no.

• (1800)

The Chair: Is there any further discussion?

We'll go with Mr. Dusseault first, and then Ms. O'Connell.

[*Translation*]

Mr. Pierre-Luc Dusseault: The last thing we want is for the parliamentary budget officer to be selected following an appointment such as the one made in the Commissioner of Official Languages' case.

While the intention is good, the amendment doesn't go far enough to reassure parliamentarians that the appointment would be completely non partisan. It's by far the last position for which we would want the person selected to not have the support of parliamentarians.

[*English*]

The Chair: Ms. O'Connell, and then Mr. Fergus.

Ms. Jennifer O'Connell (Pickering—Uxbridge, Lib.): Mr. Chair, while I understand the concerns being raised, I find there's some hypocrisy after 10 years without a clause like this and partisan appointments being made without blinking an eye.

What's important here is we heard testimony that whoever is selected and then considered by the House and the Senate, and ultimately appointed, have experience in government budgets, provincial or federal. That does not automatically mean that the person is a former minister, as my colleagues across the way would like to paint the picture. This gets down to the fundamental point of experience. We heard testimony that this skill set needs to have the type of experience of government budgets and budgeting. I don't see that as an automatic partisan appointment, although that might have been the practice of the past. I have confidence that this—

Mr. Gérard Deltell: [*Inaudible—Editor*]

Ms. Jennifer O'Connell: —is moving in the right direction to deal with experience, and there is still the accountability left up to parliamentarians and the Senate.

The Chair: Mr. Ferguson, and then Mr. Deltell.

[*Translation*]

Mr. Greg Ferguson: I'm very reluctantly giving the floor to my colleague, because I think we've discussed this subject enough.

I think the government's intentions, through this bill, clause and amendment, are very clear. We want to emphasize experience when it comes to the budget process. I can't rely on the goodwill of whichever government is in power and the parliamentarians. They must take their responsibilities very seriously to make sure to recruit the best candidate possible.

[*English*]

The Chair: Mr. Deltell will be the last round.

Mr. Gérard Deltell: Thank you, Chair.

I have two observations to make.

Madam O'Connell raised that maybe at other times we had some partisan nominations. Well, let me remind you it was not so long ago, just a few weeks ago, that the government made a nomination for the official languages commissioner, someone who is clearly a Liberal. Being a Liberal is not a problem, but when you add that kind of stuff, this is a problem.

[*Translation*]

My second point is related to my personal experience. I was a journalist for 20 years. When I decided to run for office in 2008, I knew my work as a journalist was over and that I could never be a journalist again.

[*English*]

When sometimes we engage in political action, which is great, we know that we are shutting the door to some other jobs. This one is clearly a job that is deserved by someone who has no political link at all, as a journalist should be. When I started to run, I knew it was the end of my career as a journalist and that I would do something else. Well, that's exactly what we're talking about here. If someone wants to table his candidacy for this job, there should be no political link at all, like it should be for the *commissaire aux langues officielles*, which is not the case now, by the Liberal nomination of a Liberal friend.

[*Translation*]

Everyone recognizes that Ms. Meilleur is the best Liberal available.

• (1805)

[*English*]

The Chair: We're not going to get into previous appointments any further. That point has been made.

On the amendment itself, Mr. Albas.

Mr. Dan Albas: Okay.

On the point, Mr. Chair, this goes back to my earlier contention that this is not the right process. These kinds of amendments....

When Mr. Page came as a witness, even he said there was not sufficient time to analyze this. The Liberals have brought forward amendments that clearly do not pass the test here, given their current conduct with other ones.

I'm going to be voting against this, because this is not the right amendment, but it's also the wrong process for something so important to both Houses.

The Chair: All right, we've had a fairly lengthy discussion on LIB-2.

Shall the amendment carry?

Mr. Gérard Deltell: I would like a recorded vote.

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

The Chair: We'll take a 15-minute break to stretch our legs, a health break I guess we'll call it.

We'll suspend for 15 minutes.

• (1805)

_____ (Pause) _____

• (1830)

The Chair: Welcome back, all.

We will start on page 79 of the bill with amendment NDP-3.

Mr. Dusseault, are you ready to roll?

[*Translation*]

Mr. Pierre-Luc Dusseault: Thank you, Mr. Chair.

I would like my colleagues' attention. This amendment is extremely important. It seeks to resolve what I consider a very important issue, in other words, the remuneration and expenses of the parliamentary budget officer.

First, could the witnesses tell us whether they considered this? According to the bill, the remuneration and expenses will be set by the Governor in Council. Could we have an idea of the salary the Governor in Council is considering? Has this already been determined? Has a range been established for the parliamentary budget officer's salary? I imagine it will look like the current officer's salary.

[*English*]

Mr. Allen Sutherland: Mr. Chair, typically what happens is, once the bill has passed, as part of the development of the merit criteria for the position, an assessment is made based on the complexity of the job, so I can't give you an exact range for the PBO. Sometimes it depends on who the successful candidate is, but primarily it depends on the assessment of the complexity of the job. This is done by HR professionals. I think you can expect that it will be an increase on what the PBO currently makes because he is not a deputy head, but I couldn't give you the exact figure.

[*Translation*]

Mr. Pierre-Luc Dusseault: The bill clearly states that the salary is determined by the Governor in Council. Who is the Governor in Council? It's the government, cabinet and ministers.

My amendment seeks to completely remove the power of the Governor in Council, meaning the ministers, to determine the parliamentary budget officer's salary. The goal is to once again ensure the clear independence of the parliamentary budget officer. The officer's salary will be consistent with the salary range of an assistant deputy minister. This set range can be verified in the public tables.

This will promote transparency with respect to the parliamentary budget officer's salary and will ensure there's no political interference when determining the salary. This will ensure a form of independence with regard to the salary. If the salary were determined by the Governor in Council, it could constitute a form of power. Government employees could be influenced or even intimidated.

This change is very practical and would not lead to a major change in the salary itself. I hope my colleagues will be wise enough to support this amendment, which seeks to remove the political aspect when it comes to determining the parliamentary budget officer's salary.

● (1835)

[English]

The Chair: Mr. Ouellette, and then Ms. O'Connell.

Mr. Robert-Falcon Ouellette: Thank you, Mr. Chair.

[Translation]

I want Mr. Dusseault to shed more light on this. Are the salaries of any other officers of Parliament determined or prescribed by legislation?

Maybe the witnesses could also shed more light on this.

[English]

Mr. Don Booth (Director, Strategic Policy, Privy Council Office): I'm not aware of any examples where remuneration ratio levels are specifically set. They tend to be set generally at deputy head level to be determined by the Governor in Council, and there are ranges the Governor in Council uses based on complexity, various HR requirements, and comparability with other jobs.

Mr. Robert-Falcon Ouellette: Also, I suspect it is probably the experience level and the desirability of that individual coming into that position.

Mr. Don Booth: It's all within a range. There is a variety of different factors such as that, but it tends to be set to be comparable to other jobs, say to other agents of Parliament or other GIC appointees.

The Chair: Ms. O'Connell.

Ms. Jennifer O'Connell: Mr. Chair, while I think I understand the intention of the mover of this amendment, I do have concerns. I won't be supporting this amendment because these types of remuneration levels are not usually set in legislation, as has been said. I think the argument that the government could then use this as a mode of intimidation is frankly a stretch, to say the least, because when someone is hired for the position, they are hired knowing the details of the contract, and so on. To suggest that if the PBO had an opinion that the government didn't like, they would then cut their expenses or cut their salary, this amendment would not deal with

those types of issues. That would be an issue for Parliament to take on.

Off the top of my head, I can't think of any time when specific salaries have been set in legislation, especially at the official level, at arm's-length from politicians. As for judges, the rationale behind establishing judicial salaries is to ensure there is not undue influence from outside members. Also, the Senate salaries are fixed in legislation to keep a balance between parliamentarians and the Senate. That was established to keep those levels, but they're based on ranges, as was said earlier.

I can't support this amendment, because the rationale behind it is not quite there. I don't think the justification to break away from the norm has been made well enough, with all due respect to my colleague.

● (1840)

The Chair: Mr. Albas, and then Mr. Dusseault will have the last word.

Mr. Dan Albas: I'll just say again that the reason it is that way for judges is that it's in the Constitution. It's actually in law that they will be compensated by the federal government, but there has been an accommodation, obviously, over the years, where there is a quadrennial review, and it's evaluated by someone outside of government. They make recommendations in order to make sure there is not undue political influence. Also, if you look at the way senators are paid, I believe it's 25% less than members of Parliament. You wouldn't think that the Liberals would be opposed to sticking a price in legislation, because in fact they're already doing that with escalating excise tax and CPI increases.

I think we should be supporting this, simply because the more independent we can make the office of the PBO, the better. This really does take that away. Then, when someone signs up for it, they know going into it what the pay is, and there is a certain amount of respect that comes along with that. While I do not find this process of constantly having to change the government's own BIA, it just shows me that this was not the proper process. This should have been done in a single bill.

Mr. Chair, I want to reiterate my concern that with these new changes we are setting this up for partisan influence, whether it be allowing a former finance minister or a minister of the crown provincially or federally to take the office, or by now allowing pay to be at the discretion of the government of the day.

I just think that if we really want to make the office independent, more thought and study needs to be done rather than the two hours of witness testimony that we had coupled with the time we have at clause-by-clause consideration.

I'm not going to make mention of anything to the officials, other than just to thank them for being here today. We appreciate your expertise.

The Chair: Mr. Dusseault has the last word on this one.

I would remind people we are on amendments to clause 128 and we have 457 clauses to do.

Mr. Dusseault.

[Translation]

Mr. Pierre-Luc Dusseault: Thank you.

My colleague on the other side of the table said what I wanted to say. This is a distinct position that is in a category of its own. And so the usual salary standards should be applied to it.

The salaries of judges are set by law because we want to ensure their independence. If there is a position that requires similar independence, I think it is indeed that of the parliamentary budget officer. It falls into that category.

The point is not to apply this formula to all other parliamentary officers. It is to ensure the independence of the parliamentary budget officer, given the nature of that position.

My colleague made some points that support my argument.

[English]

The Chair: Mr. Ouellette, will make the very final point.

Mr. Robert-Falcon Ouellette: I promise it's a tiny point.

How do you actually determine that it should be an associate deputy minister's salary? When we heard the judges and they came to do the implementation, we questioned the officials about the salary of a judge. They said the salary necessary to ensure a judge has absolute independence is \$315,000 to \$400,000, depending on their level and where they sit. How do we actually determine that it should be an associate deputy minister, not a deputy minister? How do we set out that criteria? That's the question.

We're about to set this in legislation so I think for the moment what we really need to do is to ensure that we have the opportunity of allowing the government to make that decision on how they make it with other officers because we haven't seen that in other legislation. If it's good for the Auditor General, I don't see why it's not good enough for the parliamentary budget officer.

The Chair: Mr. Albas.

Mr. Dan Albas: There is actually a guidance that is widely available. You can actually find out what an associate deputy minister makes or how the position is paid within the GX salary range. These things are on the Internet and there is a range between a start point and an end point for an associate deputy minister. This is already established and is used as criteria by the Government of Canada. What Mr. Dusseault is suggesting is to use a system that's already been used. I would suggest there is probably sufficient framework.

If the member wants to explore this more, maybe he could suggest to his government that we stop this end of the bill and we go back to a full process, maybe even start with a special committee of both Houses. Then the committee can take the time to get it right the first time.

• (1845)

The Chair: Okay, this is the last point.

Mr. Dusseault.

[Translation]

Mr. Pierre-Luc Dusseault: My question was addressed to the witnesses.

If my amendment is defeated—and I fear that may happen, but I still have hope—and the clause remains as it is, will his salary be made public, nevertheless? Will we know which scale or range will be used to determine it? Can you enlighten us on that?

[English]

Mr. Don Booth: The PBO? Yes. The order in council that would appoint the individual would have the salary range associated with it.

Mr. Allen Sutherland: Anyone taking the job would know the salary they'd be receiving ahead of time because the comparable will have been done with other officers of Parliament.

The Chair: Mr. Albas.

Mr. Dan Albas: There's also a committee that actually reviews that on a regular basis that's independent from government so to speak. They do an assessment to make sure that we have good retention in the public service. Is that correct?

Mr. Don Booth: Yes, that is my understanding.

Mr. Dan Albas: It's a well-proven system, is it not?

Mr. Don Booth: The GIC, the system...?

Mr. Dan Albas: The current system of having the pay range and where it's reviewed.

Mr. Don Booth: Yes, it's a well-established system. It's been in place for a long time.

Mr. Dan Albas: Thank you.

The Chair: Shall amendment NDP-3 carry?

Mr. Pierre-Luc Dusseault: I would like a recorded vote, please.

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

The Chair: Turning now to NDP-4, there's a technical point. If NDP-4 is adopted, the question cannot be put on amendment LIB-3 due to line conflicts. The vote on NDP-4 applies to NDP-7 as they are consequential to each other. If adopted, the question cannot be put on Green Party amendment PV-5 due to line conflicts with NDP-7. Those are the technicalities around this amendment.

Mr. Dusseault, on amendment NDP-4.

[Translation]

Mr. Pierre-Luc Dusseault: The amendment would, in fact, eliminate a reference to proposed clause 79.12, in line 6, which concerns the authority of the Speaker of the House of Commons and of the Senate. In proposed clause 79.11, there is a reference to proposed clause 79.12. The purpose of the amendment is quite simply to delete that reference, which as you know indicates that the parliamentary budget officer is under the stewardship of the Speakers of the two Houses.

[English]

The Chair: Mr. Fergus.

[Translation]

Mr. Greg Fergus: Once again, I think that the objective is commendable, but the next proposal I am going to make is directly aligned with what the parliamentary budget officer asked us to do when he testified two weeks ago. That is why I am going to vote against this amendment. I hope my honourable colleague will support my motion, which is directly in keeping with the wishes of the parliamentary budget officer.

[English]

The Chair: Mr. Dusseault.

[Translation]

Mr. Pierre-Luc Dusseault: Yes, we agree on that point. Amendment NDP-4 is almost identical, word for word, to amendment LIB-3. It also proposes that lines 12 to 25 on page 80 be deleted, which I am also proposing, but in a subsequent amendment.

We can fight over who will be able to say that his amendment was passed rather than the other's.

Mr. Greg Fergus: I'm sorry.

Mr. Pierre-Luc Dusseault: This amendment will have the same effect as the one my colleague will be proposing later. If he wants to play this game and be able to state that he is better and managed to get his amendments passed as opposed to me, we can do that, that suits me, but I think that Canadians will be able to see what game we are playing.

• (1850)

[English]

The Chair: Is there any further discussion on NDP-4?

(Amendment NDP-4 negatived [See *Minutes of Proceedings*])

The Chair: We will turn to amendment LIB-3.

[Translation]

Mr. Greg Fergus: Mr. Chair, I think this is very timely, for the reasons I've just mentioned. This amendment is directly in keeping with the wishes of the parliamentary budget officer. He would no longer be under the stewardship of the Speakers of the two Houses, and not only for his work plan. He would inform the Speakers of it. This work plan would be tabled but it would no longer be necessary to obtain the approval of the two Speakers before the parliamentary budget officer could continue his work.

[English]

The Chair: Is there any further discussion?

Mr. Robert-Falcon Ouellette: I would just like to mention that I still believe at the fundamental level that the parliamentary budget officer actually should be responsible and should be accountable to parliamentarians. I understand we want independence for him or her, but I don't think we've come up with a perfect mechanism where we actually ensure that at the end of the day, he or she is accountable to parliamentarians so we can hold the government to account. It's not for the parliamentary budget officer to be holding the government to account for us. It's his or her job to help us hold the government to account.

(Amendment LIB-3 agreed to on division [See *Minutes of Proceedings*])

The Chair: We're now on amendment NDP-5.

Mr. Dusseault.

[Translation]

Mr. Pierre-Luc Dusseault: This is meant to be a clarification, once again. There could be a problematic situation where the parliamentary budget officer would hold more than one office.

I could read it in English:

[English]

The Parliamentary Budget Officer shall perform the duties of the office on a full-time basis and shall not hold any other office or engage in any other employment for reward.

[Translation]

I think that this amendment is straightforward. It specifies that this is a full-time job and that it will not be tolerated that a parliamentary budget officer hold other offices.

I think that is reasonable. I can't see how anyone could object to that. And so, I hope that my colleagues will support me, so that we may include this measure in the bill and make it clear for everyone; while working full-time you cannot occupy more than one position.

[English]

The Chair: Is there any further discussion?

Mr. Albas.

Mr. Dan Albas: I have a question for the officials.

Is the parliamentary budget officer right now considered a public office holder?

Mr. Don Booth: As a Governor in Council appointee, yes, he would be a public office holder for the purpose of the Conflict of Interest Act, although he's not a reporting public office holder currently.

Mr. Dan Albas: As a public office holder, though, he is forbidden from being able to be lawfully employed. Is that correct?

Mr. Don Booth: Yes.

Mr. Dan Albas: In this case, then, the amendment is not valid, because it is already covered by the limits of a public office holder. Is that correct?

Mr. Don Booth: That is my understanding. Certainly he could not be employed doing anything that could be conceived as a conflict. I would have to check the Conflict of Interest Act to definitively say that it completely bars external employment, but I'm fairly certain it does.

Mr. Dan Albas: I'm pretty sure as a public office holder, you cannot draw income from anyone else.

Thank you.

The Chair: Do you want in again, Mr. Dusseault?

[Translation]

Mr. Pierre-Luc Dusseault: No.

[English]

The Chair: All those in favour of amendment NDP-5?

(Amendment negated)

The Chair: On amendment NDP-6, go ahead, Mr. Dusseault.

[Translation]

Mr. Pierre-Luc Dusseault: Amendment NDP-6, in line 7 on page 80, refers to submitting the draft estimates to the Speakers.

The bill states that:

(9) These estimates are to be considered by the Speakers of the Senate and House of Commons, and then transmitted to the president of the Treasury Board, who must table the estimates in the House of Commons along with the estimates of the government for that fiscal year.

It simply states that the estimates are submitted to the Speaker of the Senate and of the House of Commons and then transmitted to the president of the Treasury Board. We want to replace the word “considered” with “submitted” in order to remove a certain influence that could be exercised by the two Speakers that of the House of that of the Senate over the budget of the parliamentary budget officer, in this case, and over the expenses planned for the upcoming fiscal year. And so rather than referring to the consideration of the estimates, we speak here about submitting them.

•(1855)

[English]

The Chair: Mr. Albas.

Mr. Dan Albas: I have a question for the officials.

What happens right now with different officers or agents of Parliament? Do they submit it to the Speaker and then it is conveyed to the President of the Treasury Board? Is this a similar arrangement to that?

Mr. Allen Sutherland: I'm not sure.

Mr. Don Booth: Do you mean for the other agents...other officers of the Library of Parliament and the COI Act?

Mr. Dan Albas: Could you give us other examples? Is this a similar mechanism or is there another way to do it?

Mr. Don Booth: It's my understanding that the officers would provide it to the Speakers for their consideration and approval, and then it would be submitted. It would be submitted to Treasury Board, which would not approve it but would act as a sort of conduit with the estimates, as opposed to the agents of Parliament, who are schedule I.1 entities in the FAA, which involves more of an actual approval process.

Mr. Dan Albas: Clearly in this case, this is being used for other similar offices. Is that correct?

Mr. Don Booth: Certainly I think the expectation now is that, say, the Library of Parliament, would submit its estimates to the Speakers to be approved and then sent off. This would remove that approval function and basically it would be sent to them either as a mailbox or for a discussion, but to be passed.

It's more independent than is currently the case with the Library of Parliament.

Mr. Dan Albas: Okay. I'm open to hearing more from the member proposing this, because I'm just trying to think about whether or not this would actually be an improvement.

The Chair: Go ahead, Mr. Dusseault.

[Translation]

Mr. Pierre-Luc Dusseault: I can confirm to my colleague that this is indeed a step in the right direction to ensure independence.

It is a rather limited change which involves the wording; rather than “considered”, we speak of “submitting”. The objective is to ensure independence in the law and specify that the parliamentary budget officer is not subject to the influence or discretion of the Speakers of the House and Senate with regard to this budget and the way in which he presents his expenses to the Treasury Board of Canada for the next fiscal year.

[English]

The Chair: Mr. Albas.

Mr. Dan Albas: Mr. Chair, I just want it put on the record that I certainly understand where the member is coming from. The challenge you run into, though, is what the mechanism is to ensure that it's not just a blank cheque.

I certainly do understand the point that, for example, the Chief Electoral Officer can draw on the general revenue fund; however, that is a very extreme situation.

Mr. Allen Sutherland: Yes.

Mr. Dan Albas: Good governance usually means that you have someone who is acting as a quasi-challenger. In this case, would Treasury Board view this as Treasury Board pushing back and saying that they think your back office expenses are higher or whatnot? Do you feel that this would impede the independence of the officer? The office itself does exist within an institution, and the institution, like all institutions, has budgetary constraints.

There is a good governance rationale for saying that we should have someone that challenges or checks your work to ensure money is being spent in an accountable way. I'm open to hearing some sort of idea of how it can be done otherwise under the system.

•(1900)

The Chair: Mr. Sutherland, did you want in?

Mr. Allen Sutherland: Yes. First of all, “submitted” is no bar at all, right? You submit. It just simply gets transferred. As Mr. Booth explained, that's literally a mailbox. “Considered” is a slightly higher standard, which I think is what Mr. Albas was getting towards.

Typically in this situation, the Treasury Board would not review the content of it, so you have to examine whether or not financial due diligence would be placed at any point in the system. “Considered” is a lighter bar. I just want to assure Mr. Dusseault that “considered” is not “approved”. But it is considered. It is examined. There's a slight nuance between the two, but I would argue that what you're aiming for is that you want reasonableness, and “considered” helps you get to that stage.

The Chair: We will go to the question on NDP-6.

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

The Chair: Amendment NDP-7 is consequential to NDP-4. NDP-4 is lost, so we'll not consider NDP-7.

On amendment PV-5, we have Ms. May.

Ms. Elizabeth May: Mr. Chair, this amendment goes to the issue that I think has been raised quite a lot. Members are familiar with the concerns of the parliamentary budget office and officer that the sections of this act that relate to the parliamentary budget office have put the independence of the office much more in doubt than we had expected of this new government.

My amendment deals with the administrative control of the PBO and seeks to reduce the administrative control of the PBO by the Speakers of the Houses of Parliament. I propose deleting lines 12 to 25, as they're found at page 80 under proposed subsections 79.12(1) and 79.12(2), to increase the independence of the PBO. The PBO itself in their brief described what would happen if you were looking at a specific project and there was a spending threshold you really needed to access in terms of the ability to buy data and models. Even having administrative control of spending powers over the PBO by the Speakers is an intrusion into the independence of the parliamentary budget office as an independent officer of Parliament.

The Chair: Mr. Dusseault.

[*Translation*]

Mr. Pierre-Luc Dusseault: I want to make sure of one thing. Have we not already voted on this? Point (b) of amendment LIB-3 was similar to this. Am I mistaken?

[*English*]

The Chair: This is similar, Mr. Dusseault, but it's not identical, so it can be considered.

[*Translation*]

Mr. Pierre-Luc Dusseault: Fine.

[*English*]

The Chair: Is there any further discussion on PV-5?

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

The Chair: On amendment PV-6, there's just a technical point, Ms. May. If PV-6 is adopted, the questions on NDP-8, PV-7, BQ-1, NDP-9, LIB-5, and LIB-4 cannot be put due to line conflicts.

On amendment PV-6, the floor is yours.

Ms. Elizabeth May: Mr. Chair, this is again dealing with the issue of intrusions on the independence of the parliamentary budget office. I know and really welcome that there are government amendments that will deal with some of this, but the issue is on work plans confining what the PBO can do based on the approval of a work plan.

[*Translation*]

Amendment PV-6 proposes to eliminate the idea of a work plan.

[*English*]

This is consistent with what we've seen in countries around the world. The U.S. Congressional Budget Office doesn't have a work plan. We don't need to confine the parliamentary budget officer to a

work plan. Events can emerge in a fluid fashion over the course of a fiscal year where you would want the parliamentary budget officer to have the capacity to respond to exigencies, such as a natural disaster. The parliamentary budget office brief itself refers to the risk of something unanticipated occurring. You can't anticipate everything in a work plan. You want your PBO to be able to respond and prepare for the House and the Senate the economic consequences of various things. They might be foreseeable, but they might not be the kinds of things you put in a work plan.

My amendment, if it passes, would eliminate the work plan altogether.

• (1905)

The Chair: Is there any further discussion?

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

The Chair: We'll move on to NDP-8. Technically, Pierre, if NDP-8 is adopted, the question on PV-7 cannot be put due to line conflicts in the bill.

Go ahead.

[*Translation*]

Mr. Pierre-Luc Dusseault: Thank you, Mr. Chair.

The amendment would replace line 39 on page 80 in order to emphasize the discretion of the parliamentary budget officer and his independence. It is a recurrent topic but once again this amendment aims to remove the consultation role of the Speakers of the Houses regarding the PBO. This can be found at the end of page 80 under the heading "Annual workplan". If the amendment were adopted, the clause would read as follows:

[...] finances or economy or to the estimates or priorities of the government that, in the parliamentary budget officer's opinion, should be brought to the attention [...]

The objective is to broaden his mandate and clarify it with regard to the annual work plan.

[*English*]

The Chair: Is there any discussion on NDP-8?

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

The Chair: We're turning to PV-7.

A technical point on this is that if PV-7 is adopted, questions on BQ-1, NDP-9, LIB-5, and LIB-4 cannot be put due to line conflicts.

Ms. May, the floor is yours.

Ms. Elizabeth May: Mr. Chair, certainly, we are coming to a clustering of amendments because this has been such a high-profile issue of deficiencies in the bill as it came at first reading.

I reiterate—although I haven't had a chance to say it around this table—that it would have been preferable if the changes with respect to the parliamentary budget officer had not been part of an omnibus bill so they could be studied more carefully.

In any case, this Green Party amendment, PV-7, is trying to deal again with this problem of the work plan and confining the PBO's independence in this way. Amendment PV-7 deletes the lines that require that the work plan be approved by the Speakers of the House and the Senate. By removing that approval, which is found in proposed section 79.12, and specifically by replacing line 40—it continues, by the way, from page 80 to page 81—it ensures the independence of the parliamentary budget officer, at least in determining their own work plan, without approval from the Speakers' offices.

The Chair: People have heard the point. Is there any further discussion?

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

The Chair: We're turning to BQ-1.

I have a technical point. If BQ-1 is adopted, the questions on NDP-9, LIB-5, and LIB-4 cannot be put.

The floor is yours, Mr. Ste-Marie.

[*Translation*]

Mr. Gabriel Ste-Marie (Joliette, BQ): Thank you, Mr. Chair.

I will be brief. I want to announce that I'm going to withdraw BQ-1. I am also going to withdraw amendments BQ-2 and BQ-5, since as you just pointed out regarding amendment BQ-1, there are other amendments that contain redundancies. And so I am withdrawing amendments BQ-1, BQ-2 and BQ-5.

I will explain amendments BQ-3 and BQ-4 jointly when the time comes, since they are about the same subject.

Thank you.

[*English*]

The Chair: That is fine. Thank you for that, Mr. Ste-Marie.

On NDP-9, Mr. Dusseault.

I have a technical point here. If NDP-9 is adopted, questions on LIB-5 and LIB-4 cannot be put.

Mr. Dusseault, the floor is yours.

• (1910)

[*Translation*]

Mr. Pierre-Luc Dusseault: Thank you, Mr. Chair.

We are now at the paragraph entitled “Approval” on page 81. This is one of the most debated provisions; it refers to the approval of the work plan by the Speakers of the two Houses of Parliament. As the members of the committee can see in their packages, our objective is to replace this provision with three distinct paragraphs stating that the PBO establishes a work plan which is updated to take into account any changes that might occur in the finances or economy of the country.

And so, we are not talking here about approval by the Speakers of the two Houses. We say, rather, that the parliamentary budget officer will transmit his work plan to the Speakers of the two Houses in order that it may be tabled before each House. Afterwards, the process is similar to what other officers of Parliament do when they

table annual reports in Parliament. We are talking here about a work plan, but the process would be similar to what is already being done.

Once the work plan has been tabled before the Houses, it would be made public, probably on the Internet. In this way, Canadians, parliamentarians and everyone could see the work plan of the parliamentary budget officer for the year to come. It is not a major change. Or rather, yes, in fact it is: we are still talking about a work plan, but we are completely removing the obligation that it be approved by the Speakers of the two Houses. As we saw in debates here at the committee and in debates at the House of Commons, it is a factor that seriously limits his independence.

The NDP thus proposes to solve this problem by giving the PBO the opportunity to prepare a work plan, to table it before the two Houses, and to publish it without the requirement of having it approved by anyone. He is independent, he does what he likes and all he has to do is table his work plan every year before Parliament.

I hope my colleagues will support this sensible amendment which responds to some serious criticism made by the opposition as well as by the experts, the parliamentary budget officer himself, and the former parliamentary budget officer. Anyone who has looked at this file closely has said the same thing, and our amendment is a response to that criticism.

And so I hope that I will have the support of all my colleagues around this table.

[*English*]

The Chair: Is there any further discussion on NDP-9?

An hon. member: I would like a recorded vote.

(Amendment negated: nays 8; yeas 1 [See *Minutes of Proceedings*])

The Chair: On amendment LIB-4, I would mention that if LIB-4 is adopted, the question on LIB-5 cannot be put unless there is a change. I understand that a change is being made.

Do you want to explain it, Ms. O'Connell?

Ms. Jennifer O'Connell: I'm going to start with LIB-4, and then I can make the change when I introduce LIB-5, if that's okay.

The Chair: Okay.

Ms. Jennifer O'Connell: Amendment LIB-4 deals with exactly what Ms. May's amendment, as well as Mr. Dusseault's amendment, proposed doing. It would ensure that the work plan is flexible to allow for unforeseen circumstances to be addressed. It also addresses the concerns around the approval of the said work plans by the Speakers, by simply saying that the work plans will be submitted for the Speakers to table in both Houses, which has been the case. I think it's important to ensure that the work plan is meeting the needs of both Houses. That's what these previous amendments really spoke to, and I think this amendment addresses some of the concerns we've heard on the previous amendments.

The Chair: Mr. Albas.

Mr. Dan Albas: I used to be on the Standing Joint Committee for the Scrutiny of Regulations, and one of the things Mr. Peter Bernhardt used to say all the time—I'm sure some justice drafters may not want to hear this—even the term “as required”.... Obviously you wouldn't be tabling a work plan or changing a work plan if it wasn't required. It's just nothing. I don't think that kind of stuff is well-drafted legislation.

I'll just leave it there, Mr. Chair.

• (1915)

The Chair: Is there any further discussion?

Ms. Jennifer O'Connell: I would like a recorded vote, please.

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

The Chair: Now we go to LIB-5 with a change.

Ms. Jennifer O'Connell: Mr. Chair, I know I don't need to read the amendment because it's in front of us, but I'll be moving this without the part (a).

The Chair: You need to read it in its final form. Part (a) will be deleted, and read what will be left.

Ms. Jennifer O'Connell: It would read, that Bill C-44 in clause 128 be amended by replacing lines 38 and 39 on page 81 with the following:

that are listed in an annual work plan;

The Chair: Do you want to explain that, Ms. O'Connell?

Ms. Jennifer O'Connell: This is with respect to the issues we heard in regard to removing the requirement for the work plan to be approved by the Speakers rather than simply submitted.

The reason I'm not moving item (a) is to make it consistent with amendment LIB-4.

The Chair: Okay.

Mr. Albas.

Mr. Dan Albas: We have an amendment to the amendment so we won't be voting in favour of that. We don't think this process is the right way, and this is a hasty backtracking by the government. We certainly wish they had presented it through a proper process, Mr. Chair.

The Chair: Is there any further debate or discussion?

Ms. Jennifer O'Connell: I will ask for a recorded vote.

(Amendment as amended agreed to: yeas 5; nays 4)

The Chair: We move to NDP-10. Technically, if NDP-10 is adopted, the questions on PV-8, BQ-2, which was removed, PV-9, PV-10, and LIB-6 cannot be put.

Mr. Dusseault.

[*Translation*]

Mr. Pierre-Luc Dusseault: I would however, as did my colleague Ms. O'Connell, slightly amend amendment NDP-10.

On the second page of the amendment, that is to say on page 24 of the document containing all of the amendments, reference is made to the “financial cost of any proposal that relates to a matter over which

Parliament has jurisdiction.” We would replace the words “financial cost” with the words “economic or distributive impacts.”

[*English*]

The Chair: Pierre, do you have that in writing or could you repeat it?

Do you want to explain that, Mr. Dusseault?

[*Translation*]

Mr. Pierre-Luc Dusseault: Yes, Mr. Chair.

The amendment is to page 81 of Bill C-44.

First of all, the amendment defines the mandate of the parliamentary budget officer, who will be able to provide, on his or her own initiative, independent analyses of the topics mentioned previously.

In addition, the amendment states that the reports are not an exhaustive list and that the PBO may prepare other types of reports.

The amendment also removes a provision which alluded to the approval of the Speakers of the two Houses, a change that is extremely important to us.

The amendment also specifies that members may directly submit to the PBO requests on the financial cost of any proposal that relates to any matter over which Parliament has jurisdiction, rather than strictly requests concerning measures the member is considering submitting to the House or the Senate.

It was made clear in discussions with witnesses that appeared before this committee that because of the wording of Bill C-44 with regard to the changes concerning the position of parliamentary budget officer, it would be more difficult for members and senators to submit requests to him regarding studies or cost assessments. Amendment NDP-10 resolves this problem. Indeed, the wording of the bill is an issue, since it limits the power of MPs and senators—senators must be included in the conversation—to submit requests to the PBO. The problem has been pointed out. This amendment aims to ensure that parliamentarians may make requests on any topic they have in mind without this being necessarily directly related to a measure they intend to propose.

With regard to my friendly amendment, I repeated the statements the PBO himself made in his draft bill.

I hope to obtain the support of my colleagues so that the mandate of the PBO can be broadened as much as possible, and so that members and senators may submit requests to him on a range of topics. The idea here is to not limit the requests members and senators could submit to him.

• (1920)

[*English*]

The Chair: Okay, you've heard the proposal. The wording change that Mr. Dusseault stated is in order.

Is there any further discussion?

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

The Chair: We will turn to amendment PV-8, Ms. May.

Ms. Elizabeth May: Mr. Chair, this amendment deals with the question of how much this piece of legislation wants to tie the hands of the parliamentary budget officer in terms of looking at things that parliamentarians have a right to know. The way the mandate is currently structured, it says that the parliamentary budget officer may prepare reports—that sounds discretionary—but then the list of the kinds of topics on which the parliamentary budget officer may comment is quite limited: the budget, an economic or fiscal update, a fiscal sustainability report, or estimates.

Mr. Chair, you will recall how important it was in the 41st Parliament when the parliamentary budget officer wrote up a report on what the F-35s were really going to cost. That doesn't fall under any of those categories of a budget, an economic or fiscal update, a sustainability report, or the estimates.

Diving into an area that parliamentarians need to know about is something we want the parliamentary budget officer to be able to do, so my amendment changes it from being an exclusive list, “(i) to (iv)”, and expands it by taking out the words “any of the following”, allowing items (i) to (iv) to be for the purpose of examples—these are the kinds of things the parliamentary budget officer can examine. It would change that last bit to the “Parliamentary Budget Officer's analysis of federal government documents, including.” Then we list them as examples, but it's no longer an exclusive list to tie the PBO's hands.

The Chair: Is there any further discussion on amendment PV-8?

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

The Chair: On amendment PV-9, Ms. May.

Ms. Elizabeth May: Mr. Chair, again, this goes to the question of the work plan. These amendments affect the language on page 81, and delete lines 38 and 39 so that the work plan would not have to be listed in an annual work plan. It could be prepared at different times. Some of that may have been picked up in the Liberal amendment; I'm just double-checking. At least the mandate and the work plan would not have to guide the work of the PBO and could respond to unexpected events.

I know that some of what was just passed in amendment LIB-4 changed it, but it's not enough.

• (1925)

The Chair: If I could interrupt you, the Liberal amendment that has already passed committee nullifies this amendment, so we really can't deal with it.

Ms. Elizabeth May: Mr. Chair, I had suspected that this was the case, but when you gave me the floor I thought that perhaps there was some shadow area, but thank you.

The Chair: You at least got your say.

Ms. Elizabeth May: Yes, thank you.

The Chair: We move to amendment BQ-3.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you, Mr. Chair.

As I said earlier, I'm going to discuss amendments BQ-3 and BQ-4 together since they are in the same spirit, although the amendments are made to different provisions of the bill.

This concerns the PBO. We are concerned by the curtailment of the independence of his research. This is also mentioned in other amendments. In this regard, I wish to congratulate my colleague Greg Fergus of the Liberal Party for the excellent interview he gave to the newspaper *Le Devoir* last weekend. Consequently, I believe I will have the support of Liberal members for this amendment, which concerns the possibility members have of submitting study requests to the PBO.

As you know, until now members could submit any request or ask any question of the parliamentary budget officer. Bill C-44 eliminates this possibility. The purpose of amendments BQ-3 and BQ-4 is to restore it.

There are two categories of members in the House of Commons: those who are members of a recognized party and those who are members of an unrecognized or independent party. There really are two categories of members. As members of an unrecognized party, we do not have research budgets. The Liberal Party, which forms the government, has access to all public servants. The members of a recognized party have access to millions of dollars to do research. We have nothing, and we have to make do on our own. When we have to study an omnibus bill like this one, it's very cumbersome. We also don't have access to analysis reports that are presented to the committee. We asked to have access to the point-by-point analysis of Bill C-44 prepared by the analyst, but this request was denied since we are not a part of the committee. We have to do all this work on our own. We can only count on our own means. At least we still could rely on the parliamentary budget officer, but now Bill C-44 removes that possibility. I implore you to restore this.

I deplore the fact that there are two categories of members in Ottawa. Being placed in a second category of members is one thing, but I would like to avoid being made a pariah.

Thank you, Mr. Chair.

[*English*]

The Chair: Mr. Albas.

Mr. Dan Albas: Mr. Chair, I just want to ask officials a question.

Obviously, we've established that there's a mandate and there should be a work plan, and there are obviously issues where people say that they think the mandate should be x versus y . It's the same with the work plan. The word “shall”, to me, “shall, if requested to do so by any member of the Senate or the House of Commons or by any of the following”, sounds as if I asked for a report to be done on something, then “shall” would mean that the PBO would have to do it. Again, I'm just thinking that if I would do that responsibly, I'm sure that might be okay, but if you have 338 members, and some members are much more ambitious than others, that might start to tap out the resources. I think that's one of the reasons you have it written right now that it's done by the request of committees.

If a request from the good members from *la belle province* is made, what ramifications would that have from your perspective on the PBO's ability to carry out his work from a more macro level? How would that be compromised or changed?

Mr. Allen Sutherland: In the work plan, the PBO can set out his priorities, but the requirement of “shall”, as you've interpreted it, is correct. He's required to do it.

• (1930)

The Chair: Mr. Ste-Marie, and then Mr. Dusseault.

[Translation]

Mr. Gabriel Ste-Marie: I would like to answer my colleague, briefly.

As you know, the parliamentary budget officer is independent and may determine his own program. All we are asking is that, we the members, may be allowed to submit requests to him. After that, he is free to manage his priorities, as Mr. Sutherland said, and that suits us entirely.

[English]

The Chair: Mr. Albas, and then Mr. Dusseault.

Mr. Dan Albas: I'd make a quick call to officials. To me it sounds that...and I respect the member's work on this and that from his party's perspective there are two classes of members. I understand the argument for that. What I'm trying to figure out, though, is when you use the word “shall”, that means by law the PBO has to respond. It's not “may”, “may respond” or “may, if requested to do so by a member”. To me, I think that's something that is already within... probably the work plan is to pick up things. Am I wrong in that? “Shall” and “may” are two different things, and the member seems to make it sound as if it's more of a “could you, if you have time”.

Mr. Allen Sutherland: “Shall” is stronger than that. It's a requirement for the PBO to respond. Now, of course, there would be a discussion and it sounds like the honourable member would be very reasonable about it, but, yes, “shall” means—

Mr. Dan Albas: So people like me.

Mr. Allen Sutherland: You seem very reasonable to me.

Mr. Dan Albas: Wow. I've really done a good thing here. That's the biggest.... Thank you.

The Chair: Is this taped? My God, the clip will be coming off the TV.

Mr. Dusseault, and then Mr. Fergus.

Mr. Pierre-Luc Dusseault: Mr. Chair, I want to clarify something.

In Bill C-44, it's already saying “shall”. I don't know if you noticed it, but the amendment of my colleague doesn't change the word “shall”. It's already in Bill C-44, on page 81, proposed section 79.2(1)(c). That's what the amendment is proposing to change, but he's not proposing to change the word “shall”, as it's already in the bill. I don't know why we're debating the word “shall” here.

[Translation]

I just wanted to say a few words to support my Bloc Québécois colleague on this, because this is in keeping with what I was saying earlier. We want to broaden the powers of MPs regarding requests

they may make to the PBO concerning any topic of public interest under federal jurisdiction. I just wanted to mention that I support his amendment.

As for the restrictions imposed on the parliamentary budget officer, earlier I proposed an amendment that would list the reasons why the PBO could refuse a request. These are very specific reasons that concern very particular circumstances. This also answers my Conservative colleague's question on this.

I support the amendment and I hope that my colleagues here today will support it as well.

[English]

The Chair: Thank you, Mr. Dusseault.

We'll go to Mr. Fergus and then back to Mr. Ste-Marie.

[Translation]

Mr. Greg Fergus: Thank you, Mr. Chair.

I would just like to put a question to Mr. Sutherland or Mr. Booth concerning Mr. Ste-Marie's objective, which is to see to it that members and senators have the right to suggest studies to the PBO. I thought there were other provisions in the bill that would give members this latitude to suggest topics to be added to the PBO's work plan. It would then be left to his discretion to take the suggestions into consideration and follow up on them or not.

[English]

Mr. Allen Sutherland: You are correct. A member of Parliament can speak with the PBO and have something included in the annual work plan, so in making the case to the PBO with the changes, I believe you could do it both at the beginning of the year in the establishment of the work plan, but also throughout the year so he could adjust his work plan throughout the year.

Another approach is in committee, so convincing the committee that this is an area of priority.

The third way is the amendment you're looking at now.

• (1935)

[Translation]

Mr. Greg Fergus: I understand my colleague's concern very well, and I also know that one day we will be on the opposition benches. I also know that if we decide to refer this matter to committees, it could happen that the members of committees might not listen to the reason set out by a specific member. However, as Mr. Sutherland has just confirmed, there are other provisions in the bill that will deal with the issue you have raised.

[English]

The Chair: Mr. Ste-Marie.

[Translation]

Mr. Gabriel Ste-Marie: To reply to my colleagues, I would say first that we, the members of unrecognized parties, cannot table motions in committee.

However, we can make direct requests to the PBO and I would like to verify with Mr. Sutherland the circumstances that will allow us to continue to do so. We can ask him for help when we table private members' bills, but this won't be possible otherwise, according to the other provisions of the bill. That is not what we want.

To answer my Conservative colleague on the fact that the PBO is free to chart his course, I will give you an example. We asked for an analysis of Muskrat Falls regarding the word “*doit*”, or “*shall*”. He told us that he could do that, but that it was not among his priorities and that it would not happen for a year and a half, but that he acknowledged the request. As things stand, the PBO is free to set his own program; we want him to remain free. According to the wording in Bill C-44, he will remain free, because he must manage his priorities; however, second-class members will become pariahs, and we don't want that to happen.

[*English*]

The Chair: Do the witnesses have anything to add on the point that was just raised?

Mr. Allen Sutherland: Certainly. If the honourable member were to propose a private member's bill on Muskrat Falls, he would be within his rights under the proposed legislation to request a costing of it.

The Chair: Mr. Dusseault.

[*Translation*]

Mr. Pierre-Luc Dusseault: That is exactly the problem we are highlighting. The request must be related to a measure whose proposal is planned—so a bill, a motion or something of that nature. That is what is limited in the proposed paragraph 79.2(1)(f), where the following is stated:

(f) shall, if requested to do so by a member of the Senate or the House of Commons, estimate the financial cost of any proposal that the member is considering making...

It's too limited. I raised this issue during our meetings on the topic. The big issue is that this limits the power of MPs and senators.

[*English*]

The Chair: Mr. Albas.

Mr. Dan Albas: I totally understand where you're coming from in the desire to have that kind of analysis. Right now we can ask the Library of Parliament to do a broad overview. That's a great resource. I've never heard a complaint from them.

I will say, though, that I am worried by making it a parliamentary legal requirement where, by law, the parliamentary budget officer has to acquiesce to a request. To me, the word “*shall*” is very strong language, and the problem is you have limited resources and infinite desires. I'm afraid there could be vexatious demands on the office. Again, we would all hope that people would use their reasonableness when carrying out their parliamentary duties.

To me, a better amendment would be perhaps if a group of members of Parliament—maybe that could be quorum, 12 in the House of Commons—agreed that they'd like something done. It would be like a committee. That would be a reasonable request. Then you would at least have a group of MPs and a public interest.

In this particular format, I just cannot support it on the principle of trying to keep those scarce resources focused on it.

I also have to be a better MP if I'm going to make a case to the parliamentary budget officer to investigate something. The onus is on me to actually argue there is a wider public interest than just my curiosity.

The Chair: Mr. Fergus.

Mr. Greg Fergus: I'd like to get further clarification from Mr. Sutherland.

I understand that if there's a PMB, a private member's bill or motion, that member or senator could ask the PBO to consider acting. Are there any other occasions in the legislation outside of those two requirements? That's outside of getting the approval of the committee. I'm talking about individual MPs or senators.

• (1940)

Mr. Allen Sutherland: We're midstream on a broad set of amendments, but the current bill does not allow that.

The Chair: The question is on amendment BQ-3.

We'll deal with amendment BQ-4 and you don't need to speak to it when we come to it in order.

The question is on amendment BQ-3.

Mr. Pierre-Luc Dusseault: I would like a recorded vote, please.

(Amendment negatived: nays 6; yeas 3 [See *Minutes of Proceedings*])

The Chair: We're on amendment PV-10. If PV-10 is adopted, the question on LIB-6 cannot be put.

Ms. May.

Ms. Elizabeth May: Mr. Chair, I would appeal to my friends on the Liberal side of the table to consider how good it will look on them to pass an opposition amendment. This one, PV-10, is very close to LIB-6. We're both attempting to accomplish something that's quite close, and that is to undo the damage—let's hope it was unintentional—that would be done if the bill were to be passed as it was prepared at first reading, which would remove powers and access, I should say access more than powers, that individual members of Parliament have had, to ask the parliamentary budget officer to study a matter for us.

In the language that we find unamended, it restricts what the member can ask the parliamentary budget officer to investigate to those matters that the member is considering making before the Senate or the House. My amendment would be to say that they can ask the parliamentary budget officer to look at any matter that is coming before the Senate or the House.

Looking ahead to LIB-6, it's very close, so should you feel inclined to be able to have a future talking point about how different the Liberal government is from the Conservatives in the 41st Parliament and how amendments are accepted on omnibus budget bills in the course of debate, this is your big chance.

Thank you.

The Chair: Now, with words like that, is there any other discussion?

Mr. James Maloney (Etobicoke—Lakeshore, Lib.): [*Inaudible—Editor*]

The Chair: Okay.

Ms. Elizabeth May: [*Inaudible—Editor*]

The Chair: All those in favour of PV-10?

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

The Chair: On LIB-6, Ms. O'Connell.

Ms. Jennifer O'Connell: Mr. Chair, this amendment is quite similar to the amendment we just heard. However, the difference is really in terms of matters that Parliament has jurisdiction over. I think that distinction is important in ensuring that we stick to the parameters of the House and relevant information. This also allows the broadening of the scope of what individual parliamentarians may ask the PBO to cost.

The Chair: Mr. Dusseault.

Mr. Pierre-Luc Dusseault: Yes, I'd like to move a subamendment. It would read: “cial, economic, and distributional impact of any proposal that relates to a matter over which Parliament has jurisdiction.”

The Chair: Where are you putting it in? The legislative clerk will bring it up.

Okay, LIB-6 is on page 30 of the amendments. After “cial” the subamendment inserts “economic and distributional impact” and “cost” is removed. The way it would read, if you're looking at LIB-6, is, “cial, economic, and distributional impact of”.

Are we clear on that? Okay.

The subamendment is up for discussion.

Go ahead, Mr. Dusseault.

● (1945)

Mr. Pierre-Luc Dusseault: I want to explain my subamendment. [*Translation*]

It is based on the draft bill of the parliamentary budget officer, who obviously spoke at length about that issue and the reform of his position. Instead of using the word “cost”, whose meaning is broad, the amendment requires us to specify that it is about the financial and economic impacts of any proposed measures that relate to a matter over which Parliament has jurisdiction.

So we want to replace the word “cost” with a more specific expression that reflects what the parliamentary budget officer was saying in his draft bill concerning the need to specify what kind of analyses he can carry out. Those analyses would pertain to the financial, economic and distributional impacts.

I hope that my colleagues will support my amendment to clarify the notion of cost, as suggested by the parliamentary budget officer. The amendment gets right to the point.

[*English*]

The Chair: I have Ms. O'Connell, Mr. Fergus, and the witnesses might have something to add as well.

Ms. O'Connell.

Ms. Jennifer O'Connell: Mr. Chair, my question is for the witnesses.

What are the impacts of this subamendment in regard to the function of the PBO?

Mr. Allen Sutherland: The subamendment would broaden the role of the PBO in this particular instance from a strict costing mandate to economic and distributional impacts, so you're broadening the role of the PBO.

Ms. Jennifer O'Connell: I would assume that would also entail potentially longer time frames for this work and would limit the ability of work plan items, if they're now looking at a much larger mandate.

Mr. Allen Sutherland: That's speculation, but given a fixed budget, yes, you're correct.

Ms. Jennifer O'Connell: Thank you.

The Chair: Mr. Fergus.

Mr. Greg Fergus: I'm trying to get my head around this, and because I'm not an economist, I hope somebody can help me, either Monsieur Dusseault or certainly the witnesses.

I'm trying to figure out in what ways you are expanding the definition by suggesting the addition in the subamendment of “economic and distributional impact”. Is that just cost over a long period of time, or is it going beyond, to the multiplier effect of whatever initiative is taken as opposed to what the actual initiative will cost?

● (1950)

Mr. Allen Sutherland: Just taking the words that were provided, rather than the strict cost of a proposal, you would also consider the distributional impact, perhaps some beneficiaries, if it's a tax measure, distributional impact on people paying the tax. You're basically looking at it from different economic perspectives.

Mr. Greg Fergus: With regard to distributional impact, would a gender-based analysis be considered a distributional impact?

Mr. Allen Sutherland: Yes, it possibly could be. The economic distributional impact by gender would be conceivable, at least as I interpret the subamendment.

The Chair: Would this bring in a judgment factor rather than just the numbers?

Mr. Allen Sutherland: I don't think it would be far beyond what the PBO does on some of his broader economic analyses, but the further you go from a pure costing mandate, the more likely you are to bring in judgment factors.

You can also do a neutral declaration of the distributional impacts of a particular proposal. It need not be biased.

The Chair: Was that the end of your questions, Mr. Fergus?

Mr. Greg Fergus: I'm at a situation where I'd like a couple of seconds to think about this.

The Chair: Okay, we'll go to Mr. Albas and then come back to you.

Mr. Dan Albas: Wouldn't it make for a little more clarification, rather than just leaning on distributive, to actually say, “including demographics, such as age, gender, etc.”?

Some economic models will take this into account, and some will not. There should be some flexibility. There's a very good point in allowing for that distributive mechanism, but it doesn't always apply to every model in the same way. Without some specificity and some flexibility on the PBO.... I would trust that if the PBO and staff were to say that a certain program initiative would have distributive effects, they would explain exactly which ones those were.

Do we need to have that in law to be able to have those things reported on by the PBO?

Mr. Allen Sutherland: The current language is “cost”, which is pretty narrow. I think what you're proposing is a broader range of economic factors. It could be regional, demographic, and distributional.

The Chair: Is that it, Dan?

Mr. Dan Albas: Yes.

The Chair: Mr. Dusseault.

[*Translation*]

Mr. Pierre-Luc Dusseault: To address the issues raised, I want to say that it is a matter of allowing him to carry out economic analyses that are broader than an analysis that is limited to assessing the financial cost pure and simple. For example, if a member planned to propose a measure—be it a tax credit or a tax measure—although the parliamentary budget officer could measure its financial cost and determine that it will cost \$200 million a year, he can conduct a more thorough analysis to find out who will benefit from the measure and whether it will have the desired effects.

Through this amendment, a portion of his work could consist in conducting economic analyses that are less limited than simple analyses of financial costs, which only determine how much a measure will cost. It will enable him to carry out broader analyses.

I want to reiterate that I am using the parliamentary budget officer's own words. He certainly doesn't want to end up in a situation where his mandate would be too restrictive and where he could not do what he wants to do—for example, carry out a more thorough analysis.

So that is the objective of my subamendment. I think that it is completely in line with what the parliamentary budget officer himself said.

[*English*]

The Chair: Okay, we're dealing with a subamendment to amendment LIB-6.

(Subamendment negated)

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

The Chair: We will turn now to NDP-11.

Mr. Dusseault.

[*Translation*]

Mr. Pierre-Luc Dusseault: Mr. Chair, this goes back to what I was saying earlier to my colleague from the Bloc Québécois. The parliamentary budget officer can, under some circumstances, refuse certain requests.

First of all, I would like to once again make a small change to my amendment, NDP-11. If you like, I can read it. It's in the first paragraph.

• (1955)

[*English*]

The Chair: I think we're on NDP-11. Maybe the translation came through wrong.

On NDP-11.

Mr. Pierre-Luc Dusseault: My only change is to delete the words “on any ground” and the word “including”.

The Chair: [*Inaudible—Editor*] translation side.

Mr. Pierre-Luc Dusseault: Yes, I can read it.

[*Translation*]

The added paragraph would read as follows:

(1.1) The Parliamentary Budget Officer may refuse a request made under subsection (1), including the ground that:

[...]

The rest of the paragraph would stay the same.

[*English*]

The Chair: That's fine, and it's in order, Pierre. Do you want to explain the amendment?

[*Translation*]

Mr. Pierre-Luc Dusseault: Yes.

As I was saying in the beginning when I was talking to my friend from the Bloc Québécois, my amendment specifies that, under some circumstances, the parliamentary budget officer may refuse to accept a request from a member, a committee or anyone with the ability to submit requests to him. He can do so in four cases where: the request does not fall within his or her mandate; the request does not in substance relate to the nation's finances or economy; the request is one that could be more appropriately dealt with by another institution, such as the Library of Parliament; or he or she does not have the resources necessary to fulfill the request.

So this is about clarifying the reasons as to why he could refuse a request. Those are very specific reasons, and he can only refuse in those cases. The idea is to clarify the authority of the parliamentary budget officer and the situations in which he could refuse a member's or a committee's request.

[*English*]

The Chair: Mr. Albas.

Mr. Dan Albas: Obviously, this is a mechanism for when a committee that has been specified here has requested it or.... There's a whole criteria here.

My question is for the member who's proposing this.

You've laid out a process for the reasons that the PBO can turn down a request. There's nothing that says the PBO has any accountability, though, to either the committee that made the request or whatnot, so I would ask if there is a mechanism. Do you have a further amendment down the road that would add to that? Right now they can turn you down, but there's no responsibility on the PBO whatsoever to even reply and give the dignity of a reply. To me if there is a proper reason, a rationale, such as it's not part of his mandate, or it's not in relation to the nation's finances or the economy, or it could be dealt with by someone else, it would be nice to have it in writing.

I think a committee such as our own would expect that. Will there be an amendment later on that would add that? If we're going to be giving independence to the office, which I'm not necessarily opposed to, we also have to make sure it's accountable to either House or its committees.

[Translation]

Mr. Pierre-Luc Dusseault: Mr. Chair, I felt that it was implied that the reason for refusing a request would be provided, be in writing or verbally.

That said, it would be possible to add a line to the amendment to specify that the parliamentary budget officer must tell the requester why he refused their request.

[English]

Mr. Dan Albas: Yes, I think that would certainly make a lot more sense, because if you've made a request, you should receive a response.

The Chair: That line would be added to the amendment, probably as a paragraph (e).

Okay, it's up for discussion. Is there no further debate?

I'll wait until the legislative clerk comes back, but I think you're adding it under paragraph (e). I think that's allowable.

Okay, we'll vote on amendment NDP-11 as slightly added to.

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

The Chair: We'll move to amendment PV-11.

Ms. May, the floor is yours.

• (2000)

Ms. Elizabeth May: Mr. Chair, this is very straightforward. The current draft requires that the parliamentary budget officer provide the report to any committee that has requested it following the work done by the parliamentary budget office and then to make it public one business day following preparing and delivering the report to the chair of a committee.

The potential for leaks was raised by the parliamentary budget officer. There's no particular reason to have a delay of one business day, so my amendment would allow the parliamentary budget officer to simultaneously provide the report to the committee and to the public. It's only for the purpose of reducing unintentional leaks. Clearly, there's no attempt to hide the parliamentary budget officer's report. It's one business day later.

I think this is almost housekeeping to make sure they're tabled at the same time with the public and the committee.

The Chair: I should just point out that technically, if PV-11 is adopted, the question cannot be put on amendment LIB-7.

I should have done that before you spoke, but I didn't.

Is there any further discussion on PV-11?

Mr. Albas.

Mr. Dan Albas: I have a quick question for the officials.

Is there anything in the Liberals' amendments that is somewhat similar to this amendment, or is this a nuance that is specific to this amendment?

Mr. Allen Sutherland: The difference is the simultaneous nature, if I understand it correctly, whereas the next amendment is one day later.

Mr. Dan Albas: What you're suggesting, Member May, is that the moment the report goes to the Speaker, it's made public. Is that correct?

Ms. Elizabeth May: That's what I'm proposing.

Mr. Dan Albas: That's interesting.

Ms. Elizabeth May: It might not be the moment it goes to the Speaker, but it would be on the same day.

Mr. Dan Albas: Right now in the legislation, Mr. Booth, is it one day?

Mr. Don Booth: The next business day the PBO may make it public, but there has to be a grace period of one business day.

Ms. Elizabeth May: Yes, and my amendment doesn't require it to be simultaneous. They could give it to the clerk of the committee at 10 a.m. and then give it to the public at 3 p.m. My amendment would make the report public on the same day.

The Chair: Is there any further debate?

Amendment PV-11 is lost.

[Translation]

Ms. Elizabeth May: I apologize for that.

[English]

The Chair: Did anybody not vote over there?

Mr. Robert-Falcon Ouellette: We all voted.

Mr. Dan Albas: I think it was you. I didn't see your hand go up.

Mr. Robert-Falcon Ouellette: I nodded.

The Chair: If that's the—

Mr. Robert-Falcon Ouellette: You can take it again if you want.

The Chair: If you didn't vote, then I would break a tie vote, right?

Mr. Dan Albas: Yes.

The Chair: I will vote against the amendment. Amendment PV-11 is lost.

I need to get a vote in once in a while.

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

The Chair: Next is amendment LIB-7.

Robert.

Mr. Robert-Falcon Ouellette: Introducing these amendments will require the PBO to make his or her reports available to the public one business day after it's proposed. I think this is actually a compromise. I was more in favour of having a longer time for parliamentarians to be able to manage their affairs, to analyze the information, before they prepared their response to the government with that information or used the information to hold the government to account. I guess a lot of my colleagues felt that at least one business day is a more appropriate time. I'm very supportive of this. It gives the parliamentarian the opportunity to really analyze that information.

The amendment is that Bill C-44, in clause 128, be amended by

(a) replacing line 38 on page 82 with the following:

Officer shall make the report available to the public one

(b) replacing line 46 on page 82 with the following:

liamentary Budget Officer shall make the report available

(c) replacing line 8 on page 83 with the following:

Officer shall make the report available to the public one

● (2005)

The Chair: Is there any discussion on LIB-7?

(Amendment agreed to)

The Chair: Amendment BQ-4 was spoken to earlier. We didn't vote on it.

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

The Chair: We're on amendment PV-12.

Ms. May.

Ms. Elizabeth May: Mr. Chair, this relates to what you will find on page 83. We are leaping a whole page ahead. It deals with the question of the parliamentary budget officer's ability to continue work during a period of time, as you see at line 14 on page 83, when Parliament is dissolved. The parliamentary budget officer shall discontinue work.

What I'm proposing is that the parliamentary budget officer may continue work but isn't forced to. At the discretion of the PBO, they would be able to continue work on a request even after Parliament is dissolved.

I'm proposing that Bill C-44, in clause 128, be amended by adding after line 14 on page 83 the following:

(6) If Parliament is dissolved, the Parliamentary Budget Officer may continue any work undertaken under paragraph 79.2(1)(a) or (b).

The Chair: Mr. Albas.

Mr. Dan Albas: Mr. Chair, given that the Liberal government has asked the PBO to start commenting on election platform costing and related matters, I have a whole whack of issues that I will not raise out of respect for the current topic.

I want to ask a specific question. What ramification would this have? If Parliament is dissolved, and there are certain caretaker provisions for government, would this simply mean the PBO continues to work on previously issued work? I have a real problem

with their doing parliamentary work when Parliament itself is dissolved.

As for prorogation, I have no issue with. That's the expectation we're going to be sitting again, but once Parliament is dissolved and we're into an election, I'm worried about certain activities being viewed as electoral and how that could be taken.

What activities could the PBO carry out if Ms. May's amendment passed?

Mr. Allen Sutherland: As you suggest, the current legislation is intended to be consistent under an election scenario. When Parliament is dissolved, there are no committees for the PBO to report to. The expectation, as the legislation is currently drafted, is that should a party wish to have an election platform costing done, the PBO would have resources freed up in order to do that. I think it's consistent with your commentary around the caretaker convention.

Mr. Dan Albas: But if the office doesn't stop working and making its work available publicly....

First of all, there's the question as to whom it would report during an election.

Mr. Allen Sutherland: Correct.

Mr. Dan Albas: The other side I'm really worried about is that, first of all, the smaller political parties may not have formed their policy to give to the parliamentary budget office earlier. You also may have issues show up during an election campaign. Are parties then expected to ask the PBO to come out with costing?

I have a lot of questions here. I know that you can only speak in regard to the amendment, but these are some of the concerns I have around this.

This is why, Mr. Chair, I think the process has not been done properly. Two hours of committee study coupled with clause-by-clause consideration I don't think is adequate. I have a lot of questions here.

The Chair: That's the first time you've made that point.

Ms. May.

Ms. Elizabeth May: Mr. Chair, perhaps I can try to answer Dan's question.

This would not enable the parliamentary budget officer to begin any new work. Imagine that we're in a recession and the parliamentary budget office wants to continue with collecting information, number crunching, and paying attention to trends. Why should we say "down tools" just because Parliament is dissolved? We do know the caretaker convention, and I don't think the caretaker convention should be violated.

Although you probably disagree, I think it was a mistake to have Ed Fast, our trade minister—a good friend and a lovely guy—negotiating during a writ period to get to a TPP. With the parliamentary budget office it's a very different situation. It's a non-partisan office with an independent officer of Parliament. It's collecting data and number crunching, essentially. My amendment would allow them to continue with work they had already begun, nothing new.

• (2010)

Mr. Dan Albas: I have one last little point.

The caretaker provision is applied to a government that does exist. It does not dissolve with Parliament. There is still a need, in case there is a war or a national emergency, to have certain powers available to deal with extraneous or natural disasters as they come. However, the parliamentary budget office is under Parliament. If Parliament itself is dissolved, I just can't see why we would want to have one element of Parliament that is not like the rest of it. To me, that's not a great choice.

The Chair: Seeing no further discussion, we'll vote on PV-12.

(Amendment negatived)

The Chair: Amendment BQ-5 was withdrawn.

We'll go to amendment NDP-12.

As a technical matter, if NDP-12 is adopted, the question cannot be put on PV-13 due to line conflicts.

Mr. Pierre-Luc Dusseault: Mr. Chair, this is a significant amendment to the bill under the mandate in a general election.

[*Translation*]

As you know, a number of people have talked about the parliamentary budget officer's new power to assess election platform costing or proposals made by election candidates during a campaign. That part of the bill is very problematic in many respects. Without listing all the problems, we can mention a few related to the fact that departments could refuse to take steps to assess election platform costing. It is said that departments must cooperate with the parliamentary budget officer, so that he can carry out an assessment of platform costing. Therefore, a form of confidentiality would be lost for political parties, since departments would obtain that information because they would be asked to work with the parliamentary budget officer on cost assessment.

We should also point out that that, given the bill's wording, the parliamentary budget officer may be inundated with requests from across the country on hundreds of issues and would very likely not have the time to respond to all of them, especially during an election campaign. Everyone agrees on the fact that, normally, a campaign does not last 78 days, but from 35 to 40 days. Although the bill proposes that the parliamentary budget officer be given a certain amount of time before the election to do the work, I feel that the time period is very limited, if we take into consideration the number of requests he may receive.

It is for those reasons that, instead of simply voting against the parliamentary budget officer's mandate during elections, I am proposing an amendment whose goal is to considerably change the work he will be asked to do during that period. Simply put, two changes would be made.

Paragraph (a) of my proposal suggests to make "a five-year economic and fiscal projection that may be used by the public to assess the economic and fiscal impacts of a party's election platform". My amendment talks about 120 days before the date for an election, which is technically fixed under the Canada Elections Act. Therefore, 120 days before the election, the

parliamentary budget officer could publish economic and fiscal projections for the next five years. That way, once the political parties present their financial plan, financial framework and platform, the public could compare them to the the parliamentary budget officer's projections for the next five years.

Paragraph (b) seeks to establish a system resembling the current system used by the parliamentary budget officer. If you go to www.readyreckoner.ca, you will see that he has set up an interactive tool to assess the financial impacts of certain changes, such as changes to tax rates or increases in tax credits, and all sorts of data that can be changed and adapted to get results. So the parliamentary budget officer could, under paragraph (b), do exactly that kind of work to help Canadians, the public or the media use this tool to compare political parties' proposals to his own findings. Those who wish to do so could check whether political parties are on target and whether the numbers provided in platforms are accurate or valid, whether they have a value according to economists—in this case, the parliamentary budget officer. The public could compare the data and make its own assessment without the parliamentary budget officer being involved in the political process as a player in federal politics during an election campaign, a role in which he would be asked to provide and explain figures, assess platforms and publish reports. How many reports would there be during a campaign? There could very well be 50 of them; I don't know. The parliamentary budget officer would become a political actor.

This amendment would help him remain completely outside of political debates. However, the public, Canadians and the media could at least use this interactive tool to compare the parties' proposals to the available economic outlook and determine whether the parties are telling the truth. It would be something of a truth test the political parties would undergo. Canadians could compare platform costing to the results provided by the assessment tool.

• (2015)

In a few words, those are the motives behind my amendment. I hope that we will be able to come to a compromise or find common ground. Perhaps we could meet somewhere in the middle and agree on a common solution that will make sense to me.

[*English*]

The Chair: I don't know. Did you see any heads nodding up and down? I hope it was for the right reason, given the time of the night.

Mr. Pierre-Luc Dusseault: I saw yours.

The Chair: Who wants in on this discussion?

Mr. Albas.

Mr. Dan Albas: I do, Mr. Chair, but if a Liberal member wants to speak to it...because it is your legislation.

Mr. Ron Liepert: They're just here to put their hands up.

Mr. Dan Albas: Gee, I'm really disappointed to hear that.

Mr. Chair, thank you to the member for submitting this.

First, I have a number of concerns with the whole process that's been brought forward. Let's put it out there. When a political party puts forward its platform, most Canadians would just hope that the process has been done and that good regard and some thought have been put into it. We see now more and more that economists from universities and from different think tanks will weigh in, sometimes at no cost. Sometimes political parties will actually hire someone to have it costed, and that system seems to serve Canadians well. But as positive as the current system is—and I'm sure I may not get some heads nodding on this comment—you could still have planned and costed out the commitment to run \$10 billion modest deficits. The PBO could have put out a report, and you would still have elected officials for whatever reason.... I don't think we've been given a proper explanation, but the government came in and it's now running double that or in some cases triple that, depending on the time of year. I don't think having the PBO, a non-partisan office that is supposed to be helping parliamentarians understand government spending, suddenly launched into the private sphere.... Political parties do have some national component, I agree, and they're under somewhat national legislation, but mostly they're private not-for-profits that are there for democratic reasons. I don't see why we'd want to put the PBO into an area where it probably does not want to be.

Second, I talked earlier about small political parties. Now, I'm sure the NDP has a lot of sympathy for the Marxist-Leninist Party, but will those smaller parties be able to meet a certain deadline so they can have what the NDP is envisioning here? Chances are, they will not. To me, this basically puts the Liberals, the Conservatives, and the NDP—the larger parties that are used to putting together fairly broad documents that attract enough attention or that we hire people, like economists with credentials, to examine so we can put those out to the public and then have public scrutiny on them and be accountable for them....

I just fundamentally oppose the idea that we want to take a parliamentary creation, something meant to help parliamentarians understand spending by government, and now apply it to something outside of that, where it has little expertise, to do something it probably does not want to do and for which it is not going to be accountable to anyone, because—guess what—once Parliament is dissolved, are we going to be going back to the PBO to fact-check its facts? I don't think it's going to want to answer. I don't think on any amendments we've done here, even if Ms. May's amendment had been carried, that the PBO would want to be stuck in the middle of a fight over whether its costing is correct.

I just want to take this one last opportunity, Mr. Chair, to say to the government members that this should not be part of the PBO's mandate. This will cause all sorts of headaches.

For example, we were talking earlier about distributive effects. If someone puts a policy forward to, let's say, open up interprovincial trade, I've seen numbers from \$5 billion to \$10 billion to \$150 billion a year as to what it would cost the Canadian economy. Now we're supposed to ask the PBO to somehow present to the Canadian public...and to do politicians' work and do political parties' work, especially since most small parties won't be able to do it, and then somehow it's supposed to give us the fig leaf to carry so we can say, "Look, the PBO costed it for us."

One last time, Mr. Chair, I will appeal to the government members to please not make the PBO something it was not created to be. Help it help parliamentarians to understand the government's finances, and to understand the nation's economy and the long-term demographics we face. Whether it is through this NDP amendment or the amendments the government has proposed, I would suggest it is the wrong thing for this institution.

● (2020)

The Chair: You two are good. You both were within your five minutes.

Is there any further discussion?

Mr. Robert-Falcon Ouellette: I have a quick question.

Has Pierre-Luc Dusseault ever been sympathetic to or a member of the Marxist-Leninist Party of Canada?

Mr. Pierre-Luc Dusseault: No.

The Chair: I really don't know what that has to do with the budget.

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

The Chair: Amendment PV-13 is defeated already, because it's consequential to PV-4.

The next one we get to of yours, Elizabeth, will be PV-14.

We're on amendment NDP-13.

Mr. Dusseault.

Mr. Pierre-Luc Dusseault: I want to withdraw it.

The Chair: We're on amendment LIB-8.

Mr. Vance Badawey: I will speak to it.

The Chair: The floor is yours.

Mr. Vance Badawey: Mr. Chairman, as some may know re the refusal to provide information, an amendment would require that a deputy head of a department or a parent crown corporation provide the parliamentary budget officer, the PBO, with a justification in writing should he or she decline to provide input to a request for information.

Regarding the power to notify, an amendment would explicitly provide for the parliamentary budget officer to notify the Speaker of the House of Commons as well as the Speaker of the Senate and/or a relevant parliamentary committee if the PBO is of the opinion that a government institution has failed to comply with a request for information.

The proposed legislation is intended to significantly increase the amount of information that is to be provided to the PBO. Departments and parent crown corporations will be required to provide free and timely access to any information under the control of the department or the parent crown corporation as required in the performance of his or her mandate. This wider access to information is balanced by certain exceptions, including non-disclosure of personal and private information restricted under the Access to Information Act, information protected by the solicitor-client privilege, and cabinet confidences

There have been disagreements in the past between departments and the PBO over the disclosure of information and the proposed legislative attempts to address this. However, requiring written justification will create greater transparency in the relationship between the PBO and government institutions.

In addition, the PBO currently has the ability to engage the Speakers and relevant parliamentary committees should he or she feel that they are not being given access to appropriate information by any and all departments. Committees and/or other areas of interest can then, if they feel it's appropriate, request the information themselves.

This ability to engage parliamentarians is important as it provides the PBO with an appropriate parliamentary recourse mechanism and avoids having to engage the courts. The PBO's ability to engage the Speakers and committees as needed is not explicitly addressed in the proposed legislation. Therefore, in conclusion, the provision to notify provides explicit clarification that this avenue of recourse is open to the PBO.

• (2025)

The Chair: Mr. Dusseault.

[Translation]

Mr. Pierre-Luc Dusseault: Thank you, Mr. Chair.

I want to thank my colleague for his statement.

Like my colleague Mr. Fergus, I would say that the intention is good. However, the amendment I plan to propose after this one—amendment NDP-14—goes much further to resolve this problem. Amendment NDP-14 actually talks about a much more strict way to manage cases where departments refuse to cooperate with the parliamentary budget officer. My amendment, which we will discuss later—unless the Liberals' amendment is adopted and I cannot put it forward it—also provides for legal recourse. During our discussions, I was given confirmation that legal recourse would be possible if a department refused to cooperate or obstructed the parliamentary budget officer's work. My amendment mentions that. It is directly in the legislation.

So I will oppose amendment LIB-8, although the intention is good. I would like to impress upon my colleagues that amendment NDP-14 is better. I invite them to support it when we discuss it later.

[English]

The Chair: We're into better and best.

We'll vote on amendment LIB-8.

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

The Chair: We now have amendment NDP-14 on the floor.

[Translation]

Mr. Pierre-Luc Dusseault: Thank you, Mr. Chair.

I will be brief, since I just talked about it at length.

The amendment's purpose is to establish a requirement whereby, when financial institutions do not cooperate with the parliamentary budget officer, they would be required to inform the officer of the

exception provided under paragraph (2) justifying their decision, as well as of the reason why the information in question is not covered by the exceptions provided under the Access to Information Act.

In addition, the parliamentary budget officer could inform a committee of a situation where, in his opinion, a federal institution is filibustering.

Finally, amendment NDP-14 gives the parliamentary budget officer the power to refer the case to the Federal Court under subsection 18.3(1) of the Federal Courts Act as though it were a federal board.

The goal is to clarify the parliamentary budget officer's powers, although I have been told that he could certainly seek recourse. The purpose of the amendment is to include that power in the legislation so as to guarantee that legal recourse would be possible if a federal institution were filibustering. This way, the parliamentary budget officer could take the matter before the court to obtain an order so that the documents he needs to do his work would be given to him.

I hope that my colleagues will support the amendment.

• (2030)

[English]

The Chair: Thank you, Pierre. It's on the floor.

Is there any further discussion?

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

The Chair: Next, we have amendment PV-14. Go ahead, Elizabeth May.

Ms. Elizabeth May: Mr. Chair, this amendment deals with the removal of some of the restrictions that were found regarding the determination of information that is required for the performance of his or her mandate. This is the root of many of the disputes that have happened between the PBO and federal departments. The PBO views this as reducing effectiveness.

What I've done in this amendment is to simply delete those words following “corporation”, at the top of page 87, “that is required for the performance of his or her mandate” to allow a more reasonable scope for the PBO's work.

The Chair: Go ahead, Mr. Albas.

Mr. Dan Albas: I would hope that, whatever the PBO would do, it would be within the mandate of the PBO.

Ms. Elizabeth May: Yes.

Mr. Dan Albas: Why would you want to take out the mandate of the PBO, then, if that's the point of the exercise in the first place?

Ms. Elizabeth May: If I may respond, it's not taking out the mandate. The mandate is the mandate and no officer of Parliament or any other government agency can go outside its mandate, but proposed subsection 79.4(1) is saying that the information to which it has access is only that information that is required for the performance of his or her mandate—information that is required.

Mr. Dan Albas: Yes.

Ms. Elizabeth May: That is not a limitation placed on the Auditor General. That's not a limitation that makes sense. It's a limitation on the parliamentary budget officer that is not found in other agencies of government. There's no reason to say that it's required. You could say, "you can exercise your mandate, but you don't have to have all the information. You can use some of the information, but not all the information." I think it's unnecessarily restrictive for the parliamentary budget officer.

Mr. Dan Albas: First of all, I would just point out that the Auditor General is not the PBO and the PBO is not the Auditor General. They have two totally separate functions. From my time on public accounts, the Auditor General is there to make sure there are no issues of public waste or bad administration. That's totally different. In this case, I would hope the PBO would only be seeking information in order to achieve his or her mandate.

To me, this amendment is superfluous and I just don't see the point of it. That being said, I always appreciate the member's interactions because she always brings a different perspective.

Thank you.

Ms. Elizabeth May: Thank you.

The Chair: Is there any further discussion?

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

The Chair: We're on amendment PV-15.

Ms. May.

Ms. Elizabeth May: Mr. Chair, PV-15 also amends page 87. It looks at how much information we are requiring the parliamentary budget officer to have that is otherwise excluded under section 2 of the Access to Information Act. I take the point by my friend Dan Albas that the Auditor General is not the same as the parliamentary budget officer, but the parliamentary budget office has pointed out to this committee that if the Auditor General has access to this kind of information, the PBO would better be able to evaluate Department of Finance tax changes as well. That it is a core part of the parliamentary budget office's mandate.

The amendment proposes deleting lines 10 to 12 on page 87, namely the text relating to restrictions on access to information based on provisions of any other act of Parliament.

In anticipation of some of the comments in response to this, it's important to point out that even with the current Liberal government and its commitment to more openness, we've already had an example where Finance Canada refused to give information to the Auditor General. That was shocking. This is at the level of the civil service. I don't think it was Bill Morneau's decision, but Finance Canada officials refused to give information to the Auditor General which, on the face of it, the Auditor General had a right to have.

Here the parliamentary budget office is saying, "Don't tie my hands even more. Give us the right to the information." I think we have confidence in the parliamentary budget officer as an officer of Parliament to exercise his responsibilities in a way that is essentially ethical. I think the PBO has demonstrated its ethics. It doesn't go after information it has no right to have, but it shouldn't have its hands or access to information tied in the way that proposed paragraph 79.4(1)(c) does.

• (2035)

The Chair: It's open for further debate. Is there any further discussion?

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

The Chair: We are on PV-16.

Ms. Elizabeth May: We're rolling right along here, Mr. Chair, and I thank the committee for considering my amendments.

This amendment comes from the parliamentary budget office's own suggestion as to how they think the legislation should be changed. The PBO's own draft legislation wanted to expand the statutory access to information to include cabinet confidences. Again, this is information that Ontario's financial accountability officer has at the provincial level. Certainly the Auditor General has it at the federal level. Access to certain cabinet confidences makes sense when you want to ensure that you have an officer of Parliament who has access to all the key information.

This much longer amendment would ensure that the Governor in Council would provide to the parliamentary budget officer a wider range of information. Some information would still remain confidential. As my proposed subclause (3) states, "For greater certainty, information referred to" in the above "remains a confidence of the Queen's Privy Council for Canada for the purposes of any other Act of Parliament." It would give the parliamentary budget officer the same kind of access to information that the Auditor General has, or that similar officials, including Ontario's financial accountability officer, have.

The Chair: Are there any questions or further debate on PV-16?

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

The Chair: That's what you call a hat trick.

Ms. Elizabeth May: Yes, but we're going on.

The Chair: We are on amendment PV-17.

Ms. Elizabeth May: Mr. Chair, on this amendment, I've had a history as a member of Parliament through the 41st Parliament of turning to the parliamentary budget officer quite a lot. I've worked closely with the PBO, and I don't mean to say by any means that any of the members at this table who weren't in the 41st Parliament are in any way less equipped to deal with this legislation, but I would want you to know that's why I'm fighting the fight for the PBO as hard as I am. We need a PBO. We need the independence of the PBO. We need the PBO to have the tools he or she needs.

One of the key election promises from the Liberals that I liked was that the PBO would be an officer of Parliament. It's one of the reasons I voted. I was the only opposition member of Parliament to vote for the Speech from the Throne from the Liberal government. One of the things I liked in there was the commitment that the parliamentary budget officer would be an officer of Parliament, an independent, so I've been disappointed that so much of this act restricts that independence and access to information for the PBO.

Amendment PV-17 is for the purpose of ensuring that the parliamentary budget officer has access to seek redress in the courts through the Federal Court system to pursue information that he or she has not been granted by any branch of government. It inserts after line 15 on page 87 three additional subclauses that allow the PBO to make a demand of a department or a crown corporation and if there is a refusal to provide the information, that the reasons for the refusal be given, and if the reasons for the refusal are not given and access to information is refused, the PBO would have access to the courts. I think it would be used rarely, but it's one of those backstops for access to information for full information that the PBO requires.

• (2040)

The Chair: Are there any questions or discussion on PV-17?

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

The Chair: I'll turn to a different party, amendment LIB-9. If LIB-9 is adopted, NDP-15 cannot be moved technically.

Who's moving LIB-9?

Mr. Ouellette, go ahead.

Mr. Robert-Falcon Ouellette: Mr. Chair, this amendment would remove the requirements that the PBO not release the information unless it is already made publicly available, and the head of the department of parent crown corporation has consented to disclosure. The proposed amendment would remove two clauses that were included in the originally proposed legislation to help ensure that a confidential matter is not inadvertently or inappropriately released by the parliamentary budget office. This removal gives the PBO considerable latitude to decide what documents should and should not be disclosed outside of an election period, including potential secret documents. Concerns have been raised by current and former PBOs and by members of the House and the Senate that these proposed clauses in the legislation could give deputy heads a virtual veto on the content of the PBO's report.

The intention of the proposed clauses was to provide a balance to ensure that as the PBO received access to a wider amount of information, safeguards were in place to ensure that secret and other sensitive information used in the PBO's reports were appropriately protected from disclosure. It is expected that the PBO and departments and crown corporations will work closely together to develop appropriate protocols and arrangements for the sharing and potential disclosure of secret or other sensitive information as required.

I think many of us have been very sensitive to this idea to ensure the PBO has access to a wider amount of information so they can do their job effectively. This amendment is intended to provide a balance between the wider access to information while protecting sensitive information, and it's not intended to unduly curtail the PBO's activities.

We're hoping that, being reasonable people, the PBO, departments and crown corporations will have the opportunity of actually working together to come up with the protocols necessary to ensure the information is released in a good way.

The Chair: Mr. Dusseault, the floor is yours.

Mr. Pierre-Luc Dusseault: Mr. Chair, I would just like to have a clarification from our officials here because I think the government side is trying to do something good, but rather it makes it even worse. I would like to have the interpretation from the officials of the actual clause 79.5 and the interpretation of the new 79.5 of the proposal where you would strike paragraphs (a) and (c) essentially. Could you give us some interpretation around this clause and the amendment?

Mr. Don Booth: It will strike (a) and (c). It will keep (b) for during the election costing and continue to require the deputy approval before things are disclosed, but for (a) and (c) those would be removed. Once the PBO is provided with the information, it will be at the PBO's discretion in terms of what he or she releases in the report, the idea being that there will be non-legislated information protocol between departments and the PBO to ensure that documents are treated appropriately.

Mr. Pierre-Luc Dusseault: Would this section 79.5 only apply during elections? Is that what you mean? Paragraph (b) says it's in reference to 79.21.

• (2045)

Mr. Don Booth: The minister's deputy has consent, yes. Paragraph (b) that is currently in the legislation will be the only provision there, and that will only be for the election costing part.

Mr. Pierre-Luc Dusseault: Would the PBO be restricted from disclosing some information if the minister's deputy says it should not be disclosed?

Mr. Allen Sutherland: Just during the election period, of course it's a very sensitive time, and what the PBO is doing is actually a narrower set of things. It's providing costing for parties that would like their proposals costed, so it's a much narrower set of information. In light of the sensitivity of an election time period, under the proposed legislation that section would remain.

Mr. Pierre-Luc Dusseault: If we vote against this amendment, if we keep paragraphs (a) and (c), what is the effect of that, as (a) "the information has been made available to the public"?

Mr. Allen Sutherland: If you were to keep things as they were, the three elements are as follows: the information the PBO could reveal, if it's already made public; if the DM has consented in the context of an election, as we've just discussed; and, the PBO is now getting a larger array of information. This provides a check to ensure that sensitive information isn't being inadvertently released into the public sphere. If this were to remain, that would still be in place.

Mr. Pierre-Luc Dusseault: Okay.

The Chair: Is that cleared up, Pierre?

Mr. Pierre-Luc Dusseault: Yes, but I'm not sure it's an improvement.

The Chair: Are you saying it is only with a party's permission that the PBO would do this?

Mr. Allen Sutherland: Referring to 79.5(b) as it currently is, this is only referring to when there's an election costing mandate request, which is at the request of a party. That's all I'm saying.

The Chair: Seeing no further discussion, we'll vote on LIB-9.

(Amendment agreed to on division [See *Minutes of Proceedings*])

The Chair: LIB-9 has been passed and NDP-15 is in conflict, so it will not be dealt with.

On PV-18, is Ms. May around? I know it's deemed moved. Does anybody want to make a point on PV-18?

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

The Chair: On LIB-10, Ms. O'Connell.

Ms. Jennifer O'Connell: Mr. Chair, this would ensure that the amendment would require that a one-time review of the legislation be undertaken by a committee of the Senate, of the House of Commons, or both Houses of Parliament that may be designated or established for the purpose, five years after coming into force. This addresses some of the concerns in regard to a review of these changes.

The Chair: Is there any further discussion on the mandated five-year review?

Ms. Jennifer O'Connell: I'll ask for a recorded vote.

(Amendment agreed to: yeas 5; nays 3 [See *Minutes of Proceedings*])

(Clause 128 as amended agreed to on division)

The Chair: We said we'd go until 9 p.m.

There are no amendments to clauses 129 to 158. Are we okay to treat those as a block?

(Clauses 129 to 158 inclusive agreed to on division)

(On clause 159)

The Chair: We have LIB-11.

• (2050)

Ms. Jennifer O'Connell: Mr. Chair, I'll move this amendment.

This amendment proposes that the parliamentary budget officer be considered "a federal board, commission or other tribunal" for the specific purpose of subsection 18.3(1) of the Federal Courts Act. This would allow the PBO to seek an opinion from the court on "any question or issue of law, of jurisdiction or of practice and procedure".

I think this would deal with some of the concerns and amendments in terms of information which Ms. May raised earlier.

The Chair: Is there any discussion on amendment LIB-11?

(Amendment agreed to on division [See *Minutes of Proceedings*])

(Clause 159 as amended agreed to on division)

The Chair: We have no amendments from clause 160 to clause 172. Are we okay to group them?

(Clauses 160 to 172 inclusive agreed to on division)

The Chair: We'll move on to LIB-12. Who will be speaking to this?

Mr. Fergus, go ahead.

Mr. Greg Fergus: Mr. Chair, we are addressing a drafting issue where we want to renumber the act to address the discrepancy between the Parliament of Canada Act and the RCMP Act.

The Chair: This is adding a new clause.

Mr. Greg Fergus: That is correct.

The Chair: Mr. Albas, go ahead.

Mr. Dan Albas: Was this part of the budget originally?

Mr. Greg Fergus: This is a consequential amendment after we had drafted the.... The amendment is to the Parliament of Canada Act, and it's really a housekeeping issue, just to make sure that the numbering is correct.

The Chair: Mr. Booth, we'll let you in, and then we'll go to Mr. Dusseault.

Mr. Don Booth: Let me just clarify. It's an amendment to the RCMP Act. There is a clause in the RCMP Act that makes an explicit reference back to the Parliament of Canada Act, and the numbers in the Parliament of Canada Act have changed, so it's just to make the link-up between the RCMP Act and this.

Mr. Dan Albas: Was there originally a budget measure in the budget document that was related to this, or is this just a housekeeping amendment?

Mr. Don Booth: It's a housekeeping amendment.

Mr. Dan Albas: Really? Are you saying it has nothing to do with the economic advancement of the country? I will vote against it.

The Chair: Mr. Dusseault, go ahead.

[*Translation*]

Mr. Pierre-Luc Dusseault: Mr. Chair, in the same vein, you could rule the amendment out of order. I don't really see the connection with Bill C-44 and its scope. I don't know where my colleague's comments are coming from. So I would like to see you rule on the admissibility of the amendment.

Mr. Greg Fergus: Mr. Chair, we should also check this with the clerk.

[*English*]

The Chair: No, it is not declared out of order. The budget bills are very broad in their nature and this does clear up some of the wording.

Mr. Albas, go ahead.

Mr. Dan Albas: I would seek some clarification on that. Maybe I'll ask the officials.

Is this a stand-alone amendment that was not included in the original BIA, or is this actually something that is correcting something in the BIA if there was a drafting error?

I am asking the officials.

• (2055)

The Chair: Who wants to go?

Mr. Booth.

Mr. Don Booth: Sorry. Could you repeat the question, sir?

Mr. Dan Albas: When the BIA was originally submitted, was this clause included, or is this a latecomer clause, so to speak, where you're adding something into the budget implementation act?

Mr. Allen Sutherland: It's a consequential amendment. It's the result of a numbering change.

Mr. Dan Albas: Okay, but originally was this part of the BIA, and now you are changing the BIA itself, or is this an additional clause which is expanding the nature of the bill?

Mr. Allen Sutherland: No, it's not expanding the nature of the bill.

Mr. Dan Albas: Is this clarifying what was in it already or limiting it?

Mr. Allen Sutherland: It's clarifying.

Mr. Dan Albas: Clarifying is usually a word we use when someone misspeaks or whatnot. They clarify it.

I just want to know what the original provision was. I'll look it up and maybe you could go through it then.

The Chair: If this isn't amended, what are the consequences?

Mr. Allen Sutherland: The reference is incorrect.

The Chair: Mr. Ferguson.

Mr. Greg Ferguson: First of all, I would like to apologize to members for not giving a clear answer to this. To be precise, Mr.

Albas, subsection 79.3(1) of the Parliament of Canada Act currently applies, and it makes reference to what the PBO.... This language helps ensure that the PBO has access to information that meets the conditions set out in this subsection and does not fall under the specific exceptions set out in the Parliament of Canada Act.

What we're doing is just renumbering to make sure it corresponds properly. We're discussing this because it makes reference to the PBO and to the RCMP, and we're just making sure the two acts correspond.

Mr. Dan Albas: Thank you for the clarification.

The Chair: Okay, the linkage is there.

Is there any further discussion on this point?

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

The Chair: LIB-12 is carried, creating new clause 173.1.

Let's see if we can finish this section. There are no amendments to clauses 174 to 191. Can we group them?

(Clauses 174 to 191 agreed to on division)

The Chair: That completes that division. We will start tomorrow at 8:45 a.m., in this room, on division 8.

I have one last comment. We should thank one family for their endurance tonight. This is Suzie's anniversary, and this is not quite a candlelit dinner at this meeting tonight, so, Suzie, we thank your family. I didn't know. We should have brought a bottle of wine.

The meeting is adjourned.

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