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Chair

The Honourable Wayne Easter

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• (1610)

[English]

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

I'll get to you in one second, Mr. Dusseault.

We are coming back to where we left off yesterday on the clause-by-clause. I think everybody knows now that we will be having some interruptions with votes in the House as we go through our clause-by-clause. I believe that potentially two more are expected, so we will do those and come back. We're under a motion to complete this by nine o'clock tonight.

Mr. Dusseault.

[Translation]

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Mr. Chair, I have a point of order, following new information circulated yesterday about clauses 316 and 317 of the bill. The Privacy Commissioner appeared before a Senate committee. He has expressed some major privacy concerns about the changes in Bill C-74 that deal with financial technology. He appeared before a Senate committee, and he was not at all satisfied with the way clauses 316 and 317 were written. He believes that they do not protect consumers from possible privacy breaches.

I would like to seek unanimous consent to go back to clauses 316 and 317 and vote on them separately.

[English]

The Chair: The member has asked for unanimous consent to go back to clauses 316 and 317 under part 6, division 16.

Does the member have unanimous consent to go back to those two clauses?

Ms. Jennifer O'Connell (Pickering—Uxbridge, Lib.): No.

The Chair: Okay. That takes care of that.

(On clause 404)

The Chair: We are starting where we left off yesterday. I think we agreed that we would start with division 20.

We were at LIB-1.

Do members have a copy of this? I believe you want to read it out and explain it, Mr. Fergus.

Mr. Greg Fergus (Hull—Aylmer, Lib.): Just give me a second, Mr. Chair. I'm just trying to find my version of it. My apologies.

The Chair: Keep in mind that if anyone has questions on this, Ms. Sheppard is here as an official from Justice to answer any questions.

Mr. Fergus.

Mr. Greg Fergus: Mr. Chair, I thank all members for taking a look at this. We are trying to amend clause 404 by replacing lines 1 to 11 on page 535 with the following, under "Duty to inform victims":

715.36(1) After an organization has accepted the offer to negotiate according to the terms of the notice referred to in section 715.33, the prosecutor must take reasonable steps to inform any victim, or any third party that is acting on the victim's behalf, that a remediation agreement may be entered into.

Mr. Chair, we had an initial discussion yesterday; however, I notice that we have an official here from the Department of Justice who would be able to walk us through the greater context of this. With your committee's permission, I think we would all benefit by having her at the table.

• (1615)

[Translation]

She could then do a better job of leading the discussion that we started yesterday, because I think we have moved away from the scope of the amendment.

[English]

The Chair: Ms. Sheppard, can you respond to Mr. Fergus? I expect that while we're at it there will probably be other questions.

Ms. Ann Sheppard (Senior Counsel, Criminal Law Policy Section, Department of Justice): Yes, certainly. I'd be happy to explain it.

The amendment is by way of clarification of the policy intent, which was to require the prosecutor to give notice to victims as soon as practicable in the circumstances. The way it's written right now is somewhat confusing, because it could give the impression that the prosecutor could wait until the last minute, use option (b), and wait until the agreement is before the court before giving notice, but that's not the policy intent.

The proposed wording would clarify that “the prosecutor must take reasonable steps” as soon as practicable in the process, which would be some time after the invitation to negotiate an agreement has been accepted but no later than the time that the proposed agreement is before the court for approval. It's just by way of clarification and to give victims a meaningful opportunity to make representations at a hearing. It's really just to clarify the remediative focus on victims.

The Chair: Okay, and we're on the amendment as yet.

Mr. Albas, go ahead.

Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC): Ms. Sheppard, you said that the previous two clauses that this amendment would seek to clarify are confusing. Are there any other confusing clauses that you would highlight in this bill?

Ms. Ann Sheppard: I suppose that's a bit of a subjective question. We felt that the rest were fairly clear. As I mentioned the last time, there was a lot of detail in this regime that's by way of guidance. A lot of it's taken from regimes that we have seen in other countries, so we didn't propose to change anything—

Mr. Dan Albas: You didn't get it right the first time. Is this what you're saying, that this amendment makes it better?

Ms. Ann Sheppard: We're saying that this amendment clarifies the policy intent because after having been questioned about it, we realized it could be misleading.

Mr. Dan Albas: Mr. Chair, I would simply offer the following arguments in regard to Mr. Fergus's amendment.

First of all, where did this amendment originate? We didn't hear any testimony from any witnesses who said that things had to be clarified. It only seems that now we have Ms. Sheppard.... Ms. Sheppard, I'm sure you're doing an excellent job for the Department of Justice. It's just that when you came before the committee and explained this section, there was no reference that there were issues with the bill in terms of your division.

I'm wondering where Mr. Fergus would get the testimony saying that there were confusing elements. It's one of two things. Either the government is trying to fix its own bill or Mr. Fergus somehow has a crystal ball which he is able to look into without hearing any testimony. I would simply ask Mr. Fergus where he is getting these amendments from.

Mr. Greg Fergus: The quick answer is that these amendments are the result of some questions that I had in reading this bill. As I mentioned—and I said this at the meeting that we had when Ms. Sheppard was here before—I apologized to the committee because I had only read the BIA up to division 16. In thinking about the last few sections, I had some questions and it was in posing these questions that I realized a clarification was necessary.

Mr. Dan Albas: I would just go back to the process. The government has indicated today that it has not put forward the most solid legislation. The fact that we have members changing it without hearing testimony from witnesses really undercuts the process here. It has been circumvented. First of all, the proper process for amendments would be to submit them to the clerk by the appropriate time so that all of us could review them and then look to the testimony we've heard to see whether or not they are merited, and

then bring our questions to the officials for clarification. In this case we're not being afforded that opportunity because there isn't testimony.

Again I would say that this should be done at the justice committee. This should not be done here at the finance committee. I will be opposing this simply—not out of respect for victims and wanting to make sure they have the proper information; I'm very supportive of that. I just think that this is a terrible process, and I really would hope the government.... It would be different if this were your first budget implementation act after taking government, but this is several times in, so I'm very disappointed that we're in this state today, Mr. Chair. I will be voting in opposition to the amendment as well as to the substance because this is the wrong process.

• (1620)

The Chair: Your point has been noted.

Is there any further discussion on the amendment?

Mr. Kmiec, go ahead.

Mr. Tom Kmiec (Calgary Shepard, CPC): Ms. Sheppard, on this proposed amendment that Mr. Fergus has tabled, can you explain exactly how it improves the bill? You said it wasn't clear, that it would lead to some confusion. Could you explain what the confusion would be? You said that it was the intention of the government to make it seem like you could drop this at the very last minute, that the prosecutor had that ability. How would your amendment change any of that? I see in proposed subsection (3) that the prosecutor has the ability to inform the victims after the fact when they decide not to, but they have to provide information to the court on why they decided not to inform them anyway. It seems that there's lots of leeway already written into the proposed section of the BIA. The entire division just wants to see something appended to the back of the bill as an afterthought.

Ms. Ann Sheppard: I can explain the duty to inform victims. Our instructions from cabinet were to provide for victim reparations along the lines of what exists now in the Criminal Code. The challenge with doing that is that under this regime, the charge may be laid at a later stage, so it may not be practicable to notify victims. We wanted them to be involved as early as possible in the process.

The provision that you see now in the actual text of the bill says that the prosecutor must take reasonable steps to inform a victim, or a third party on their behalf, as soon as practicable after the offer to negotiate has been accepted, that the negotiations are taking place, or, as soon as practicable after the parties have agreed on the terms of the agreement but no later than before it goes to court, that the parties have arrived at an agreement. It's obviously not possible to draft it in....

For instance, we can look at proposed paragraph 715.36(1)(a). If you're notifying them as soon as the invitation to negotiate has been accepted, you can't notify them that the parties have agreed on terms, because they haven't. They've just started. Because there's an “or” between proposed paragraphs 715.36(1)(a) and (b), it looks as though the prosecutor could say, “Well, I could just opt to use (b) and wait until the agreement is being proposed to a court”, which wouldn't really give victims a meaningful opportunity to give input on the terms.

Now, proposed subsection 715.36(2) does say that the duty to inform victims is to be construed and applied in a “reasonable” manner. If you use that to interpret the (a) “or” (b) in proposed subsection 715.36(1), then it would have to be whatever is reasonable in the circumstances. This proposed amendment makes it crystal clear that there's one notification requirement and it's to take effect as soon as possible so that victims can have an opportunity to have their views factored into the process.

Mr. Tom Kmiec: I understand your explanation, but it seems to me that the group of parliamentarians on the justice committee should have reviewed the entirety of this division in order to be able to take into account how these changes would impact the rest of this particular division.

Mr. Chair, it should have still been on its own, in its own bill, separate from this act.

The Chair: Thank you. That point has been noted for the second time.

Is there any further discussion?

Mr. Tom Kmiec: I'd like a recorded vote.

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

The Chair: Is there any further discussion on clause 404 as amended?

• (1625)

Ms. Jennifer O'Connell: I had said at the last meeting that I also had an amendment.

The Chair: I think it relates to the schedule, does it not?

Ms. Jennifer O'Connell: I'm sorry; it's clause 405.

The Chair: Okay.

(Clause 404 as amended agreed to on division)

The Chair: Do you have an amendment from the floor?

Ms. Jennifer O'Connell: Yes. This is a technical amendment. I think everybody has a copy from yesterday, but I'll read it.

I propose that Bill C-74, in section 1 of the schedule to part XXII.1 in schedule 6 on page 556, be amended by adding the following after proposed paragraph (z.3):

(z.4) section 462.31 (laundering proceeds of crime).

This is simply in the list of offences. It's my understanding that the

The Chair: Ms. O'Connell, is the amendment you're talking about dealing with page 556?

Ms. Jennifer O'Connell: It's page 556, yes.

The Chair: It's dealing with schedule 6. So can we hold it until that time?

An hon. member: On page 556.

Ms. Jennifer O'Connell: Yes, I have that. It's schedule 6, section 405. It's in the list of offences. It's the very last page of the bill.

The Chair: Could we have the legislative clerk talk to you for a minute? We want to get this right.

Mr. Dan Albas: My daughter got third place in a speech competition.

The Chair: Your daughter? Well, congratulations. She doesn't get it honestly. Oops, that's on the record. She does get it honestly.

Some hon. members: Oh, oh!

Hon. Pierre Poilievre (Carleton, CPC): I move that the committee unanimously congratulate this brilliant young lady.

The Chair: The chair will congratulate Dan Albas' daughter for coming in third in the speech competition.

Mr. Dan Albas: That's very kind.

The Chair: Okay, we've passed clause 404 as amended.

We'll come back to the schedules at the end, Ms. O'Connell.

On division 20, there are no amendments for clauses 405 to 409.

(Clauses 405 to 409 inclusive agreed to on division)

(On clauses 120 to 161)

The Chair: We are returning to part 4, “Canadian Forces Members and Veterans”.

There are some officials here from the great city of Charlottetown, the Department of Veterans Affairs. Officials, please come forward in case there are questions. There might be none.

We have Mr. Butler, assistant deputy minister, strategic policy and commemoration.

On “Canadian Forces Members and Veterans”, there are no amendments for clauses 120 to 161, but are there questions for officials by any members on the committee?

An hon. member: Did we pass...?

The Chair: No. It's related to schedule 6, so it can't come up yet. It's not on the floor yet.

Are there any questions for the officials?

Go ahead, Mr. Albas.

• (1630)

Mr. Dan Albas: This is in regard to the pension for life. I had raised issues with the Minister of Finance, and we had asked specifically for any kind of modelling to show the previous regime coupled with what is proposed. Mr. Julian also asked for that. I asked for that. There were some questions.

We had a veteran come and discuss that there was an inequity between males and females in terms of the pension for life. If they chose not to take a lump sum based on a monthly payment, females would receive less. Could you please inform us whether that information has come in? We've asked multiple times for that information.

Mr. Bernard Butler (Assistant Deputy Minister, Strategic Policy and Commemoration, Department of Veterans Affairs): Mr. Chair, I'm not certain whether or not that has been provided. I will certainly check to see, because we do have a fair amount of detailed modelling showing what these impacts are and how those calculations are made for both males and females. You should have access to it relatively shortly, if not now.

Mr. Dan Albas: Okay, thank you.

The Chair: If there are no further questions, members should have that information I believe.

Mr. Dusseault.

Mr. Pierre-Luc Dusseault: I'm wondering why we didn't have access to those models before voting on these proposals to change pensions for veterans. I am wondering why it was not given before voting on these proposals.

Mr. Bernard Butler: Again, Mr. Chair, I will have to determine where in the process those requests for that model might be. I can assure the member that in terms of the fundamental issue I think you're raising, which is whether or not there is an inequity or a fundamental difference in the amount of compensation payable under these provisions for males versus females, the answer is essentially no, there is not a fundamental difference at all.

I think what you may be referring to and may be expressing some concern about is simply how the calculations are made in those cases as part of the transition provisions of the legislation, how the transition is calculated if you are a member or a veteran who had received a benefit prior to April 1, 2019. If you take an individual who may have had a disability award granted in, say, April 2006, the legislation says that for everybody there will be a calculation made to determine whether or not they might have been better off financially had they received the new pain and suffering compensation.

The department will do that calculation automatically. The fact is simply that when we use actuarial assessments to try to determine the relative value of a disability award made 10 years ago, there are different values on the actuarial base in terms of calculating out into the future as to what the value might have been.

There is no fundamental difference in the actual amount of the pain and suffering compensation made for males versus females.

The Chair: Mr. Butler, the bells are ringing, and I have to obtain unanimous consent from the committee to stay here until 10 minutes prior to the end of the ringing of the bells.

Some hon. members: Agreed.

The Chair: Mr. Dusseault, do you have any further questions?

[*Translation*]

Mr. Pierre-Luc Dusseault: No.

[*English*]

The Chair: Dan.

Mr. Dan Albas: Mr. Chair, I appreciate that departments will sometimes receive these requests, and apparently the information was submitted. The problem we have, though, is the process and timeliness of the information.

Perhaps you could convene with the clerk as to what kind of guidelines we should be giving different departments to make sure that parliamentarians can use that information for clause-by-clause. Again, it's one of those difficult situations. I would appreciate that when a department makes a commitment it is not just to give accurate information, but it's also within the timeline that can allow the legislative process to be done properly.

• (1635)

The Chair: I can't disagree with you, Mr. Albas.

The fact of the matter is that we have a lot of information filing in. We have a problem almost physically handling the amount of reading material that comes to this committee, so, when requested, it is important that departments get it back to us as quickly as possible.

If there are no further questions for Mr. Butler, there are no amendments proposed on part 4, so shall clauses 120 to 161 carry?

(Clauses 120 to 161 inclusive agreed to on division)

The Chair: There is a proposed amendment, NDP-8, new clause 161.1.

Mr. Dusseault.

[*Translation*]

Mr. Pierre-Luc Dusseault: Mr. Chair, thank you for giving me the opportunity to explain amendment NDP-8, which seeks to incorporate an independent review.

[*English*]

It should read in English, "Independent Review", not "Independent Teview". Sorry for that. It should be part of a grammatical correction at the end of the process.

[*Translation*]

The amendment introduces the following obligations:

161.1 (1) The Minister of Veterans Affairs must cause an independent review to be conducted of the provisions enacted by this Part, including a comparative analysis of gains, if any, arising out of the new benefits.

(2) The Minister must cause a report of the review to be tabled in each House of Parliament within 3 years after the day on which this Part comes into force.

The purpose of this amendment is to clarify the issue we have just discussed in order to determine whether the new pension plan for veterans is more generous than the old one. Unfortunately, we have had no data so far. Today, we received confirmation that it will not be possible to have them before we vote. Actually, we have just adopted the proposals without having the figures to show us on average the real benefits for veterans.

The review would allow parliamentarians and the public to find out whether pension plans for veterans have actually been improved. This would require the minister to report over the next three years and to demonstrate that there are real benefits or, conversely, that there are fewer benefits than in the previous system.

I hope to have my colleagues' support for this perfectly reasonable amendment. Its purpose is simply to shed a little more light on the changes and their effects on veterans, to ensure that they have the benefits to which they are entitled since they have given so much to Canada.

I hope to have the support of all my colleagues.

[English]

The Chair: I see Mr. Grewal is on deck.

Mr. Raj Grewal (Brampton East, Lib.): Mr. Chair, I think everybody here agrees that we have a solemn obligation to our veterans.

The Minister of Veterans Affairs reports publicly on results through the departmental results report that is tabled in Parliament annually. The government is committed to including the results of the pension for life as well as other recent investments in annual departmental results reports that are published and available to all stakeholders and Canadians.

Further to this annual public reporting, the department undertakes audits and evaluations of its suite of benefits and programs to support veterans and their families in a five-year cycle. These new programs under PFL will routinely be subject to these audits and evaluations, which are proactively available to Canadians.

In consideration of these activities, we feel that this amendment is redundant.

The Chair: Mr. Albas.

Mr. Dan Albas: Mr. Chair, could we just ask to see if those documents that Mr. Grewal has mentioned are independently verified?

Are they independently verified or are they done by the department for the purposes of tabling in Parliament?

•(1640)

Mr. Raj Grewal: They're available for all stakeholders.

Mr. Dan Albas: But again, who writes them?

Mr. Raj Grewal: I think you know who writes them.

Mr. Dan Albas: We're talking about an independent report, and I think that's what Mr. Dusseault is aiming at. I just can't see how something is duplicated if it's not the same, if it's not independent, and that's why I just needed that clarification.

The Chair: Okay, I have Mr. Kmiec and then Mr. Dusseault, and then anybody else who gets in line.

Mr. Kmiec.

Mr. Tom Kmiec: Mr. Chair, I want to make the point that this is a pretty reasonable amendment. It's simply asking the Minister of Veterans Affairs to do two things, to get the independent review done and provide more information to the House of Commons.

I don't know if Mr. Grewal has read those departmental reports, but they are always glowing with all the successes the department has had, 95%, A+ for everybody. That's pretty much what happens. That's why I think an independent review would be a pretty good idea. It would provide both sets of data, a kind of independent analysis of how the department is actually doing. You have the same

people writing these reports internally who are running the programs, so of course they'll give themselves an A+.

I don't see any problem. This is a report to Parliament. We, as parliamentarians, get to tell the executive that they must report back to us in a specific matter. Departmental plans and their contents can change at any time in the future. This gets around some of that problem. Governments can always change what types of documents they produce for the public if it is not mandated by Parliament, so I'll be supporting this amendment.

The Chair: Mr. Dusseault.

[Translation]

Mr. Pierre-Luc Dusseault: I would like to make a clarification. I'm not sure whether I have said it loudly or clearly enough, but the title is "Independent review", which is fundamentally different. My colleague, who has worked in business and finance, should know the difference between an internal review and an independent external review in terms of determining the results.

In this case, it is clearly indicated that we are not simply looking for a departmental performance report. We cannot rely on a departmental report. Just think of the Canada Revenue Agency's performance report as an example. According to the report, their call centre was perfect, everything was fine, the response rate was excellent, clients were very satisfied, and the responses were also good. However, when an independent review was conducted by the Auditor General, the picture was completely different.

This example demonstrates the need for an independent review and indicates that we should not rely on departmental rhetoric, which will stop at nothing to make the situation look better. We are not just asking for a review; we are asking for an independent review.

[English]

The Chair: Is there any further discussion on this point or shall I go to the vote?

Mr. Tom Kmiec: Could we have a recorded vote?

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

The Chair: We could vote on the section and then break. There are no amendments on clauses 162 to 185, and then we will start part 5.

(Clauses 162 to 185 inclusive agreed to on division)

The Chair: I would suggest that we go vote and come back and start part 5, starting with clause 186 and amendment NDP-9.

The meeting is suspended.

•(1645)

_____ (Pause) _____

•(1720)

The Chair: We are reconvening our clause-by-clause consideration of Bill C-74.

We are starting where we left off, at clause 186. We're starting to deal with part 5, which is the greenhouse gas pollution pricing act.

We have a number of officials from various departments. I'll go through the names. They are Adam Martin, sales tax division, tax policy branch, Department of Finance; David Turner, tax policy analyst, Department of Finance; Pierre Mercille, director general, sales tax division, tax policy, Department of Finance; Julien Landry, senior policy analyst, Department of the Environment; and John Moffet, who we have had before the committee many times, from the Department of the Environment.

Welcome, all.

Members, if you have any questions as we go through the clauses, the officials are here for that.

(On clause 186)

The Chair: We're starting with NDP-9.

Mr. Dusseault.

[*Translation*]

Mr. Pierre-Luc Dusseault: Mr. Chair, I am pleased to explain amendment NDP-9.

This amendment is quite simple. Essentially, it proposes that Bill C-74 apply the same plan to fishers as it intends to apply to farmers. You may recall that we had a fairly extensive discussion here about issuing an exemption certificate to farmers so that they would not have to pay fuel charges, which will apply in some provinces after the bill is passed.

The government either forgot, or intended to grant this exemption only to farmers, not fishers. Yet fishing is another extremely important activity, particularly for small communities close to oceans.

The amendment proposes that the regime for farmers also apply to fishers. To this end, it adds some definitions. First, it seeks to define what an “eligible fishing activity” means, in the same way it has been defined for agriculture. It is also important to define an “eligible fishing vessel”, just as the bill defines what type of farm equipment is eligible. We also propose that the definitions for “fishing” and “fisherman” be added, in the same way that the bill defines “agriculture” and “farmer”. Clearly, the amendment defines “qualifying fishing fuel”. Finally, further on in our amendment, we are talking about issuing exemption certificates, such as those that the bill seeks to grant to farmers.

In my view, this is simply a matter of fairness for these two extremely important and key sectors in Canada. Both of them could be affected by this. If the government has seen fit to provide a system of this kind for farmers, I do not see why it should not be the same for fishers, who are just as important in some communities as farmers are in others.

I hope to have the support of all my colleagues for this amendment, which simply seeks to correct a form of inequity created by the bill. This inequity must be corrected, and that is what amendment NDP-9 is doing.

Thank you for your attention and I hope I can count on the support of all of you.

•(1725)

[*English*]

The Chair: As members know, that's on page 162 of the bill.

Mr. Sorbara.

Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.): Mr. Chair, I want to thank my NDP colleague for speaking to his amendment and commenting on the importance of fishermen and fisherwomen and farmers across Canada. We know the work they do day in and day out. It's not about me. When I was growing up, my mother was a cannery worker in Prince Rupert, British Columbia, and my five aunts all worked at canneries. Many of my friends still own seiners, trawlers, or gillnetters. It's very important that we ensure their livelihoods are protected and they can make a good living, whether it's on the east coast or west coast of Canada, and in between in some places, and that we have a regime, a price on carbon that doesn't detrimentally impact either fishermen and fisherwomen or farmers.

Regarding the amendment Mr. Dusseault has put forward, I've read it over and examined it and there is one word in it that I do have an issue with. While you want to treat farmers and fishermen the same, and we look at them in unison, the way the amendment is written they're actually not the same. Farmers are exempted in terms of what's called purple gas, and fishermen would need a different regime to be in place for them to be exempted.

This amendment, from my understanding, does not do that, and because it does not do that, it doesn't bring the fairness that you speak to. I'll have to decline and vote down the amendment.

The Chair: Mr. Albas.

Mr. Dan Albas: Mr. Chair, I think we have to look at this as whom this so-called backstop regime would be foisted upon. This committee actually had the premiers of the Northwest Territories and Nunavut come and explain how difficult the carbon tax is. Many indigenous people derive a fair bit of their income in Nunavut from fishing operations. As we know, the cost of living and the cost of doing business in places like Nunavut are extremely high. I have stated categorically that I believe both Nunavut and the Northwest Territories should be exempt, and that the government should find other ways of helping them and their communities to get off of diesel as a way to contribute to the fight against climate change, and to see those communities get more benefits.

However, it seems to me that the bill as currently written was only written with the idea of Saskatchewan in mind. Obviously, Minister Goodale didn't want to have his phones lighting up from all those farmers, so they exempted them. I think that's patently unfair to the people of Nunavut, particularly those fishers who are seeking to earn a living. These indigenous groups do run very sophisticated operations and do provide local jobs.

Mr. Chair, I support this particular amendment because it, again, keeps the affordability of those operations, keeps them competitive with other jurisdictions, and I do believe we need to start addressing the cost of living, particularly in those remote, rural areas. I will be supporting Mr. Dusseault's exemption, and I would encourage all of us to do the same. I am, again, opposed to the concept of a nationally imposed carbon tax, but I think the government, by instituting this and punishing those fisher operations, especially indigenous ones, is running contrary to its promises of consultation and helping those communities integrate into the full economy. This is one more case where they are not listening. They put forward moratoriums that deeply affect the opportunities of northern communities, and this is another example of throwing it in without consideration.

Thank you.

• (1730)

The Chair: Mr. Poilievre.

Hon. Pierre Poilievre: Mr. Chair, this question is for the officials.

What would the cost of the carbon tax backstop be to the average fisher?

The Chair: Mr. Moffet, I don't want to call on you, but you're usually the one who gets called on.

Hon. Pierre Poilievre: We've got an answer, they're indicating, let the record show, Mr. Chair.

The Chair: No, no. I think the pages are turning and people are working at that end of the table.

Hon. Pierre Poilievre: That's encouraging.

The Chair: That's encouraging.

Whoever wants to answer, folks, can answer. It doesn't have to be Mr. Moffet. I selected him out and probably shouldn't have.

Hon. Pierre Poilievre: They have the costs right there in the document.

Mr. John Moffet (Associate Assistant Deputy Minister, Environmental Protection Branch, Department of the Environment): I can have my Finance colleagues follow up on the answer to this, but the main price impact on a fisher—I believe that's the right term—would be in terms of the increase in price in cost of fuel. If we assume that most fishing boats use diesel fuel, then the price impact on diesel fuel is prescribed in the schedule. You'll see in the schedule to the bill that a \$20 per tonne of CO₂ equivalent carbon price is equivalent to about five cents a litre of diesel.

The impact would have to be translated in terms of the amount of fuel that the particular fishing person uses. We know the fishing community in Mr. Easter's jurisdiction typically doesn't travel far, so for short-distance trips versus those on the west coast that Mr. Sorbara was referring to, which can spend weeks at sea, the impact will be significantly different. I think the easiest answer, then, is translated into a sort of a price per litre of diesel fuel; I think it's called light fuel oil. Then that would have to be translated in terms of the actual kind of average annual consumption that the particular person was using.

Hon. Pierre Poilievre: What will be the cost per litre of diesel fuel when the carbon tax reaches \$50 a tonne? The number you gave us was for a levy of \$20 a tonne.

Mr. Pierre Mercille (Director General (Legislation), Sales Tax Division, Tax Policy Branch, Department of Finance): That's 13.4¢ a litre.

Hon. Pierre Poilievre: Okay. Will the GST apply on that 13.4¢ per litre?

Mr. Pierre Mercille: The GST applies on the final price when there's a sale that is made. This would be embedded in the price of the fuel.

• (1735)

Hon. Pierre Poilievre: So it would apply? The GST would apply.

Mr. Pierre Mercille: It would apply to the final selling price of the fuel.

Hon. Pierre Poilievre: Which includes the tax, the carbon tax?

Mr. Pierre Mercille: Likely, the producer would embed the fuel charge in the price of the product.

Hon. Pierre Poilievre: Okay. What would be the total cost for an average fishing operation to pay this carbon tax when it reaches \$50 per tonne?

Mr. Pierre Mercille: We don't have that information.

Hon. Pierre Poilievre: Here or anywhere?

Mr. Pierre Mercille: Personally, I'm not aware, but I'm a legislative guy, so....

Hon. Pierre Poilievre: Okay. Thank you.

The Chair: Mr. Sorbara.

Mr. Francesco Sorbara: Mr. Chair, we do have to remember—this speaks to Pierre's and Dan's questions—that the federal backstop would apply only to jurisdictions where there isn't a pricing regime for carbon already in place or that will be put in place, and that the provinces will be remitted the funds, which they can use in a manner to.... Mr. Albas is well aware that in B.C. under the prior Liberal government personal income tax cuts and corporate tax cuts were introduced.

With reference to Mr. Dusseault's amendment, again, the spirit of the amendment is something I can live with. The language in the amendment is, I think, something that is amiss. That's why I'd be voting it down. With that, I have an alternative suggestion that I would like to put forward after we deal with Mr. Dusseault's amendment.

The Chair: Mr. Albas.

Mr. Dan Albas: I would like to again bring up the point that until we know otherwise....

The government likes to play this game of saying we're not going to share the information. Even last night, the Minister of Finance would only give information from Alberta. Well, Nunavut, as far as I understand, has not figured out what it's going to be doing, and I do know that there are fishing operations that support local employment there. The government can't play it both ways, where you say that you can't assume something, because the fact is that until a province or a territory has said that this is their regime and this is how they're going to do it, we have to figure that the backstop will apply.

It's interesting that members are now bringing forward more amendments. I don't remember us receiving the amendments. Are these going to be table-dropped amendments?

Mr. Francesco Sorbara: Yes.

Mr. Dan Albas: I would say that's not proper process, and I would look to the chair on that.

Mr. Chair, is this the way we're going to start doing these things? If it's a free-for-all where people can just table-drop, I would imagine other parties would want to do the same thing.

The Chair: Mr. Sorbara is talking about the amendment on the floor from Mr. Dusseault. I think he's saying that he's going to put forward an amendment similar, from what I heard.

Mr. Dan Albas: Okay. Well, it just seems to me that we have a finance committee process we agreed to so that we can have a process where we don't have to be remaking the new process. It's like a finely tuned motor. If everything operates and fires at the right time, then we can have our debates and come to a logical conclusion.

I have to say, Mr. Chair, it seems very strange that the government is relying on tabling things at the last minute. It doesn't provide for a very good process. I think it runs contrary to much of the rhetoric we heard in 2015 about open government and working with parliamentarians and showing respect for the institution itself.

The Chair: Ms. O'Connell.

Ms. Jennifer O'Connell: Mr. Chair, it's funny how Mr. Albas talks about committee process, yet it was also these members in the chair when the Conservatives failed to provide more than three witnesses for this process, where we allowed, and in fact sought, additional witnesses from the Conservatives well after the motion in the process. So it's funny how the Conservatives are okay with the process being flexible given situations when it suits them, and openness and transparency when it suits them, but when members want to bring forward amendments that are completely within order, all of sudden they're outraged. I'll remind the member that we actually provided additional time for your witnesses.

On the amendment—

• (1740)

The Chair: That's what I was just going to say. If we get into a discussion of who said what and what procedure was when, then we'll be at our nine o'clock deadline. If you could stick to the amendment, that would be great.

Ms. Jennifer O'Connell: Thank you, Mr. Chair. I just didn't think it should be left there on the record without being corrected.

In terms of the amendment, again, I think Mr. Dusseault's suggestion is something that has merit, but I think the issue with the fuel raises concerns in the sense that most in the fishing industry would go to a regular commercial-type fuel station to buy gas while in the farming community it's very specific, so you can deal with that regulation or that exemption.

While I agree with the intention, and I do think we have an alternative that will work, I think it just requires a bit more detail in terms of the implementation.

The Chair: Mr. Albas.

Mr. Dan Albas: I have just a brief response.

The member opposite knows that we had a business plan. We actually had committee meetings to discuss how we would go forward. It included some flexibility regarding when witnesses would need to be in. So for her to be using it as a sticking point seems strange, because we had agreed to those things together.

The chair has been here long enough. I'm sure he understands, as the chair, the amount of pressure that this committee has. We have to get these clauses in tonight. However, again, it's not a good process.

I would simply say to government members that if you look like you're tabling things at the last minute for your own bill, to me it shows that you probably haven't given it much consideration. At least I can rest assured of why I did not submit an amendment: it's because I oppose the bill, and I am transparent on that. I just would hope that for a better process, we could all find that if we agree to something, such as getting our amendments in, it should be followed.

The Chair: Thank you, Mr. Albas.

I think we did allow some flexibility on witnesses as well, but I do understand that sometimes governments need to clean up their own legislation.

Mr. Fergus and then Mr. McLeod.

Mr. Greg Fergus: In a way of trying to be very co-operative, I'd like to take on what Mr. Albas said. I think it's important. The thing that has distinguished this committee, in my year and a bit of serving on it, is the collegiality, the ability of all parties to get to the nub of the issue, and to work out a lot of things through the subcommittee. I can understand how Mr. Albas might feel that the process is a little different today.

On that front, what Monsieur Dusseault has brought forward I think is a laudable modification. The amendment he wants to bring forward is that, in the exemption, not only do we take into account what has been extended to farmers, but to make sure it's extended to fishers. In terms of the intention of what's being brought forward, it's laudable. It's one which I hope all parties would be able to support, if we could seek further clarification for it.

I guess the question that really comes to us is, would it make sense to pass an amendment which is not clear enough? As my colleague Mr. Sorbara had mentioned, it would require more consideration, more specification, or would we have to introduce something differently?

That is why, as you mentioned, Mr. Chair, it would be important to seek clarification to modify that amendment. It might be a significant modification, but I think it still gets to the nub of the issue of what Monsieur Dusseault has raised, and what I think all members should want to do.

• (1745)

The Chair: Okay, we'll take a couple of more speakers on this.

Our original motion said five minutes per clause. I said earlier, I think a month ago, that we wouldn't necessarily stick to that in every clause, because some clauses are going to require more discussion.

Mr. McLeod.

Mr. Michael McLeod (Northwest Territories, Lib.): Mr. Chair, I want to also talk a little about the amendment and the issue of allowing other sectors into the exempted portion of the bill. Historically, primary producers had a category that included farmers. It also included fishers, the trappers. The independent loggers, I believe, were also part of that.

We don't have a whole lot of farmers in the Northwest Territories, but that's a sector that is starting to grow. We're certainly promoting it. They still need to be able to use purple gas. It's something we don't have in the Northwest Territories yet, but we do have a lot of fishers. The licence numbers and the uptake are growing. We're trying to find ways to include indigenous communities. It's an industry that holds a lot of promise for us. We still largely have a—

The Chair: If I could interrupt you for a second, Mr. McLeod, do we have unanimous consent to go to 10 minutes before the vote?

Some hon. members: No.

The Chair: Okay, then I'm sorry, Michael, but when the bells start to ring, we have to have unanimous consent to continue.

For officials, the bells ring for 30 minutes. The votes will probably take about 12 minutes. We'll be back in about 40 minutes.

• (1745) _____ (Pause) _____

• (1910)

The Chair: We'll reconvene.

For expediency tonight, we've seen how easily the last two votes were done in the House, 278 to zero and 277 to zero. It should be a smooth evening, don't you think?

Mr. McLeod, you had the floor.

Mr. Michael McLeod: Thank you, Mr. Chair. I'll quickly wrap up.

My point was that with whatever programs and whatever exemptions our committee recommends, it should always be taken into account that it has to be fair across the board. The farmers' exemption is fine, but it doesn't apply in the north. We don't have a purple gas program. These are the concerns I wanted to flag to committee. I think whatever exemptions are incorporated have to have mechanisms to be accountable and tracked so they're not abused.

Those are my points, Mr. Chair.

The Chair: Thank you.

Have I missed anybody else on the speakers list?

Seeing none, on amendment NDP-9, we'll have a recorded vote.

(Amendment negatived: nays 5; yeas 3 [See *Minutes of Proceedings*])

The Chair: Mr. Sorbara, you said you had another amendment.

Mr. Francesco Sorbara: Thank you, Chair.

I think all the members have received a copy in both official languages.

We would like this amendment to ensure that fishermen and fisherwomen across this country are able to continue their pursuit and receive an exemption from the backstop for the pricing of carbon on the fuel that is used. This amendment would allow that to happen in jurisdictions where no carbon pricing regime has been put in place. We know that currently 85% of Canadians have a regime put in place by provincial jurisdiction.

Mr. Chair, would you like me to read the amendment?

The Chair: What's the wish of the committee?

I hear the members want it read, so go ahead.

• (1915)

Mr. Francesco Sorbara: Mr. Chair, my amendment is that Bill C-74, in clause 186, be amended (a) by adding after line 22 on page 162 the following:

eligible fishing activity means the operation of an eligible fishing vessel for the purposes of fishing or a prescribed activity. (*activité de pêche admissible*)

(b) by adding before line 23 on page 162 the following:

eligible fishing vessel means property that is primarily used for the purposes of fishing and that is a fishing vessel or prescribed property, but does not include prescribed property. (*bateau de pêche admissible*)

(c) by adding after line nine on page 163 the following:

fisher means a person that carries on a fishing business with a reasonable expectation of profit. (*pêcheur*)

fishing includes fishing for or catching shellfish, crustaceans and marine animals, but does not include an office or employment under a person engaged in the business of fishing. (*pêche*)

(d) by adding after line 37 on page 167 the following:

qualifying fishing fuel means a type of fuel that is gasoline, light fuel oil or a prescribed type of fuel. (*combustible de pêche admissible*)

(e) by replacing line 17 on page 176 with the following:

(iii.1) a fisher, if the fuel is a qualifying fishing fuel and the listed province is prescribed, or

(f) by adding after line 24 on page 188 the following:

Charge—diversion by a fisher

24.1(1) Subject to this Part, if at any time fuel is delivered in a listed province by a registered distributor in respect of that type of fuel to a particular person that is a fisher and an exemption certificate applies in respect of the delivery in accordance with section 36, the particular person must pay to Her Majesty in right of Canada a charge in respect of the fuel in the listed province in the amount determined under section 40 to the extent that, at a later time, the fuel is

(a) used by the particular person in the listed province otherwise than in eligible fishing activities; or

(b) delivered by the particular person to another person unless the other person is a registered distributor in respect of that type of fuel and an exemption certificate applies in respect of the delivery in accordance with section 36.

When charge payable

(2) The charge under subsection (1) becomes payable at the later time referred to in that subsection.

Charge not payable

(3) The charge under subsection (1) is not payable if

(a) at the later time referred to in that subsection, the particular person is not a fisher;

- (b) a charge is payable under section 37 in respect of the fuel; or
- (c) prescribed circumstances exist or prescribed conditions are met.

Charge—ceasing to be a fisher

(4) Subject to this Part, if at any time fuel is delivered in a listed province by a registered distributor in respect of that type of fuel to a particular person that is a fisher, if an exemption certificate applies in respect of the delivery in accordance with section 36 and if that particular person ceases, at a later time, to be a fisher, the particular person must pay to Her Majesty in right of Canada a charge in respect of the fuel and the listed province in the amount determined under section 40 to the extent that, at the later time, the fuel is held by the particular person in the listed province. The charge becomes payable at the later time.

Charge not payable

(5) The charge under subsection (4) is not payable if

(a) at the later time referred to in that subsection, the particular person is registered as a distributor in respect of that type of fuel;

(b) at the later time referred to in that subsection, the particular person is a registered emitter, but only to the extent that, at the later time, the fuel is held at, or is in transit to, a covered facility of the person;

(c) a charge is payable under section 37 in respect of the fuel; or

(d) prescribed circumstances exist or prescribed conditions are met.

(g) by adding after line 35 on page 196 the following:

(vii.1) that the person is a fisher, that the fuel is for use exclusively in the operation of an eligible fishing vessel and that all or substantially all of the fuel is for use in the course of eligible fishing activities, or

(h) by adding after line 8 on page 197 the following:

Exception—fisher

(1.1) Despite subsection (1), if fuel is delivered to a fisher in a listed province that is not prescribed for the purposes of subparagraph 17(2)(a)(iii.1), an exemption certificate does not apply in respect of the delivery.

(i) by adding after line 33 on page 198 the following:

(d) the person is a fisher, the fuel is a qualifying fishing fuel, and an exemption certificate applies in respect of the delivery in accordance with section 36.

• (1920)

(j) by adding after line 34 on page 211 the following:

(iii.1) to a fisher if the fuel is a qualifying fishing fuel,

The Chair: So moved, and it is in order.

Mr. Albas.

Mr. Dan Albas: I'd like to ask the officials, with regard to this amendment, whether there would be an impact on revenues collected by the crown.

Mr. Pierre Mercille: This amendment is essentially relieving in nature.

Mr. Dan Albas: So there would be less revenue to the crown, as was envisioned in Bill C-74 in its original text. Is that correct?

Mr. Pierre Mercille: Yes.

Mr. Dan Albas: Mr. Chair, perhaps I could get some guidance from you and the clerk, because it's my understanding that when you have an amendment that could cause the treasury to collect less, that would require a royal recommendation. Usually, these kinds of provisions would be done by a minister. If it does require a royal recommendation, then it's my view that you should rule it inadmissible.

The Chair: The recommendation is not necessary if you spend less and not get more.

Mr. Dan Albas: Okay, so because you're not collecting as much tax...?

I'm sorry, but usually a royal recommendation is required anytime there is an extra cost to the crown. This would foresee there being a reduction in revenues, and that's the purview of...

The Chair: I think I would return this to Mr. Moffet.

If I could get into the revenue neutrality of this proposal, we would be in the same place. Is that correct? That's the purpose.

Mr. Dan Albas: We don't know if it's revenue neutral. We're talking about the collection of taxes.

The Chair: Let me try this another way.

If there is less money coming into the treasury, you don't need a royal recommendation.

Mr. Dan Albas: Thank you.

The Chair: Is there any further discussion?

Mr. Dusseault.

[Translation]

Mr. Pierre-Luc Dusseault: I would like to thank the member who moved this amendment. This is certainly a very modest way of taking credit for half the text. Indeed, the text of this amendment is almost identical to that of the amendment I proposed, but it contains slightly more precise terms and gives more details about certain possible cases, for example when fishers cease their activities.

So I will support this amendment. I am glad the government realized its mistake and is prepared to correct it today during clause-by-clause consideration of the bill. I am glad to see that the government is able to recognize its mistakes.

[English]

The Chair: Mr. Sorbara.

[Translation]

Mr. Francesco Sorbara: Thank you very much, Mr. Dusseault.

[English]

Where I grew up, we obviously care about fishermen or fisherwomen across Canada and we fight for them, and I'm glad to see that we can come to a resolution to make sure that they're exempted from the backstop.

I hope my colleagues on the other side will stand up and ensure that they also vote with us to ensure that fishermen and fisherwomen from B.C. to Newfoundland and Atlantic Canada and other areas of the country also are exempted from the pricing of carbon backstop.

I think it's a good day for our parliamentary system and for our committee.

• (1925)

The Chair: I have Mr. Albas first, then Ms. O'Connell, and then Mr. Poilievre.

Mr. Dan Albas: Thank you, Chair. I appreciate the opportunity to elaborate here.

First of all, as I have said previously, I do not support the imposition of a national carbon tax from an Ottawa perspective because this country is too great and diverse to simply put into one regime.

That being said, I did support Mr. Dusseault's earlier iteration of the same proposal, and it's because, again, I believe that wherever a burden is put on small businesses, particularly those of fishers or farmers or whatnot, there should be equitable treatment. In this case, this will. But to the members opposite, I go back to my original argument that to table-drop such an extensive resolution or amendment the day of clause-by-clause, I think, is exceptional. I think it's regrettable that the government obviously finds it needs to make last minute changes on the fly, and I think we can have a better process.

I hope members opposite don't take some of my opposition to this approach personally, but if they're expecting the members on the Conservative side to simply roll over and agree with them every time they make changes, particularly when there is a bad process, I would hope they would expect better of us because we try to do what we can with what we have.

Thank you.

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

Hon. Pierre Poilievre: I am somewhat relieved that this government has found it in its heart to extend a small mercy to one particular group of people even as it administers so much punishment to all the others. I see in that mercy an opening, a possibility that we might go further. I note they have agreed under unrelenting pressure from our official opposition to exempt farmers and fishers. Those working in the forestry sector are also very important to our economy. They also harvest from nature a living that is honourable and dignified, but not without its costs. I wonder if the government might consider finding it in its heart to include the forestry sector as another exemption from this federal carbon tax.

I turn it over to Mr. Sorbara to see if he would do that.

The Chair: Ms. O'Connell, you have the floor.

Ms. Jennifer O'Connell: Mr. Chair, it's interesting that you can't tell what the Conservatives think or feel because Mr. Albas is saying how wrong it is to bring this forward and Mr. Poilievre says that they're the champions of farmers and fishers. But in fact, it was the NDP who made an amendment, and we then are—

The Chair: Stay on the amendment. Stay on topic.

Ms. Jennifer O'Connell: Okay. So now we take the amendment and provide the clarity that was needed in the specifics around, for example, gasoline, which I spoke about on Mr. Dusseault's motion.

I'll leave it at that, but I'll ask for a recorded vote, Mr. Chair.

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

The Chair: That's like what we were doing in the House a moment ago; it's looking good.

We're on NDP-10.

• (1930)

Mr. Pierre-Luc Dusseault: Mr. Chair, I would like to move NDP-11 before NDP-10, if it's possible. It's regarding the same clause.

The Chair: They have to be done in order. Just hold on until we sort this out.

[*Translation*]

Mr. Pierre-Luc Dusseault: Okay.

[*English*]

The Chair: We're on NDP-10.

Mr. Pierre-Luc Dusseault: We will withdraw NDP-10.

The Chair: Okay, NDP-10 is withdrawn.

We'll go to NDP-11.

[*Translation*]

Mr. Pierre-Luc Dusseault: Amendment NDP-11 deals with clause 186, which concerns the minister's ability to withdraw penalties. It involves the cancellation of interest and penalties imposed as a result of breaches of the Greenhouse Gas Pollution Pricing Act. Under this act, penalties are imposed for failing to pay what is owed to the government.

The amendment I'm proposing is to add, after line 9 on page 253, a provision that would require the Canada Revenue Agency, when it waives, cancels or reduces any interest payable by a person under the act, to publish the decision to do so on its Internet site. This is for the sake of transparency. When the minister decides to reduce or waive interest or penalties, we want it published so that we know who neglected their obligations under the act, what interest or penalties were waived and when those decisions were made.

[*English*]

The Chair: Witnesses, you have copies of these amendments.

Mr. Fergus.

[*Translation*]

Mr. Greg Fergus: Again, it would be helpful to refer to proposed subclause 100(1) on page 252 of the bill. What my colleague is proposing relates to this subclause.

I think that the compliance and enforcement provisions in Part 1 of the new Greenhouse Gas Pollution Pricing Act are based on those in other acts administered by the Canada Revenue Agency. These compliance and enforcement rules work together to ensure that the Greenhouse Gas Pollution Pricing Act is applied effectively, efficiently and fairly.

For these reasons, I don't think subclause 100(3) is necessary. I think it's quite clear that the first two subclauses address this issue. Having said that, perhaps the officials here today would like to elaborate on that.

I will vote against my hon. colleague's proposal.

• (1935)

[*English*]

The Chair: Mr. Albas.

Mr. Dan Albas: I would like to ask the officials if there is any similar transparency mechanism for other taxation. When a minister agrees to waive a certain sum for whatever reason, is there any similar process for putting someone's name on the Internet?

Mr. Pierre Mercille: No, there is none.

Mr. Dan Albas: Mr. Chair, I would simply suggest that we not support this, because from a privacy point of view it's a bit out of step to require that if something has been waived—it could even be for a simple administrative concern or a technical glitch—someone's name is placed on the Internet. If we don't have similar treatment for other taxes, I don't see why this would be any different.

The Chair: Thank you, Mr. Albas.

Officials, if you have anything you want to add, just raise your hand.

Mr. Dusseault.

Mr. Pierre-Luc Dusseault: I don't want to enter into a very long debate, but I'd just like to point out that it doesn't instruct the minister to disclose the name of anyone. It's just to make sure that, if the minister waives, cancels, or reduces an interest, he or she must publish the decision. It doesn't need to be the name of the person, only the amount that was waived, reduced, or cancelled.

The Chair: Mr. Albas.

Mr. Dan Albas: I guess it comes down to the way you have a system set up. Is it to name and shame or is it to bring compliance? I'm still not convinced, although I do appreciate the member at least giving an explanation as to why he feels that would be helpful to the citizens of Canada.

The Chair: Okay, the amendment is up for a vote.

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

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

The Chair: We'll turn to NDP-12, and I'll point out that if NDP-12 and NDP-13 are both adopted, the committee should vote against clause 188, since clause 188 of the bill refers to “section 107 and section 255(3)” of the bill that would have been deleted by the adoption of NDP-12 and NDP-13.

Mr. Dusseault.

[*Translation*]

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

We must read amendments NDP-12 and NDP-13 together, as well as amendments NDP-14 and NDP-15.

Amendment NDP-12 is intended to ensure greater transparency in the carbon pricing regime and to ensure that as much information as possible can be obtained under the Access to Information Act. The changes proposed in amendment NDP-12 arise from the fact that, in the first place, section 107 is being deleted in its entirety.

That is the essence of the amendment. The goal is to increase transparency in the application of the regime and to provide greater access to information under the Access to Information Act.

[*English*]

The Chair: Mr. Fergus.

[*Translation*]

Mr. Greg Fergus: Mr. Chair, I raise these same reasons why I voted against NDP-11 introduced by my hon. colleague. I think the

changes proposed in this amendment are unnecessary because they are already part of the provisions set out in Part 1.

[*English*]

The Chair: We'll vote on NDP-12.

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

The Chair: Mr. Fergus.

• (1940)

Mr. Greg Fergus: Mr. Chair, I know I'm exercising the patience of this committee, but I have provided to the clerk some amendments that I would like to present. I don't know if this has been distributed to all members yet, in both languages.

The Chair: Okay, I believe everybody has a copy.

Mr. Fergus.

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

If I could ask everybody to turn to page 315, we're on clause 186, at proposed subsection 166(3).

It currently reads:

In making a regulation under subsection (2), the Governor in Council may take into account any factor that the Governor in Council considers appropriate, including the stringency of provincial pricing mechanisms for greenhouse gas emissions.

I would like to remove lines 21 to 23 in the English and lines 22 and 23 in the French, and to replace them with the text that members have before them.

[*Translation*]

The amendment modifies Bill C-74 in clause 186, lines 21 to 23 on page 315. It is intended to replace the part that reads “the Governor in Council may take into account any factor that the Governor in Council considers appropriate, including the stringency of provincial pricing systems mechanisms” and to replace it with “the Governor in Council shall take into account, as the primary factor, the stringency of provincial pricing mechanisms”, and then it continues.

[*English*]

The Chair: Okay, I'm clear and we got it on the record correctly. This is the amendment, that Bill C-74, clause 186, be amended by replacing lines 21 to 23—this is in English—on page 315— with the following:

Governor in Council shall take into account as the primary factor the stringency of provincial pricing mechanisms

Are we all clear on which one we're dealing with?

Mr. Greg Fergus: Exactly. It's virtually the same in French.

[*Translation*]

The lines concerned would say:

Governor in Council shall take into account, as the primary factor, the stringency of provincial pricing mechanisms.

[*English*]

The Chair: Okay. The motion is in order and is on the floor. Is there any discussion?

Mr. Dusseault.

[Translation]

Mr. Pierre-Luc Dusseault: My understanding from my colleague's explanations is that this is intended to make the stringency of provincial greenhouse gas pricing systems the primary factor, rather than simply considering any factor, including stringency. Let's be clear: we want to focus on the stringency of provincial systems first and foremost.

Mr. Greg Fergus: Indeed, we want to clarify and make more explicit the objective of the bill, and to focus on the issue of pollution and pollution pricing.

● (1945)

Mr. Pierre-Luc Dusseault: I don't know if the officials who are here can answer my question, but I'm curious as to who is going to do the stringency assessment of provincial systems and what the criteria are for assessing the stringency of a provincial system.

[English]

The Chair: Mr. Moffet.

Mr. John Moffet: Mr. Chair, the amendment, as Mr. Fergus indicated, is a clarification of the government's policy intent. It has been articulated in a series of documents that are public, starting with the pan-Canadian approach to pricing carbon pollution. That's the document that sets out the basic test or criteria the federal government will use to determine or assess the provincial and territorial pricing systems.

As the amendment suggests, the core of that test is stringency. Recognizing that there are different kinds of pricing systems, some that have an explicit price and some that work by means of imposing a cap or performance standard that in turn translates into a market price, the document describes the way in which stringency will be assessed for both types of systems.

That test was then elaborated in a guidance document that was published in mid-2017, in a supplemental guidance published later in 2017, then in a letter from ministers Morneau and McKenna to their provincial counterparts sent in December 2017, and also on the web. Most recently, it was outlined in a letter from our deputy minister of environment and climate change to his counterparts on May 4, also available publicly.

Those documents provide clarification about the way in which the government will interpret this concept of stringency. It relates to the explicit price or the nature of the cap or standard that's set by the pricing system, depending on the nature of the system that's in place.

The Chair: Okay.

Mr. Albas.

Mr. Dan Albas: I notice that the term used here is "as the primary factor". This means the Governor in Council's main purpose will be to look at stringency, not equivalency.

Is that correct?

Mr. John Moffet: That's correct.

The primary focus of the decision would be the stringency, as interpreted by the documents I just referred to of the various provincial systems. That is the basis for assessing whether the provincial systems meet the federal standard, and in turn whether

there is a sound basis for making a decision to apply the federal system in that jurisdiction.

Mr. Dan Albas: Mr. Moffet, I'm asking about the equivalency because the former premier of British Columbia, Christy Clark, challenged the federal government in Vancouver on the equivalency between a cap-and-trade system and a simple carbon tax, as is used in British Columbia. I know we're talking about something different.

Usually under parliamentary practice, when something is not defined, you take its common usage as in the Oxford dictionary or whatnot. There is no definition for stringency in this act.

Is that correct?

Mr. John Moffet: That's correct.

The act does not define stringency. I would add that when interpreting legislation, a consistent record of policy that's been articulated and made public would be an appropriate reference point.

Mr. Dan Albas: The functional purpose of this amendment is to make the primary factor stringency, which usually means the effectiveness or strength of a particular measure. To me, this would then be used by the government to determine whether or not a province is following through with its commitments under the pan-Canadian climate change agreement.

That's the purpose of this. Is that true?

● (1950)

Mr. John Moffet: That's correct.

Mr. Dan Albas: Okay.

This is the response, then, I would imagine, to New Brunswick, because New Brunswick has said it's simply renaming its gas tax into what is called now a carbon tax. This now allows the Governor in Council to look at the stringency of the system being used by New Brunswick.

Is that correct?

Mr. John Moffet: This says that the main factor would be the stringency of the pricing system for greenhouse gas emissions. The GIC would need to look to the question whether that particular jurisdiction has a pricing system for greenhouse gas.

Mr. Dan Albas: What we're doing here with this amendment is allowing the federal government to take issue specifically with provinces like Nova Scotia and Manitoba. Again, what we're doing is enabling the government to use the stick, so to speak, if it doesn't agree with a particular province's or territory's approach.

Mr. John Moffet: Can I answer that question? The actual amendment is designed to limit the Governor in Council's ability to do just what you said, to constrain that discretion from accounting for any factor that the GIC considers appropriate, which is in the current bill—

Mr. Dan Albas: It's stringency.

Mr. John Moffet: —to the primary factor being stringency, so it limits the Governor in Council's discretion, not broadens it.

Mr. Dan Albas: Rather than having many different sticks, it just focuses on stringency as the main factor. Okay. I do appreciate it.

I think we need to oppose this, Mr. Chair, just because of that.

The Chair: Okay, but any factor is broader than just this term.

Mr. Dan Albas: I don't disagree that it's not being limited, but it's like saying you can throw all the toothpicks at them versus swinging a larger bat at someone, which will obviously be more stringent.

The Chair: The federal government is asking for a smaller bat here. Can you imagine?

Is there any further discussion on this point?

We'll vote on this amendment, which I guess we will call LIB-1.1.

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

The Chair: Go ahead on your second one.

Mr. Greg Fergus: Mr. Chair, it's virtually exactly the same amendment that I will be presenting on page 328. The idea again is to make this consistent to restrict the scope that currently exists in the BIA to focus the attention more. It's to replace lines 20 and 21 on page 328 with the following: "nor in Council shall take into account as the primary factor the". The first word is part of "Governor".

The Chair: It has been moved. Is there any further discussion on this one?

Mr. Albas.

Mr. Dan Albas: Again on principle, I think equivalency is not being met here. I think that applying the same kind of narrow factor to it is going to allow the federal government to pick on an individual jurisdiction. I disagree with that.

The Chair: I see no other speakers so we'll vote on amendment LIB-1.2, the amendment just read.

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

The Chair: We're on amendment NDP-13.

[*Translation*]

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

Amendment NDP-13 seeks to delete several lines, starting on line 16 on page 359 and ending on line 6 on page 361, where it talks about the confidentiality that individuals can claim regarding the application of the new Greenhouse Gas Pollution Pricing Act. The purpose of this amendment is to limit the possibility of requesting confidentiality, for various reasons, in the application of this law.

[*English*]

The Chair: Mr. Grewal.

Mr. Raj Grewal: Mr. Chair, I would like to thank my colleague across the way for proposing the amendment. Respectfully, I disagree.

A confidentiality regime is necessary to provide clear rules on the protection and disclosure of confidential business information based on the CEPA regime but tailored to the act.

The requirement that it request that justification be provided ensures that the minister's decision to protect the CBI will be informed. Authority to share received information with the CRA and the Minister of Finance is important for the proper administration of the act. Therefore, I will not be supporting this amendment.

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

●(1955)

The Chair: We're on amendment CPC-3.

Mr. Albas.

Mr. Dan Albas: Mr. Chair, the next series of amendments the Conservatives have proposed are to have a firmer reporting regime, obviously with a new tax. Having been given very little information by the government, we are forced to rely on other mechanisms to ensure that parliamentarians of the future will be given more accurate information when it comes to what many are calling the carbon tax cover-up. Allowing for a continued discussion on these points, I do hope members, rather than allowing this particular amendment, would allow for sooner reporting rather than later. I hope all of us as parliamentarians would advocate that reporting back to Parliament is a good thing. I would hope all members would support it.

The Chair: Mr. Francesco, go ahead.

Mr. Francesco Sorbara: Thank you, Mr. Chair.

Thank you, Mr. Albas, for bringing that forward.

The amendment reads, "Starting in the year in which the first anniversary", and I would not disagree, but just respectfully take a different angle, that the OBPS will not be implemented for most of the first year of the acts coming into force. With that, I'll be voting no on your amendment.

The Chair: Mr. Dusseault, go ahead.

[*Translation*]

Mr. Pierre-Luc Dusseault: Thank you.

I would like to thank my colleague for his intervention.

I had the same thought when I saw these provisions in the minister's report. I asked Mr. Moffet about that, and he was quite clear in saying that the first anniversary would not do much good. For me, this explanation was relatively satisfactory. I don't know if he could repeat why the second anniversary would make more sense than the first.

[*English*]

Mr. John Moffet: Certainly, I'd be happy to repeat the explanation.

The way the pricing system will work is that the bill would come into force, and then for industries that are subject to part 2 of the bill, they will immediately start monitoring their emissions. After the first year, they will then be obliged to report their emissions for that year. Then, following their report, they undergo a process of true-up, where they have to determine whether they're either over or under their limit. Then they are either issued credits, or they have to acquire credits and submit them to the government.

In other words, for the first year of the bill, the only thing we will know is which jurisdiction the bill applies to and which facilities the bill applies to. We won't know how much money has been collected or how industry has performed under the bill. Did they meet their limit, beat their limit, exceed their limit? Did they submit offset credits? Did they purchase credits from a competitor? Did they make payments to the government? None of that information will be available yet at the first anniversary.

At the second anniversary, all of that information will be available, and thereafter it will be available on an annual basis.

That's why we crafted the bill the way it's crafted, so that the annual report would actually have some substance to it, and that won't be the case until the second year.

The Chair: Does that clear up the issue?

Do you want a recorded vote?

• (2000)

Mr. Dan Albas: Yes.

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

The Chair: The next amendment is CPC-4.

Mr. Dan Albas: Mr. Chair, I do appreciate that members chose their lines there. What we want to do is, again, try to focus on building transparency in the way that this new regime will report to parliamentarians. Again, this would be asking:

(2) The report must also set out the impact of the Act on greenhouse gas emissions, expressed in tonnes, in listed provinces.

This would not only help provide clarity as to whether or not this regime will actually decrease greenhouse gases, but it will also be able to report province by province as to the effectiveness. Again, in a previous conversation we had here, Mr. Chair, the government has said it wants to evaluate the stringency.

I would hope that members would be in favour of making sure that Canadians, through their representatives in Parliament, would be able to have access to that information on a regular basis. Again, there are many departments that do reports on all sorts of measures to Parliament. This is really a measure to ensure good accountability and transparency of this new tax.

The Chair: On CPC-4, Mr. Sorbara.

Mr. Francesco Sorbara: I'd like to thank Mr. Albas for his comments and for all our desires for increased transparency in everything we do. It's very important.

With regard to the amendment that Mr. Albas has put forward, frankly, the current provision provides the flexibility to address the issue in the report. The government wants to set the direction of the content of the report through policy rather than through law. Information in the report can be repetitive, as it's already publicly available in both the GHGRP report and UNFCCC report.

It's unclear whether ECCC or FC—I'll use the acronyms again—have resources to meet this requirement that's in the amendment.

Finally, the 2022 review committed under the pan-Canadian framework provides the opportunity to do this type of assessment.

The Chair: Mr. Albas.

Mr. Dan Albas: I can appreciate that there are other reports. For example, there's the report that Mr. Moffet mentioned, which all of us should take advantage of on the website of Environment Canada, and it gave an aggregated amount. An aggregated amount does not allow people to find out whether or not individual provinces are participating in this and what the results are.

Again, the government is allowing two different options to individual provinces and territories, either a cap-and-trade system or a carbon tax method. By the way, it's not allowing innovations like the carbon capture and storage in Saskatchewan, which is also proven technology and very innovative.

We're not going to know that because it's not required. It's not listed. We have asked repeatedly for information as to whether the government has projections on whether it will be effective, and we have not received any answers. I would hope that government members and the NDP would see that Parliament should be respected, and that if we delegate the power to tax on behalf of our constituents to the government, the government owes a duty of care to reply and to give information that is not found elsewhere.

Again, we have it where the government itself has been empowered by the Liberal members here today to apply stringency as a primary factor. We would like to know specifically whether or not the efforts of individual provinces through this enforced regime, a backstop regime, are effective or not. That's what we're asking for.

Mr. Chair, I find it unfortunate. Usually with an environmental measure, for example, if we install a particular system to treat a tailing operation that comes out of a mine, engineers can tell you exactly what the effects are going to be, yet with the signature policy of increased taxation that this government is applying, they are not wanting to give more data on it to this Parliament. I think it's unheralded, and I think it's unbecoming of a government that campaigned on such a different way of doing business.

• (2005)

The Chair: We'll vote on CPC-4.

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

(Amendment negatived: nays 5; yeas 4)

The Chair: We are still on clause 186, a popular clause, and we have CPC-5.

Mr. Dan Albas: Mr. Chair, again, affordability is top of mind for my constituents. I have a lot of seniors in my area, as well as young families who are struggling. Again, I do believe there should be no taxation without representation. Part of representation means being able to hold the government to account. How can you hold the government to account if they aren't giving you accurate facts? I'm not just thinking of myself; I think of future parliamentarians who would benefit from this information, to have a report every year, and the report must also set out the economic impact of the act on individuals in listed provinces broken down by income quartile.

Mr. Chair, it's very important to continue to have faith in the system, where people know that if they are being taxed, at what level does it cause them economic harm. We heard in committee that there are employment challenges that come up from the institution of the carbon tax. We also know that individual provinces are being given different tools to be able to do this, so I do think we need to not only equate whether or not greenhouse gas emissions are going down or up in a particular jurisdiction, but also whether or not the impact of the use of said tool harms individual families by what percentage of their income, particularly low- and middle-income families. For a government that campaigned about talking about the middle class, this is one way for them to know that their policies are either helping or harming. All we are saying is, information should be made public and then let that public, our constituents, decide whether or not that tax is in their interest.

The Chair: Mr. Sorbara.

Mr. Francesco Sorbara: Thank you, Mr. Albas, for your intervention.

It's great that we are moving to a system in Canada where a price will be put on pollution, a price on carbon. With regard to the amendment, the current provision provides the flexibility to address this issue in the report and the government wants to set the direction of the content of the report through policy rather than through law. It is unclear if Environment and Climate Change Canada or the Department of Finance have the resources to meet this requirement.

Finally, the 2022 review committed under the PCF, provides the opportunity to do this type of assessment.

The Chair: Mr. Albas.

Mr. Dan Albas: In reply to that, there's a continued reference to policy. Who decides policy? The government of the day does rather than the law, which is the law of the land, which would be decided by us, as parliamentarians. What you are saying is that you are going to allow future governments to decide what parliamentarians should know about taxes in this country and their effects on our constituents.

Again, I would just point out to government members, many of whom are new—and do you know what? That's a good thing; it's good to have a fresh outlook at stuff—and I will say, it's part of our job to provide long-term stability because governments come and governments go. In this institution it's up to us to be able to delegate to the government how much they can tax and in what ways they can tax. To hold them accountable you need data. If you allow the government of the day to choose it, then what you're saying is that you trust someone who you don't know. I do believe in limited government. I think this is an important accountability mechanism to make sure we do not have a case where there's taxation without proper representation. Again, how can you have proper representation if the government won't give us the numbers on what the carbon tax will cost to individual families and economic modelling, which I know has been done. Mr. Pierre Poilievre has done a lot of work on trying to discover that. It's one thing to not allow the opposition of the day, but we're talking about all parliamentarians 10 years from now. I imagine that the first thing we would do if we got in government is to cut the carbon tax.

Again, until the Canadian people weigh in, I would just ask you to think of the long term here.

● (2010)

The Chair: You didn't want to answer that question?

Seeing no further discussion, we'll vote on CPC-5.

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

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

Hon. Pierre Poilievre: Chair, I have an amendment.

The Chair: Is it CPC-6 or is it a different one?

Hon. Pierre Poilievre: It's a different one.

The Chair: Okay, let's hear it.

Hon. Pierre Poilievre: It's that Bill C-74, in clause 186, be amended by adding after line 28 on page 365, the following:

Report to Canadians

Starting in the year in which the first anniversary of the day on which this Section comes into force and each calendar year after that, the Minister of Finance must prepare a report to Canadians on the total cost of the provisions contained within this Act and make such report available on the Minister's website.

The Chair: The members don't have copies of this, but it's being copied right now.

I don't think it will be a problem. Can we stand that aside and go to CPC-6? We'll come back to that when members have a copy. I just want to make sure we have agreement to do that. I don't want any problems when we go back to it.

Some hon. members: Agreed.

(Amendment allowed to stand)

The Chair: Okay, we'll go to CPC-6.

Mr. Albas.

Mr. Dan Albas: Again, on accountable government, on making sure it's transparent in how it taxes and the results of said tax, this particular amendment, Mr. Chair, would set out:

(2) The report must also set out the impact of the Act on the Canadian economy, broken down by industry sector.

I think that's important because we've talked about how the federal government is moving forward with this backstop. Again, certain industries will be treated differently. For example, we know now that fishers as well as farmers are exempt from the federal backstop, but there are others, such as the wood and lumber industry, which as Mr. Pierre Poilievre has raised, have been of equal worth. There are many other small and large mining operations that would probably want to be included, coupled with other areas that I think are important. In British Columbia we have one of the most diversified economies in the country. I do think that people deserve to know what those impacts are, broken down by industry. Again, some provinces will equate themselves with particular industries, and they deserve to have this information presented.

In particular, I'm also very concerned about what's known as "carbon leakage", where you actually push out certain economic activities to jurisdictions that do not have a carbon tax or cap-and-trade system, which then makes you less competitive. I think it's important for us to know what the costs are.

As many people know, the competitiveness of the Canadian economy is being called into question, particularly by our neighbours down south, who do not have a carbon tax. Even Washington state, which is adjacent to British Columbia, had a carbon tax referendum, and they overwhelmingly voted it down.

I do think that we need to be able to report to Canadians, particularly its impact on industry, to evaluate what it is. Again, I really hope that the members opposite....

I think the member from Brampton would like to know about the soft drink industry, what impacts there would be with the federal backstop in that industry, because I know it's quite close to his heart.

● (2015)

The Chair: Mr. Sorbara.

Mr. Francesco Sorbara: Thank you again, Mr. Chair.

Thank you, Mr. Albas, for your intervention, while we await some other stuff.

Again, I'd like to point out the same reasoning on the prior amendments. The 2022 review committed to under the pan-Canadian framework will provide the opportunity to do this type of assessment. In our government, we like the way the current provision is because it provides the flexibility to address this issue in the report. The government wants to set the direction of the content of the report through policy rather than through law. With that desire, we'll not be supporting your amendment.

The Chair: Mr. Albas.

Mr. Dan Albas: I'm going to try a different tack, because obviously, my earlier arguments were not sufficient to get Mr. Sorbara on side.

There are well-established precedents of statutory required content that are put into Canadian bills. For example, on the list of reports and returns, the Canadian Broadcasting Corporation is required under subsection 71(1) of the Broadcasting Act to submit an annual report on the operations of the corporation, and there is detail in that. Subsection 73(3) details the statutory required content of the report. It breaks down on all of these fronts.

If we go to the list of reports and returns, the Law Commission of Canada is required, under section 23 of the Law Commission of Canada Act, to table an annual report on the activities of the commission. It also has broken down, in law, certain provision of information that parliamentarians of the day decided were important for future parliamentarians. Many of us at this table may have read those reports and benefited greatly from the information presented therein. Again, it doesn't matter if it's a Liberal government, a Conservative government, or as my friend to the left here might want, a different type of government. It doesn't matter. I don't think he's a CCFer, but I do hear that the CCF is quite popular these days.

Again, it's quite common practice for parliamentarians to say that they want to establish certain metrics and to have reporting, and that it not be policy, but law.

I have other examples, but I hope that members opposite would reconsider now that they've learned about the Broadcasting Act standards and the Law Commission of Canada Act, and the reporting that is asked by Parliament and is done year after year to ensure proper transparency.

I ask for a recorded vote on that.

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

The Chair: We have copies of Mr. Poilievre's amendment that he read into the record.

The amendment is in order. It's not in both official languages, so I have to ask for permission of the committee to distribute it in one language.

Ms. Jennifer O'Connell: No.

The Chair: Okay, it's on the floor. You have spoken to it, Mr. Poilievre. Do you want to explain it further? It is in order.

Hon. Pierre Poilievre: The amendment is quite simple. The finance minister would report to Canadians how much the carbon tax cost them, depending on the quartile of income in which they find themselves. The lowest-income quarter, the two middle-income quarters, and then the highest-income quarter of Canadian households would pay this tax, and they would find out how much in carbon tax they paid every single year. This tax is insidious, because its costs are hidden and are not itemized in the consumer goods Canadians buy. Unlike with other taxes, they can't see it on the receipt when they purchase something at a retail outlet.

The Chair: We have a bit of confusion here. You're talking about quartiles. Are you speaking to the amendment that you read into the record that we couldn't distribute, or are you speaking to amendment CPC-8?

● (2020)

Hon. Pierre Poilievre: I'm speaking to the one I read into the record.

The Chair: All right, but CPC-8 has the words "income quartile" in it. The one you just tabled in handwriting doesn't. I just want to be clear that we're on the right one.

Hon. Pierre Poilievre: Yes, that's right. Thank you for the correction, Mr. Chair.

The Chair: We're on the one that just came on the floor, just so we're clear.

Hon. Pierre Poilievre: Sorry, I misunderstood. That one is accepted, and it is being debated now.

The Chair: This is accepted as an amendment. We can't hand out copies to members, because it's not in both official languages. It is on the floor. You've moved it. You can speak to it.

Hon. Pierre Poilievre: This too would help dismantle the carbon tax cover-up. It would require the minister to report on their website the total cost of the provisions contained within the bill we're now debating, which will become an act. It would allow Canadians to better understand the costs associated with the taxes they're paying.

The Chair: Ms. O'Connell.

Ms. Jennifer O'Connell: Chair, Mr. Albas must be so upset with this amendment. Because it's not in both official languages, it can't be distributed to this committee. I can't support or even consider an amendment that can't be distributed to the committee. It is always our practice to have any amendment in both official languages.

The Chair: Mr. Kelly.

Mr. Pat Kelly (Calgary Rocky Ridge, CPC): Notwithstanding the concern Ms. O'Connell has just raised for copies not being handed out here, on the merits of this amendment, I can't believe or understand a government that talks about and uses words like "evidence-based" or "transparency", seemingly as throw-away buzzwords, when they have an opportunity before us here to shed light on something they have hitherto tried to keep secret. I challenge the government. How could they not support a motion that would allow transparency, allow sunlight onto this tax? This amendment is simple. It's straightforward. It is a way through which all Canadians will be able to see exactly how the carbon tax will affect them. I challenge the members of the governing party to get behind this as a transparency measure, instead of merely paying lip service.

Mr. Dan Albas: I'd like a recorded vote.

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

The Chair: Back to the regular list of amendments and CPC-7. We're still on clause 186.

Mr. Albas.

Mr. Dan Albas: Mr. Chair, this is the seventh opportunity for the government to show it wants to be transparent with Canadians and to reinforce the importance of Parliament as an institution to have that accountability. How can you hold a government to account if you don't have good information? This would create in law, "The report must also set out the total revenues obtained under the Act and the amounts distributed in accordance with the Act."

Mr. Chair, you might remember I asked specifically.... In British Columbia there has been a carbon tax. One of the things the government of the day, Premier Campbell's, did was to enshrine in it reporting every year by law, and to have it verified by the Auditor General of British Columbia. When I asked to see if there were similar provisions for this backstop, obviously the government either contemplated it, and then did not carry through, or they didn't even contemplate the idea of having it verified that funds that come in and funds that go out are a principle of so-called revenue neutral.

I think that does not convince or comfort those people who believe a carbon tax would simply be a tax grab, and the recycling, so to speak, of those funds would go back to the province or territory that it was taken out of.

I think this is a great way for the government to show (a) transparency, and (b) that members of Parliament feel strongly about receiving the information so we can hold future governments, including this one, to account. I would ask for their support.

● (2025)

The Chair: Mr. Sorbara.

Mr. Francesco Sorbara: Thank you, Mr. Chair.

Thank you, Mr. Albas, for putting forward another amendment.

On this one, the feedback I would provide is this amendment could be repetitive on the public accounts from a reporting perspective. I want to avoid duplication as much as possible. In line with the other amendments you've put forward, the current provision in the bill provides the flexibility to address this issue in the report, and the government wants to set the direction of the content of the report through policy rather than through law. Thus, we will not be supporting your amendment.

The Chair: All right. I see no further discussion on CPC-7.

Do you want a recorded vote?

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

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

The Chair: Next is CPC-8. Are you doing that one, Mr. Albas?

Mr. Dan Albas: Yes.

The Chair: Mr. Poilievre started into it earlier.

Go ahead.

Mr. Dan Albas: Well, since I'm batting a thousand, I thought I would just finish on this, Mr. Chair. Well, some of us would say I'm batting a thousand in reverse.

The Minister of National Revenue must, no later than July 1, 2018, and each calendar year after that, publish on the website of the Canada Revenue Agency a report setting out the economic impact of the Act on individuals in listed provinces, broken down by income quartile.

Again, this is an opportunity for taxpayers to go on the CRA website and ascertain whether or not.... I guess you could say that they're going to ascertain whether, as a primary factor, the stringency of the backstop on their pocketbooks by province or by territory. I think that this would be a nice measure. I hope the government sees the light and can support this very common-sense amendment.

The Chair: Mr. Sorbara.

Mr. Francesco Sorbara: Mr. Albas, thank you very much.

The first thing I'd mention is that I think this is better dealt with by the Minister of Finance rather than the Minister of National Revenue, and second, the rationale is for an annual performance report on past activities under the act, not to provide a prospective assessment of the impact. I could list off a number of other reasons that I will not be supporting this amendment that you put forward.

The Chair: Mr. Albas.

Mr. Dan Albas: So it's the policy. That's what you support.

Mr. Francesco Sorbara: Mr. Albas, I support putting a price on carbon and a national pan-Canadian framework agreed to by the Government of Canada and the provinces. Eighty-five per cent of Canadians are now covered under some form of pricing of carbon, and many of those economies that are covered are performing exceptionally well and taking advantage of clean tech opportunities.

The Chair: We're into a debate on the principle of the section of the bill. I want to stick to this amendment, if we could.

Is there any further discussion on this amendment?

Mr. Raj Grewal: No.

The Chair: Do you want a recorded vote?

Mr. Dan Albas: Yes, please.

(Amendment negatived: nays 5; yeas 3 [See *Minutes of Proceedings*])

The Chair: That completes all the amendments on clause 186.

Shall clause 186 as amended carry?

(Clause 186 as amended agreed to)

(Clause 187 agreed to on division)

(On clause 188)

• (2030)

The Chair: We have amendment NDP-14.

Mr. Pierre-Luc Dusseault: NDP-14 and NDP-15 are consequential amendments to NDP-12 and NDP-13 if they had been adopted.

The Chair: Are you withdrawing them?

Mr. Pierre-Luc Dusseault: Yes.

(Clause 188 agreed to on division)

The Chair: CPC-9 is a proposal for a new clause, clause 188.1.

Mr. Albas.

Mr. Dan Albas: I think this is fairly common, Mr. Chair, and I think I've exhausted the patience of most committee members, so I would just ask them to look at the amendment and support it. I simply would ask for that and a recorded vote.

(Amendment negatived: nays 6; yeas 2 [See *Minutes of Proceedings*])

The Chair: There are no amendments on clauses 189 to 198.

(Clauses 189 to 198 inclusive agreed to on division)

The Chair: We're on amendment CPC-10, which is proposing a new clause, clause 198.1.

Mr. Albas.

Mr. Dan Albas: Mr. Chair, I will simply ask for a recorded vote, and ask reasonable minds to support a reasonable measure.

Thank you.

The Chair: Mr. Dusseault.

[*Translation*]

Mr. Pierre-Luc Dusseault: I would like to ask a question about amendment CPC-10, which says that the coming into force will be after the publication of the report on the coming into force of section 271.

I would like to know if the witnesses think it would be possible to bring the act into force after the tabling of the annual report which, according to the bill, will be tabled on the second anniversary of the act. It isn't clear to me how such a process could be implemented.

[*English*]

The Chair: Do any of the witnesses have anything to add?

Mr. Mercille.

Mr. Pierre Mercille: I can't really speak to the specifics of this, but this is also something I asked myself when I read this amendment.

[*Translation*]

I wondered how that could be done. The act provides for a report, but it would be issued before the act comes into force. In chronological terms, this isn't very typical.

Mr. Pierre-Luc Dusseault: Exactly.

We're told that this act will come into force once the report is tabled, but how can a report be tabled if the act isn't in force?

Mr. Pierre Mercille: Exactly.

[*English*]

The Chair: Mr. Moffet, do you want to add something else?

Mr. John Moffet: There's another issue. The trigger established in new clause 198.1 is a report that would have been required pursuant to an amendment that was defeated. That report is not going to be produced, so there will be no trigger here.

The Chair: We will vote on it, as to whether to rule it out of order.

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

The Chair: We'll go through some routine motions, and I believe there's an amendment to schedule 6.

Shall the short title carry?

Some hon. members: Agreed.

An hon. member: On division.

The Chair: Shall schedules 1 to 5 inclusive carry?

(Schedules 1 to 5 inclusive agreed to on division)

(On schedule 6)

The Chair: There's an amendment to schedule 6 that was proposed earlier.

Ms. O'Connell.

• (2035)

Ms. Jennifer O'Connell: Mr. Chair, again, I think this is for everybody. It's a technical amendment.

The Chair: Ms. O'Connell, I believe there's a witness coming forward.

Thank you, gentlemen, for coming forward, for waiting while we voted, and for answering any questions we had.

From Justice, we have Ms. Sheppard at the table.

Ms. O'Connell, the floor is yours.

Ms. Jennifer O'Connell: Thank you.

It reads that Bill C-74, in section 1 of the schedule to part XXII.1 in schedule 6 on page 556, be amended by adding the following after paragraph (z.3):

(z.4) section 462.31 (laundry proceeds of crime).

This is simply in the list of offences, including laundering of the proceeds of crime.

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

Mr. Dusseault.

[Translation]

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

My question is for the representative from the Department of Justice.

What mechanism or process was used to create the list of offences in Schedule 6?

We know that one offence was omitted, but were there any other omissions that we should know about before adopting Schedule 6?

[English]

Ms. Ann Sheppard: Thank you very much for the question. The offences that are included in the schedule are all of the nature of what we would call serious economic crimes, such as frauds and bribery, under the Criminal Code and also under the Corruption of Foreign Public Officials Act, foreign bribery and the “books and records offence”.

Money laundering is of that nature. Some of the regimes have it in there. It was felt initially that it wasn't necessary to have it on the list, because the idea is to start with a focused list and then possibly, over time, add offences to it. The reason it was not considered to be absolutely essential at the outset was that the underlying conduct would be covered. Money laundering would be in respect of an underlying offence that would likely be in the list if it fell within the scope of economic crime. There was a concern that money laundering sometimes may be associated with organized crime; that concern was in the public consultation that we did. That was not considered by most participants to be the kind of thing that this regime should be used for.

However, there is a provision that makes it clear that it would not be appropriate to use this regime for any situation that involves organized crime and other things such as serious bodily harm resulting from a conduct. It is of the nature that could be included in the list. If the underlying conduct involved organized crime, it wouldn't be appropriate. That concern has been addressed elsewhere. It could be included; it is of the nature of economic crime offences that is intended to be covered according to what participants to the consultation favoured.

The Chair: Go ahead, Mr. Dusseault.

[Translation]

Mr. Pierre-Luc Dusseault: I'm not sure I understood whether the participants in the public consultation were in favour of adding money laundering to the list or were opposed to it.

If the majority were in favour of this idea, why was this offence not included in the original document that was provided to us? Why, then, was an amendment tabled?

● (2040)

[English]

Ms. Ann Sheppard: They did not opine specifically on money laundering. The majority view was that the list of offences should be limited to serious economic crimes. Money laundering where a predicate offence is a bribery or a fraud would be part of that. At the same time, there also were some concerns about using this regime for situations that could involve organized crime, so it was at that point not included. However, the problem has been addressed through another subsection.

It is the kind of thing that could be added. As you may note in the regime, offences can be added to it by order in council; however, it's more transparent to do it this way, while it's going through parliamentary scrutiny.

The Chair: Mr. Albas.

Mr. Dan Albas: Mr. Chair, as I said prior to this, in all of our discussions on division 20 in the bill.... This is certainly not because of anything Ms. Sheppard has done. She's a fine public servant, and I appreciate her presence here. But again, this is the wrong body to be examining this. The justice committee could have called witnesses, academic, legal, and other concerned stakeholder groups, to give this the full scrutiny it deserves.

What I find even more offensive in the amendment that has been put forward by Ms. O'Connell is directly this. In a five-year statutorily required review, we are studying Canada's money-laundering laws. We have yet to make any recommendations to the Government of Canada in regard to that. Here we are, a finance committee, putting such a serious economic crime as money laundering into a schedule that will apply and that will give the rough equivalent of a “get out of jail” card for those who agree to a deferred prosecution agreement.

We have not studied division 20 in depth. We've had no witnesses, save Ms. Sheppard. In my view, we are not the body, despite the fact that we have some very distinguished members here—I hold them all in quite good stead—that should be studying this departure from the criminal justice system. There's irony in our making recommendations on whether or not money laundering should be included as part of this new regime when we have yet to even conclude, or even hear any evidence, that this regime should be put in place for dealing with a serious economic crime like money laundering.

I would hope that government members would see that as being not a proper process. We are going to be travelling internationally to find out what other countries are doing, and here we are including that in a deferred prosecution agreement without having heard any single person beyond someone from the Department of Justice on the rationale as to why it should be included.

Again, I hate to be that stick in the mud, Mr. Chair, but I guess I'll be that stick in the mud and say that this is the wrong body and that this is at the wrong time. If we were to make such a judgment, it should be after our including it in our money-laundering review on the regime we have in Canada.

The Chair: We'll vote on LIB-2.

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

(Amendment agreed to: yeas 5; nays 3 [See *Minutes of Proceedings*]) •(2045)

The Chair: Thank you, Madam Sheppard.

Ms. Ann Sheppard: Thank you.

The Chair: Shall schedule 6 carry as amended?

(Schedule 6 as amended agreed to on division)

The Chair: Shall the title carry?

Some hon. members: Agreed.

An hon. member: On division.

The Chair: Shall the bill as amended carry?

Some hon. members: Agreed.

An hon. member: On division.

The Chair: Shall the chair report the bill as amended to the House?

Some hon. members: Agreed.

The Chair: Shall the committee order a reprint of the bill as amended for the use of the House at report stage?

Some hon. members: Agreed.

The Chair: Thank you to all.

Before we adjourn, I want to thank the committee members for their endurance through this long and immense bill.

I certainly want to thank all of our clerks and analysts for their efforts, for all the work they did in terms of the Library of Parliament and on this as well.

Some hon. members: Hear, hear!

The Chair: I also want to thank the legislative clerk for joining us for a couple of intense days.

Mr. Fergus.

Mr. Greg Fergus: Mr. Chair, you stole the words out of my mouth.

May I also say what a pleasure it is to have Madam Cadieux joining us again. We have benefited from the great Monsieur Gagnon, but it's a pleasure to have her calling out the votes again.

Ms. Suzie Cadieux (Procedural Clerk): Thank you.

The Chair: With that, I thank you all.

The meeting is adjourned.

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