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Standing Committee on Finance

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EVIDENCE

Tuesday, April 30, 2019

—
Chair

The Honourable Wayne Easter

Standing Committee on Finance

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• (1540)

[English]

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

Pursuant to the order of reference of Wednesday, February 27, 2019, we are looking at Bill S-6, an act to implement the Convention between Canada and the Republic of Madagascar for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income.

We have, as witnesses, Mr. McGowan, director general, tax legislation division, tax policy branch, who is no stranger to this committee; and Stephanie Smith, senior director, tax treaties, tax legislation division, tax policy branch, who has appeared before us previously as well on this particular bill.

There have been no amendments received, so we'll go to the clause-by-clause decisions.

Pursuant to Standing Order 75(1), consideration of clause 1, the short title, is postponed.

(Clauses 2 to 6 inclusive agreed to on division)

(Schedules 1 and 2 agreed to on division)

The Chair: Shall the short title carry?

Some hon. members: Agreed.

Some hon. members: On division.

The Chair: Shall the title carry?

Some hon. members: Agreed.

Some hon. members: On division.

The Chair: Shall the bill carry?

Some hon. members: Agreed.

An hon. member: On division.

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

Some hon. members: Agreed.

The Chair: I think that's it for Bill S-6.

Mr. McGowan, today was a much easier run than yesterday.

We do have another matter that's just come up that we don't necessarily have to deal with, but to save time later.... This note has been sent to you electronically, so I'll read it. It deals with Bill C-97.

Dear Mr. Easter,

In response to your letter dated Tuesday, April 9, 2019, I would like to inform you that the Standing Committee on Citizenship and Immigration has accepted to study the subject-matter of Part 4, division 15 of Bill C-97, An Act to implement certain provisions of the budget tabled in Parliament on March 19, 2019, and other measures.

The Committee has also adopted a motion to study the subject-matter of Part 4, division 16 of the Bill and would invite the Standing Committee on Finance to consider any proposed amendments from the Standing Committee on Citizenship and Immigration, pertaining to this division, deemed to be proposed during your Committee's clause-by-clause consideration of Bill C-97.

Please find attached motions adopted by the Standing Committee on Citizenship and Immigration regarding the consideration of subject matter, Part 4, division 15 and Part 4, division 16 of the Bill.

As requested, the Committee will send the Committee's recommendation, including any suggested amendments, in both official languages no later than 4:00 p.m. on Friday, May 17, 2019.

Sincerely,

Rob Oliphant

Chair

What they're basically saying in the letter is that, beyond what we agreed in our motion to send them, they would also like to deal with the additional subject matter of part 4, division 16, of the bill, which relates, I believe, to asylum.

Are we in agreement? Do we want to say we accept their motion and the Standing Committee on Citizenship and Immigration can deal with that matter and report back to us? Are we agreed on that?

Some hon. members: Agreed.

The Chair: Mr. Dusseault.

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Yes, I would agree with that, even though we don't have very much say in what they're doing. It was a mistake right from the beginning not to send it officially to the citizenship and immigration committee.

My only concern is what we do here in this committee. Will we invite witnesses on this subject matter, or are we not dealing in any way with inviting witnesses on the subject matter of division 16?

The Chair: It's up to the other committee what witnesses they hold. I believe you had three or four witnesses on this particular section. If all those witnesses can't be heard at the citizenship and immigration committee, we still have to deal with it here when it comes back. Therefore, it's appropriate for those witnesses who do not get before the citizenship and immigration committee to come here as well. I might be wrong on that, but that's certainly how I feel about it.

We have already gone through the list that has come from all the parties based on the priorities they put forward. I think those were on that list. I'm comfortable with them appearing here because it has to come back to us as well.

Mr. Pierre-Luc Dusseault: Are we then giving instructions to both clerks to work together to make sure of that?

The Chair: Yes, they could do that, just to make sure that the witnesses have a chance at being heard at the other committee. If they're not heard there, they can come here as well.

Okay?

• (1545)

Mr. Pierre-Luc Dusseault: Yes.

The Chair: Is there any further discussion?

With that, thank you all. The meeting—

Oh, sorry. Francesco.

Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.): Thank you, Chair. I have a notice of motion. Does everybody have a copy?

The Chair: I certainly don't.

It's tabling a notice of motion for 48 hours.

Mr. Francesco Sorbara: Chair, it's a notice of motion.

The Chair: James, give us a copy there too.

All right. The motion is in order because it relates to committee business.

Mr. Sorbara, do you want to move it and explain why?

Mr. Francesco Sorbara: Of course, sir.

Can I read it into the record first, Chair?

The Chair: Yes.

Mr. Francesco Sorbara: It reads “That the document entitled 'Opening Remarks', provided by the Canada Revenue Agency, be appended to the Evidence of meeting 201, held on Tuesday, April 9, 2019.”

Chair, this would simply be that the opening remarks or speaking notes provided by the CRA on that date be appended to the record and go on the website.

The Chair: Is there any discussion of this?

There doesn't seem to be any.

All those in favour of—

Mr. Tom Kmiec (Calgary Shepard, CPC): May I ask a question? Forgive me, I thought this was a notice of motion and therefore is not eligible.

The Chair: No, it is in order.

Mr. Tom Kmiec: Oh, had it been sent before?

The Chair: Yes, because it relates to committee business.

Mr. Pierre-Luc Dusseault: But we're not on committee business.

An hon. member: We're on Bill S-6.

An hon. member: [*Inaudible—Editor*]

The Chair: According to the clerk, we are, because we discussed the letter, but it's not on the agenda.

Mr. Pierre-Luc Dusseault: It's not on the agenda. We would have been prepared for it.

The Chair: Yes, but it relates to committee business.

Mr. Tom Kmiec: But we're not on committee business. That's the thing I'm trying to point out.

The Chair: The clerk is....

Mr. Blake Richards (Banff—Airdrie, CPC): It's not on the agenda.

Mr. Tom Kmiec: Otherwise, we obviously would have looked back and done our research, just to make sure. I'm sure it's fine. We want to do our research on our side and look up this April 9 meeting.

The Chair: Okay.

Can Mr. Sorbara give an explanation? Is that okay?

Mr. Tom Kmiec: That would move into debating the motion.

An hon. member: I think you're going to need to delay it 48 hours.

Mr. Tom Kmiec: We're sticklers for the rules.

An hon. member: The motion is in order.

Mr. Tom Kmiec: We're not on committee business, and therefore it is not in order for us to debate it now. The contents of the motion are eligible to be put on notice.

An hon. member: Yes. You've been able to properly give notice, and that's all you can do today.

• (1550)

The Chair: Okay, I am going to rule it in order. The motion does relate to Bill S-6. The fact that we moved from the clause-by-clause examination of Bill S-6 to the letter from the committee also goes to committee business, and it doesn't necessarily have to be stated in the agenda.

The floor is yours, Mr. Sorbara.

Mr. Francesco Sorbara: All this motion would do is officially read into the record and append to our website the remarks provided on April 9 by the CRA. Any individual or organization would then be able to view the remarks that were provided that day.

That is simply it.

The Chair: The remarks were not made for what reason?

Mr. Francesco Sorbara: I'm not sure of the answer, Chair. The opening remarks were made. This would be simply appending the Evidence to the website.

Mr. Blake Richards: [*Inaudible—Editor*]...the committee. You should at least know what your motion is before you make it.

The Chair: I think, if we go back and look, they weren't made because of what was happening at committee at the time. They were here, but they didn't get the opportunity to make the remarks, and that's the problem. The remarks are thus not on the record.

An hon. member: Exactly.

The Chair: Can you come at that again?

Mr. Francesco Sorbara: For clarification, the documents were submitted, but the remarks were never made. I apologize for my part in any sort of confusion.

Hon. Pierre Poilievre (Carleton, CPC): If a tree falls in the forest...?

The Chair: Is there any further discussion?

Then all those in favour of the motion, which means appending the opening remarks to the Evidence, please signify.

(Motion agreed to)

The Chair: Mr. Dusseault.

Mr. Pierre-Luc Dusseault: We're in committee business now? I would like to move a motion, Mr. Chair. It was put on notice two weeks ago under the name of Mr. Julian. The clerk probably has a copy.

Mr. Peter Fragiskatos (London North Centre, Lib.): I have a point of order, Mr. Chair.

The Chair: Hold on one second. There's a technicality before we get to your point of order.

Mr. Peter Fragiskatos: Since Mr. Julian's not a full member of this committee at this point, I wonder if we can even move forward.

The Chair: That is the point the clerk was making to me. Technically the motion couldn't be moved in Mr. Julian's name, but it is on the record, and it could be moved in Mr. Dusseault's name.

The motion we have in our packages somewhere is in Mr. Julian's name, but Mr. Dusseault is pulling that motion off the table and moving it in his name, so that is in order.

Do you want to read the motion?

We don't have copies of the motion here unless the clerk has one. Could you read it fairly slowly again, Mr. Dusseault, so members can think about it. Then we will go to discussion.

Mr. Pierre-Luc Dusseault: Yes. Of course. It reads:

That the Standing Committee on Finance invite the Honourable Diane Lebovillier, Minister of National Revenue, to appear before him to shed light on the information she has provided regarding the hiring of auditors at the Canada Revenue Agency in its effort to tackle international tax evasion.

• (1555)

The Chair: Okay. It's on the floor. Do you want to give your reasons why? Then we will go to further discussion.

[*Translation*]

Mr. Pierre-Luc Dusseault: Mr. Chair, I think everyone is aware of the information reported by *Le Journal de Montréal*, namely that, according to the Minister of National Revenue, 1,300 new auditors were hired, whereas, according to *Le Journal de Montréal's* analysis, there are actually 193 new auditors. Needless to say, this has created confusion. In fact, this is not the first time the statements made by the Minister of National Revenue have created confusion.

She also mentioned the number of convictions for tax evasion. We thought they were international, but it turns out that none were international.

She also said that she would magically recover \$25 billion from tax havens. However, we are still a long way from that amount.

In this case, for several months, she had been spreading information that the agency hired 1,300 auditors, a figure that proved to be inaccurate. Once again, the minister seems to be playing with words, whether intentionally or because of incompetence. We should ask her that question. We could do so if she appeared before our committee. In the House, a Conservative colleague raised a question of privilege claiming that the House may have been intentionally misled. The Speaker did not find that the situation met the House of Commons' strict criteria for determining that it had been misled.

I think it would be worthwhile to invite the minister to appear before this committee and follow up. In my opinion, one meeting would be enough to clarify things with her. Ideally, she would be accompanied by some officials who are aware of the situation. We want parliamentarians and the public to be well informed, to find out what the actual situation is at Revenue Canada, and to know the exact number of new auditors hired. The minister talked about new auditors, not just auditors.

That is the purpose of this motion. I move the motion because we are discussing committee business. I hope it will be supported by all members of the committee, so that we can shed light on this very important issue.

[*English*]

The Chair: All right, it's wide open for debate. Is there any further discussion?

Mr. Kmiec.

[*Translation*]

Mr. Tom Kmiec: I fully agree with my NDP colleague. The minister must appear and explain why the figures she provided are different from those published by *Le Journal de Montréal*.

[*English*]

The Chair: All right.

(Motion negated)

The Chair: The meeting is adjourned, and we will see you tomorrow.

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