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Chair: Mr. Peter Fonseca



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• (1530)

[English]

The Chair (Mr. Peter Fonseca (Mississauga East—Cooksville, Lib.)): Welcome to meeting number 20 of the House of Commons Standing Committee on Finance.

Pursuant to the House of Commons order of reference adopted on Thursday, February 10, 2022, the committee is meeting on Bill C-8, an act to implement certain provisions of the economic and fiscal update tabled in Parliament on December 14, 2021 and other measures.

Today's meeting is taking place in a hybrid format pursuant to the House order of November 25, 2021. Members are attending in person in the room and remotely using the Zoom application. Proceedings will be made available via the House of Commons website. The webcast will always show the person speaking rather than the entirety of the committee.

Today's meeting is also taking place in the webinar format. Webinars are for public committee meetings and are available only to members, their staff and witnesses. Members enter immediately as active participants. All functionalities for active participants remain the same. Staff will be non-active participants. They can therefore only view the meeting in gallery view.

I'd like to take this opportunity to remind all participants to this meeting that screenshots or taking photos of your screen is not permitted.

Given the ongoing pandemic situation and in light of the recommendations from health authorities as well as the directive of the Board of Internal Economy on October 19, 2021, to remain healthy and safe, all those attending the meeting in person are to maintain a two-metre physical distancing and must wear a non-medical mask when circulating in the room. It is highly recommended that the mask be worn at all times, including when seated. Members must maintain proper hand hygiene by using the provided hand sanitizer at the room entrance. As the chair, I will be enforcing these measures for the duration of the meeting. I thank members in advance for their co-operation.

To ensure an orderly meeting, I'd like to outline a few rules to follow. Members and witnesses may speak in the official language of their choice. Interpretation services are available for this meeting. You have the choice at the bottom of your screen of floor, English or French. If interpretation is lost, please inform me immediately, and we will ensure that interpretation is properly restored before resuming the proceedings. The "raise hand" feature at the bot-

tom of the screen can be used at any time if you wish to speak or alert the chair.

For members participating in person, proceed as you usually would when the whole committee is meeting in person in the committee room. Keep in mind the Board of Internal Economy's guidelines for mask use and health protocols.

Before speaking, please wait until I recognize you by name. If you are on the video conference, please click on the microphone icon to unmute yourself. For those in the room, your microphone will be controlled as normal by the proceedings and verification officer. When speaking, please speak slowly and clearly. When you are not speaking, your mike should be on mute.

This is a reminder that all comments by members and witnesses should be addressed through the chair. With regard to a speaking list, the committee clerk and I will do the best that we can to maintain a consolidated order of speaking for all members, whether they are participating virtually or in person.

The committee agreed that, during these hearings, the chair will enforce the rule that the response by a witness to a question take no longer than the time taken to ask the question. That being said, I request that members and witnesses treat each other with respect and decorum. If you think the witness has gone beyond the time, it's a member's prerogative to interrupt or ask the next question and to be mindful of other members' time allocations during the meeting.

I also request that members not go much over their allotted question time. Though we will not interrupt during a member's allotted time, I'd like to keep you informed that our clerk has two clocks, one for our members and the other for witnesses.

I would now like to welcome our witnesses.

Joining us as an individual—

• (1535)

Mr. Greg McLean (Calgary Centre, CPC): I'm sorry, Mr. Chair. May I quickly interject and ask you to set aside 15 minutes at the end of this meeting so that we can discuss the business of this committee, numerous studies we have in front of us to be discussed next week and further, including the motion that we put in front of the committee earlier this week? Would that be okay for 15 minutes at the end?

The Chair: I look to the members. That would take up some of the time for witnesses.

Some hon. members: Agreed.

The Chair: It looks like members are in agreement. We'll allocate some time at the end of the meeting.

Thank you, MP McLean.

I apologize to our witnesses for that slight interruption.

As an individual, we have Patrick Taillon. He's a professor and associate director of the centre for constitutional and administrative law studies, faculty of law, Université Laval. We have, from the Canadian Chamber of Commerce, Mark Agnew, senior vice-president, policy and government relations. From the Office of the Parliamentary Budget Officer, we have Yves Giroux, Parliamentary Budget Officer, and Louis Perrault, director, economic analysis. From Transparency International Canada, we have James Cohen, the executive director.

We're now going to hear opening statements from each of the witnesses, one from each of the groups. They'll have up to five minutes to make their opening remarks before we move to members' questions.

We'll start with Patrick Taillon, as an individual, for five minutes, please.

[*Translation*]

Mr. Patrick Taillon (Professor and Associate Director of the Centre for Constitutional and Administrative Law Studies, Faculty of Law, Université Laval, As an Individual): Thank you, Mr. Chair.

I would like to start by thanking the members of the committee for inviting me today.

I will keep my remarks brief, focusing only on the underused housing tax.

Let me be clear. I am not criticizing the appropriateness of the policy measure. In the midst of a housing crisis, with prices soaring, the measure is probably a good idea. As a citizen, at least, I see it as a good idea. As a public law professor, I don't have the expertise to say whether the measure can be effective.

However, being a good idea is not an excuse to flout our constitutional principles. From the Charter of Rights and Freedoms to the division of powers, the spirit and letter of the Constitution must be respected. Without the prior consultation of the provinces or an agreement with them—in other words, without some legal due diligence—this good idea has vulnerabilities.

It is clear that the pith and substance of the measure involve the regulation of housing law, and there is no doubt that the provinces have exclusive jurisdiction over housing when it comes to private law, specifically, property and civil law and, generally, in relation to social policies and local affairs.

To overcome that obstacle, to find a way around the division of powers set out in the Canadian Constitution, the drafters of the bill have endeavoured to disguise a regulatory measure—one intended to penalize certain housing practices—as a tax, a new tax. With this tax, the federal government is, for the first time in the history of Confederation, at least, to my knowledge, encroaching on a form of

taxation thus far left, and rightly so, in the hands of local authorities at the municipal and provincial levels. I am referring to the property tax.

I see two possible scenarios. The first is to frame the measure as a way of regulating housing law, which would likely make the measure unconstitutional because it goes beyond the jurisdiction of Parliament.

• (1540)

[*English*]

In other words, the bill is obviously and directly linked to the housing law. Therefore, the bill is unconstitutional. The essential character of the bill, its pith and substance, is provincial.

[*Translation*]

That is the most logical way of framing the measure. Ultimately, only the courts can confirm that interpretation of the situation, after the fact, and if they do, it will automatically lead to the nullity of the measure.

Otherwise, the second scenario, or possible interpretation, is to conceal the true character of the measure behind the tax penalty associated with this federal regulation of housing law. To do so would be to claim that this is merely a tax, setting a dangerous precedent. Introduced without the benefit of co-operative federalism, the measure would likely upset the delicate fiscal balance of the Canadian federation.

[*English*]

In other words, if the bill is interpreted as a new tax, the bill will be unfair. Without negotiations and the co-operation with the provinces, a federal property tax compromises our fiscal balance. Since Confederation, the property tax has been a local and provincial tool. It's not a good idea to borrow this tool from local authorities.

[*Translation*]

In short, if co-operative federalism means anything, the very least the government can do is consult the provinces and negotiate agreements to implement this policy, in keeping with the spirit and letter of the Constitution. The co-operative mechanism should not, for that matter, allow the federal government to exert any authority over property tax.

To be sure, Canadian federalism involves competition over taxation. The federal government has the right to use all fiscal tools, but the measure in question would genuinely have to be a tax.

It's not enough to call it a tax for the courts to believe it. In all cases, federal authorities must act with a minimum of co-operation to give every partner in Confederation the necessary and appropriate fiscal space to do what it needs to do.

History has taught us that, once the federal government enters into a taxation arena, it never leaves. During the First World War, the corporate income tax that was introduced was supposed to be temporary. During the Second World War, the personal income tax, warranted under the exceptional circumstances at the time, was also supposed to be temporary. Ultimately, when the government levies a form of taxation, it has a hard time rolling it back.

In conclusion, property taxation is a highly valuable tool, not just for the provinces, but also for local authorities under provincial jurisdiction, so school boards and municipalities.

The fiscal balance within the Canadian federation is already extremely delicate, but will grow more so in the years ahead. Federal underfunding of health care, coupled with skyrocketing needs and backlogs caused by the COVID-19 pandemic, will put a significant strain on provinces' financial resources. This is not the time to borrow from their fiscal tool box.

Under federalism, the exclusive jurisdiction of the provinces over housing is supposed to be respected and the obligation of co-operation among the partners in Confederation is supposed to be fulfilled, especially in the area of taxation. There are many ways to solve the problem. It might seem as though they require more time and negotiation, but that is always preferable to a court decision repealing the measure after the fact.

In its current form, the bill has legal vulnerabilities. Even if the courts were to deem it valid, it would likely stifle, or compete with, the very modest fiscal capacity of municipalities and school boards, not to mention provinces.

Thank you.

The Chair: Thank you, Mr. Taillon.

[*English*]

We now have the Canadian Chamber of Commerce.

Mr. Agnew, you have five minutes.

Mr. Mark Agnew (Senior Vice-President, Policy and Government Relations, Canadian Chamber of Commerce): Chair and honourable members, it's a pleasure to be back at this committee.

The economic and fiscal update, which I'll call EFU for short, included a number of critical elements for Canadian businesses. I want to focus my remarks on both the elements within Bill C-8 and provide a broader perspective on some of the elements from the EFU.

The first element where I want to underscore our strong support is the funding that was brought in for rapid testing. The Canadian Chamber has seen first-hand the benefits of rapid testing through our rapid testing initiative that distributed over eight million rapid test kits across the country through local chambers directly to small and medium-sized enterprises. Simply put, these kits are helping many businesses stay open, increasing both employee and consumer confidence. Certainly, we believe the rapid tests will remain a critical part of the tool kit as we navigate the endemic existence of COVID-19 in the months and years ahead.

The second element where I want to voice our support is related to the small businesses air quality improvement tax credit. Given

the transmission vectors for COVID, we need to maintain support for ventilation to again ensure safe workplaces that will build confidence for consumers as these consumer-facing businesses continue to ramp up their capacity under provincial health regulations.

The third element I want to briefly highlight is the refundable tax credit to support farmers. The impacts of climate change on agriculture have given the industry a stake in taking action, and it is ready to do its part. However, inflationary costs are affecting farmers who face unique needs in Canada. The credit in Bill C-8 is a welcome start, but some of the industry will certainly need more. For example, in harsh climates, where grain drying is important or heating for livestock is needed, higher proportions of carbon-based energy products are used. Certainly, we encourage parliamentarians to look at building on Bill C-8 going forward, such as the study of Bill C-234.

Shifting briefly to the contents of the broader EFU, I want to highlight a few other areas of interest to parliamentarians and the Canadian business community.

The Canadian Chamber was glad to see an extension to HAS-CAP, given the challenges still facing businesses, as well as the streamlined deduction for home office exemptions, given that we're expecting remote working to continue for the remainder of the 2022 calendar year for many business operations.

We also noted in the EFU the subsequent extension that was announced for CEBA payments to December 2023. This is a welcome step for many of our members, and we hope there can be a further 12-month extension through to December 2024. Underscoring the support, I'd like to point out to members that we had our chamber annual general meeting last autumn, where the extension through to December 2024 was voted on and supported overwhelmingly by delegates from across the country to support those from the hardest-hit sectors.

We also noted the government's continued intent in the EFU to move ahead with a digital services tax, which was recently affirmed in a ways and means motion tabled just before the Christmas recess. The chamber continues to have concerns with not only the design features in the bill but also the retroactive application and the issues that it poses in our relationship with the United States. We hope the government will instead prioritize its efforts toward the multilateral digital services tax agreement that's been agreed by the OECD and G20.

Finally, we also noted that the EFU underscored the government's intent to move ahead with a tax incentive to support carbon capture, utilization and storage. Again, that is welcome news for our members, and as the country makes a transition toward net zero 2050, there is certainly no panacea. With a range of tools, CCUS will be a critical item for the realities of the Canadian economy, not only for the oil and gas sector but also for other sectors like fertilizer, cement and utilities. The tax credit's design and rates not only need to ensure the credit is viable but also recognize that CCUS is going to be a critical part of Canada's transition toward net zero 2050 and also our short-term 2030 climate targets.

Thank you for the opportunity to comment on both the contents of Bill C-8 as well as the broader economic and fiscal update.

I look forward to taking questions from members in the Q and A.

• (1545)

The Chair: Thank you, Mr. Agnew.

We are now going to hear from the Office of the Parliamentary Budget Officer.

Monsieur Giroux and Monsieur Perrault, you have five minutes, please.

[*Translation*]

Mr. Yves Giroux (Parliamentary Budget Officer, Office of the Parliamentary Budget Officer): Good afternoon, Mr. Chair, vice-chairs and members of the committee.

Thank you for inviting me to appear today.

With me today, I have Louis Perrault, director, economic analysis.

My office has published costing notes addressing several measures in part 1 of Bill C-8. First, we prepared a costing of the measure to increase the eligible educator school supply tax credit from 15% to 25% for eligible teaching supplies of up to \$1,000. We found that this measure would cost approximately \$7 million in each tax year.

On January 31, we also released a costing of the underused housing tax act measure, which would implement a 1% tax on the value of dwellings owned by non-resident, non-Canadians that are vacant or underused. We estimated that this measure would generate \$130 million in tax revenues in 2022-23 and an estimated total tax revenue of \$600 million over the next five years.

• (1550)

[*English*]

We also costed the small businesses air quality improvement tax credit, which would provide a 25% refundable tax credit for the installation or upgrade of ventilation and air filtration systems in small and medium-sized businesses. We estimate that this credit would cost \$165 million over the next five years, beginning in the current fiscal year.

Finally, we released a report this morning providing an assessment of house prices relative to a household's capacity to borrow and pay for the purchase of a house in selected Canadian cities. We found that, at the end of 2021, the average house price was more

than 50% above what a household earning average income can afford in Hamilton, Toronto, Halifax and Ottawa, and between 30% and 45% of what the average household could afford in Vancouver, Victoria and Montreal.

I would be pleased to answer any questions you may have about our work as a whole. My office and I look forward to reviewing your suggestions on how we can best serve the committee and help you in your work examining Bill C-8 and throughout the 44th Parliament.

Thank you.

[*Translation*]

The Chair: Thank you, Mr. Giroux.

[*English*]

Now we'll hear from Transparency International Canada and James Cohen.

Mr. James Cohen (Executive Director, Transparency International Canada): Mr. Chairman and members of the committee, thank you for inviting me back to speak to you today.

My name is James Cohen, and I am the executive director of Transparency International Canada. TI Canada is a registered charity and is the Canadian chapter of Transparency International, the world's leading anti-corruption movement.

Concerning Bill C-8, I would like to focus my remarks on part 2, the underused housing tax act. Here I would draw the committee's attention to the difficulty that the government will face identifying what is outlined under "Interpretation and General Rules of Application" as "specified Canadian corporation".

Canada has had weak beneficial ownership laws, which have allowed individuals to hide their identity behind anonymous corporations, trusts and nominees. A foreign buyer of Canadian property could funnel their funds, whether licit or illicit, through various jurisdictions, ultimately landing in an anonymous Canadian incorporated company with nominee directors signing for it.

In 2016, TI Canada's report "No Reason to Hide" found that out of the 100 most valuable properties in Vancouver, no one truly knew who owned 46% of them. In a 2016 report called "Opacity: Why Criminals Love Canadian Real Estate (And How to Fix It)", TI Canada and our partners conducted a risk assessment of money laundering vulnerabilities in greater Toronto area real estate. Between 2008 and 2018, we found that companies owned 37% of homes valued at more than \$5 million, and more than half of homes over \$7 million.

I would like to stress that there is nothing inherently illegal about establishing a numbered company or purchasing a property through one. However, I flag these numbers to the committee as a warning on a critical hurdle that will face the underused housing tax act.

Thankfully, there is progress being made on beneficial ownership transparency in Canada. TI Canada applauded the government for proposing a publicly accessible corporate beneficial ownership registry in the 2021 budget. The government recommitted to this proposal on the world stage at the U.S.-hosted Summit for Democracy in December last year. Canada has to wait some time for the registry, however, as it has been pledged for 2025.

Until it is up and running and developed to a high standard to verify data, there is still the problem of anonymous corporations being used to purchase property. As well, the provinces and territories need to help this effort by also legislating beneficial ownership transparency. British Columbia has the land ownership transparency registry, although it has flaws. Quebec passed Bill 78, which will make beneficial ownership information publicly available on their corporate registry.

Going forward, I would encourage all federal parties to converge on agreement about the need for the publicly accessible beneficial ownership registry and speak with provincial and territorial counterparts to bring them on board. In the context of housing, it will help to add supply without even hammering a nail.

Thank you. I am happy to take any questions from the committee.

• (1555)

The Chair: Thank you, Mr. Cohen.

I'm sure the committee members have many questions for all our witnesses. We are going to start with our first round of questions from members.

Each party has up to six minutes to ask those questions, and we're starting with the Conservatives and MP Lawrence.

Mr. Philip Lawrence (Northumberland—Peterborough South, CPC): Thank you very much.

I'd like to thank all of you for your testimony. It's very much appreciated.

As you are all aware, Bill C-8 was a fiscal aid update. Its stated purpose was to help the Canadian economy recover from the pandemic. However, in the interim, we've had another significant event. The government's escalation of the Ottawa protest has now led to the invocation of the Emergencies Act. Among the powers the government has given itself is the ability to freeze dissenters' bank accounts. I'll read from the proclamation. It says that payment processors must:

...report certain transactions to the Financial Transactions and Reports Analysis Centre of Canada and to require any financial service provider to determine whether they have in their possession or control property that belongs to a person who participates in the blockade....

In the justice minister's comments to the media, he clearly included political dissent in those comments.

My concern is for the economy and the economic impact that will have.

Perhaps I'll start with you, Mr. Taillon. If, in fact, the government overreached with these powers and Canadians felt as though their assets were exposed and could potentially be frozen because of political dissent, what impact could that have on the economy?

[*Translation*]

Mr. Patrick Taillon: I am mainly here to comment on the measure to tax underused dwellings. My sense is that the tax will not take a significant amount of money away from individuals and put it in the government's coffers. As I see it, this is more of a regulatory measure in disguise, aimed at penalizing certain harmful practices in the housing market. I don't think the measure is likely to bring in much tax revenue.

As for your question, specifically, I gather you are referring to announcements that were made this week. Unfortunately, I haven't had the opportunity to take a close look at that information.

[*English*]

Mr. Philip Lawrence: Thank you.

To Mr. Cohen, in a similar vein, do you believe that the government has been transparent—

Mrs. Sophie Chatel (Pontiac, Lib.): I have a point of order, Mr. Chair.

The witnesses are here to debate Bill C-8, not the Emergencies Act. Thank you.

The Chair: Yes. On the point of relevance, MP Lawrence, keep it to Bill C-8. Thank you.

Mr. Philip Lawrence: I believe that I have a wide view, and I've already started those comments, so I'm going to continue.

Mr. Cohen, do you believe the government has been transparent with respect to the implementation of the financial aspects of the Emergencies Act?

Mr. Yvan Baker (Etobicoke Centre, Lib.): I have a point of order.

Chair, again, the question has nothing to do with Bill C-8. We're here to study Bill C-8 and the witnesses have been invited to discuss Bill C-8. I would ask that all members focus on the bill before us, which is why the witnesses are here.

The Chair: Yes, the witnesses are here for Bill C-8. Those are the remarks they've made, on Bill C-8.

MP Lawrence, please stick to Bill C-8.

Mr. Philip Lawrence: I appreciate the chair's comment, but I'll continue with the question.

Mr. Cohen, please go ahead.

Mrs. Sophie Chatel: I have a point of order.

It's not just us, but the witnesses. The earlier witness said too that he's here to answer questions on Bill C-8. That's why we have invited our witnesses today, not to discuss the Emergencies Act and hypothetical results.

I don't know how to reframe it for my colleague Mr. Lawrence, but it's not relevant to Bill C-8.

• (1600)

The Chair: Keep it relevant to Bill C-8 and respect the witnesses. That's what they are here for.

Mr. Philip Lawrence: Thank you, but these events intercede with our economy, which is what we are here to study with Bill C-8. This forms the very background, which has really changed dramatically our discourse, including the discourse on Bill C-8.

Mr. Cohen, kindly respond. I'm hoping my time is being adjusted for the interruptions.

Mr. James Cohen: Could you repeat the question?

Mr. Philip Lawrence: That's no problem, Mr. Cohen.

In Bill C-8, there are financial measures that effectively give the government the ability to freeze the bank accounts of political dissenters. Do you believe the government has been transparent in discussing who will be targeted by these measures and which accounts will be frozen, and why?

Mr. James Cohen: I was invited here to talk about Bill C-8. I will respond to this briefly. I heard of the use of illegal blockades, but I have still to hear what the definition of that term specifically means. I would encourage the government to use a very high standard of transparency going forward.

Mr. Philip Lawrence: Thank you, Mr. Cohen. I do appreciate that.

Mr. Agnew, I'd like just a brief comment. If, in fact, your members felt like their assets could be exposed to government confiscation for political dissent, would that have a negative impact on them?

Mr. Mark Agnew: Certainly in a free and democratic society such as ours, predictability and the rule of law are absolutely critical for members. That's something I think we have heard time and time again over the last number of weeks from them on this issue.

Mr. Philip Lawrence: Thank you very much.

With the lack of transparency and the potential impact on Canadians, I would like to bring a motion. I believe it has been circulated to our members by the clerk in both official languages. If you wish, I can read it.

The Chair: MP Lawrence, as you know, it would be inadmissible at this time to bring that forward.

Mr. Philip Lawrence: How so? This is in respect of Bill C-8, which is on the economy. You know that, arguably, financial measures that can confiscate Canadians' assets might have something to do with the economy, Mr. Chair, with respect.

The Chair: It is not Bill C-8, MP Lawrence.

Mr. Philip Lawrence: You do not believe the emergency measures will affect the economy.

The Chair: MP Lawrence, we are here discussing Bill C-8 and that motion has nothing to do with Bill C-8.

Mr. Philip Lawrence: This motion has everything to do with Bill C-8. We need to understand the economic background of why the fiscal update was put in place. This will have an impact on that, on our revenue and on our very economy.

The Chair: MP Lawrence, the witnesses are here for Bill C-8. This has nothing to do with Bill C-8. Your time is up, actually.

We are moving to the Liberals. We have MP Dzerowicz up for six minutes.

Mr. Philip Lawrence: On a point of order, Mr. Chair, was my time adjusted for the discussion and for the points of order?

The Chair: It was, Mr. Lawrence. I checked with the clerk. Thank you.

We are moving to the Liberals, with Ms. Dzerowicz.

Mr. Greg McLean: On a point of order, Mr. Chair, I believe there's a motion on the floor that you are ruling out of order. I think we have to see if it actually is out of order. It is pertinent to the debate we have here.

The Chair: It is out of order.

Mr. Greg McLean: I'm going to have to challenge the chair on that because I think it is pertinent to what we're studying here right now.

The Chair: There has been a challenge to the chair.

Mrs. Sophie Chatel: I have a point of order.

It may be a question. What is the challenge? Is it that we are changing the agenda now? Is that what my Conservative colleagues want, to change the agenda of our meeting? I'm very confused right now, Mr. Chair.

The Chair: MP McLean, what is the point of order and what is—

Mr. Greg McLean: The point of order is a challenge to the chair. I'm sure you heard that, Mr. Chair.

The Chair: It is a challenge to the chair on a motion that is inadmissible.

Mr. Greg McLean: That you ruled inadmissible....

The Chair: I ruled it inadmissible.

Mr. Greg McLean: We are challenging that ruling. It is an admissible motion from the floor pertinent to the discussions happening here in committee today.

• (1605)

The Chair: As Mr. McLean knows, the motion has nothing to do with Bill C-8, so it is inadmissible.

Mr. Greg McLean: Mr. Chair, there's a challenge to the chair on the floor. Are you ruling on that?

Can we deal with the challenge to the chair, please?

The Chair: Shall the decision of the chair be sustained?

(Ruling of the chair sustained: yeas 6; nays 5)

The Chair: We'll continue.

We're moving to MP Dzerowicz for six minutes.

Ms. Julie Dzerowicz (Davenport, Lib.): Thank you so much, Mr. Chair.

I want to thank all the witnesses for being here today at this particularly unprecedented time and very busy time here in Ottawa.

Mr. Jake Stewart (Miramichi—Grand Lake, CPC): I have a point of order, Mr. Chair.

I disagree with the member's comments that this is a dire time in our country, because we did try to talk about emergency measures. They want the entire country to believe that this is an emergency, yet we're here to talk about a finance bill.

Ms. Julie Dzerowicz: That's not a point of order. That's just rudely interrupting me.

The Chair: That's getting into debate, Mr. Stewart.

Go ahead, Ms. Dzerowicz.

Ms. Julie Dzerowicz: Thank you so much, Mr. Chair.

I was thanking all the witnesses for being here today. Thank you.

I'm going to start by directing my initial questions to Mr. Agnew from the Canadian Chamber of Commerce.

As we're trying to reopen and move past COVID, can you talk about the importance of rapid test kits for the safe reopening of workplaces and businesses?

Mr. Mark Agnew: One of the big things we've heard from businesses, whether it's an office environment or a consumer-facing environment, is that confidence is critical to getting people back in the door and back at their desks. There are a lot of different ways in which you can do that, whether it's vaccinations or rapid testing. Having the rapid testing there as a tool to screen out asymptomatic positive cases is something that employers have told us has been critical in getting employees and customers to come back in and to start to have some semblance of normalcy.

Ms. Julie Dzerowicz: Thank you.

Mr. Agnew, part of Bill C-8 is that, if passed, it will authorize the Minister of Health to make payments of up to \$1.72 billion for these rapid tests to be sent to the provinces and territories. It's not the first time that the federal government is actually allocating money down to the provinces and territories, and it's to be distributed. They decide on the distribution.

Do you have any recommendations for us? As we're giving money down to the provinces and territories, does more of an allocation need to go to businesses? Do you have any other specific recommendations around the dollars we're sending down and how we should be allotting them to businesses?

Mr. Mark Agnew: Most of the work the chamber has been focused on has been around the physical sort of hardware kit, and certainly there has been far more demand than there is supply for the

business community. What I would say is that chambers, in our experience, genuinely do provide a role, both for their members in the community and for businesses that aren't members, in terms of being able to have a central distribution hub for these things.

It's easy to underestimate the value of having a central hub, but in these communities, having a one-stop shop for businesses to go to get test kits is a really valuable service that is being provided in communities across the country.

Ms. Julie Dzerowicz: How does it work right now? Do they actually make a request to the chamber? How do they actually get rapid tests right now from the provinces?

Mr. Mark Agnew: The provinces will receive their test kits from the federal government, and the provinces will then distribute those test kits down to the local chamber in the community. Then businesses will go to the chamber's physical location, whether it's a warehouse or, in some cases, a storefront, and they will physically pick up the test kits from that chamber and bring them back to their workplaces. Then, of course, there is a reporting mechanism back up and through to provincial health ministries with the results from those tests.

Ms. Julie Dzerowicz: Okay. That's helpful.

I really appreciate your recommendation around the hub. I think that's very useful.

Can you talk a bit about what the new tax credit for small businesses to support air ventilation improvements will mean for businesses across the country as we are reopening?

• (1610)

Mr. Mark Agnew: As businesses are starting to reopen, the cost of everything is going up. Certainly, one of the things the government can tangibly do to help businesses be more competitive and to help them to be safer is having this tax credit, because ventilation certainly has been proven to be one of the ways to reduce a transmission vector for COVID-19.

Ms. Julie Dzerowicz: Okay. Do you provide some standards to businesses so that when businesses are looking to improve their ventilation there's a standard that is recommended? Is that what you do as the Canadian Chamber of Commerce?

Mr. Mark Agnew: We don't as an organization—I get someone else to do my HVAC work for me, so we're far from experts in that field—but certainly we would point people towards either their municipal or their provincial health authorities for the best place to go about what is the right HEPA filter to have in the workplace.

Ms. Julie Dzerowicz: In your remarks, you were very positive about the extension of the home office exemptions, because you believe that it's still going to take some time for some to actually return to their original workplaces. Could you talk about the importance of that? Do you have any numbers on whether 50% of people are returning to their workplaces or whether it's 25%? Can you give us an idea of what your data is showing in terms of people returning to their workplaces?

Mr. Mark Agnew: On the data piece first, we don't have any current data on that, because it's quite a rapidly changing environment at the moment.

In terms of the T2200, this is something we've heard about right from the beginning of the pandemic and the work from the home environment. Whether you're a big business or a small business, it's a huge administrative burden to have to issue individual forms to your workforce. Having the streamlined option, if I can call it that, has been a huge help to take a huge amount of red tape off the plates of businesses that just don't have the bandwidth.

Ms. Julie Dzerowicz: That's great.

I have one more question. You've indicated that part of Bill C-8 is actually to extend the repayment date for the CEBA loans to the end of 2023. Can you explain, if we didn't have that extension, how would that be impacting businesses across Canada?

Mr. Mark Agnew: For a lot of businesses that are in the travel, hospitality and tourism industries, cash flow is a big problem. They missed out on the 2020 and the 2021 tourism seasons, which is when they bring in the dollars to keep themselves going through the off seasons. Not having those extensions would certainly further aggravate the credit crunch or liquidity problems that a lot of these companies are having at the moment and get them through at least to the 2022 tourism season when they can start to build up their cash reserves.

Ms. Julie Dzerowicz: Thank you so much.

The Chair: Thank you, MP Dzerowicz. That's your time.

We are moving to the Bloc and Monsieur Ste-Marie for six minutes.

[*Translation*]

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

I want to start by welcoming the witnesses, and thanking them for their participation and presentations.

My questions are for Mr. Taillon and have to do with the underused housing tax. As he pointed out, it may be a good idea if the purpose is to alter the behaviour of owners of properties that are vacant.

According to what the Minister of Finance said during the debate in the House, we are facing a housing and residential property shortage. There aren't enough houses and condos, so this is a way to make the housing supply more accessible to people. She said that the introduction of the underused housing tax would be one of many tools aimed at encouraging property owners not to leave dwellings vacant.

We discussed the measure with department officials at the last meeting. I know Ms. Dzerowicz and I pointed out that the purpose of the measure was to influence the behaviour of certain individuals. Foreign owners of underused residential units, condos and houses will be taxed, not to add to the government's coffers, but to influence those individuals' behaviour. Now, I'll turn to my question.

Mr. Taillon, if the point of the measure is not really to bring in tax revenue for the federal government, but to penalize a certain behaviour, do you think that will influence how judges interpret the law?

Mr. Patrick Taillon: Yes. Just because you call something a cat doesn't make it a cat, but the courts always have the last say. They will consider the purpose and true impact of the law. The government can make its intentions clear and say that, on the surface, it is fundamentally a tax. That may be true, but there is a risk.

Mr. Chair, in his question, the committee member pointed out the most important consideration. Insofar as the government is not really trying to generate tax revenue and the main objective is to influence behaviour, the measure is in fact a regulatory one that seeks to regulate or control behaviour, despite being in an act. It has to be tied to an area of jurisdiction, in this case, housing. However, housing is property, and property and civil law have always been the domain of the provinces under Canadian federalism. That fact is all the more important when you consider Canada's bijural tradition. In other words, civil law addresses private law matters in Quebec and common law applies in the rest of Canada, a tradition that is grounded in respect for provincial private law.

Obviously, the federal government has developed all kinds of tools to play a policy role in housing—I was going to say strategies, since it is called the national housing strategy, after all. When such actions are taken in a co-operative way, so in co-operation with the provinces, to help them assume their constitutional responsibilities, those actions can be approved by the courts. In that case, though, the action is subject to certain limits.

For example, when the federal government spends money on areas of provincial jurisdiction—not that I'm saying it's right—the courts tolerate it, provided that the spending doesn't reflect a desire to regulate or adopt legal standards to encourage or impose certain behaviours.

Therefore, it's a national housing strategy that is based on the federal government's authority to spend, which applies to aspects of housing that concern the federal government such as indigenous housing. That makes sense. Here, however, the government is going a step further. In an act, the government is trying to govern, regulate, control or encourage certain behaviours and discourage others. As long as the purpose is to discourage behaviours, not criminalize them—because the federal government has jurisdiction over criminal law—federal lawmakers cannot adopt such measures.

That gives rise to this idea of disguising it as a tax, and the courts may very well say that it is indeed a tax. I personally, don't think so, but maybe they will. If they do, the other problem I mentioned still exists, fiscal balance. This deals with the only form of taxation not administered by the federal government. That means some sort of mechanism needs to be put in place. It's clear to me, after reading the bill, that the federal agency responsible has to develop a certain number of tools for the delegation of authority to oversee and administer a property tax, which is something different from collecting sales tax, corporate profit tax or what have you.

Once the government has the mechanism to administer property tax, it will be hard to resist the urge to look for more and more good ideas to fill that space. Canadian history has taught us that. Inevitably, this would disadvantage the provinces, municipalities and school boards, which not only use the tax, but also sorely need it.

• (1615)

Mr. Gabriel Ste-Marie: That's quite clear.

Thank you.

[*English*]

The Chair: Thank you, MP Ste-Marie.

We are moving to the NDP.

Welcome, MP Ashton, to our committee. You have the floor for six minutes.

• (1620)

Ms. Niki Ashton (Churchill—Keewatinook Aski, NDP): Thank you very much.

My first question will be directed to the Parliamentary Budget Officer.

You've spoken publicly about the late filing of public accounts and the impact that has on Parliament being able to adequately evaluate government spending in a timely way.

Bill C-8 proposes over \$2 billion in spending for COVID supports for the provinces. We in the NDP believe there should be timely reporting to Canadians on how that money is being spent, the equipment being purchased and how it's all being disbursed. This could be accomplished by tabling a quarterly report in the House of Commons.

What kind of information do you think would be helpful in such a report to help parliamentarians and Canadians understand how this money is being spent?

Mr. Yves Giroux: Thank you for the question.

That's a very interesting point. If there was a desire for parliamentarians to have more information on that type of spending by the federal government, at the very minimum, information such as how much was sent to which jurisdiction to buy which type of equipment would certainly be very helpful for you as legislators in determining whether this funding has been or will be used according to the initial intent of the funding. That would be helpful for you as a group.

Ms. Niki Ashton: My next question is around the underused housing tax. Obviously, we've indicated that there are some major loopholes when it comes to this tax.

Isn't the real issue here the lack of affordable housing in our country? How important would it be to invest in social housing, affordable housing and housing on first nations to be able to address the housing shortage in our country?

I don't know if anyone from the PBO would like to answer.

Mr. Yves Giroux: I can attempt an answer.

We released a report this morning that indicates that for households earning an average income in most urban areas in the country, it's becoming more and more difficult to access housing at the average price. There are clearly imbalances in the housing market.

We have correlated that with the demographic needs of the country, which seem to have gone up since 2015 but have not been matched by an increase in supply. The increase in the population, based on natural increases as well as immigration, has not been followed by a commensurate increase in supply. This is leading to increases in prices that are far outpacing the growth in income and the easier affordability due to the lower interest rates we have seen over the last several years. This leads to difficulty in finding affordable housing for many households.

We also released a report several months ago about housing on first nations and multiple programs that have been implemented by the government over the last couple of years for providing affordable housing. We found that most of the funding has not significantly increased the number of affordable housing units, but rather has increased funding for housing units that are above affordable.

The definition of affordability has not been consistent or the definition the government has used has not been exactly what we would normally find to be affordable.

Ms. Niki Ashton: Thank you very much.

Would any of the other witnesses like to comment briefly on that question?

With that, thank you to the PBO for your feedback.

Coming out of the work of the economic statement is the need to keep tabs on the kinds of financial supports that government put in place during the pandemic. I would like to put forward a notice of motion. I understand it is not committee business to debate the motion, but I would like to read it into the record:

That the committee invite the Minister of National Revenue to discuss wrongful abuses of the Canada Emergency Wage Subsidy program from enterprises like airlines and private non for profit organizations like private ski resorts, golf clubs and others, which recorded record profits and increased revenues throughout the pandemic; to testify whether the beneficiaries of the CEWS devoted the government provided funds to workers pay and reports to this committee what government action was undertaken to ensure that funds were properly devoted to eligible recipients.

That is our motion. We've submitted a translation to the chair as well.

With that, I want to thank the witnesses for their testimony today.

• (1625)

The Chair: Thank you, MP Ashton.

We are moving to the second round, members. In the second round, we have the Conservatives up.

For five minutes, I have MP Stewart.

Mr. Jake Stewart: Thank you, Mr. Chair.

Thanks for that rousing applause from my colleagues here.

I do appreciate all of the witnesses appearing today. I want to thank you for taking the time to speak with the committee.

Bill C-8 is an important piece of legislation, which is obvious, but I do find it interesting.... My questions will be focused on Bill C-8 primarily and I'll try to stick to the bill as much as I can. It's interesting to me in a sense that we're meeting today discussing anything but the emergency measures act. I've been sitting here and I've been thinking this all week, and I'm not sure if it's relevant to the bill.

If it was truly national security, why was I permitted as a member of Parliament to walk seven or eight blocks through demonstrators every evening to get a cab? If my life was in danger, wouldn't I have armed guards with me or a bulletproof vest? Wouldn't they find a different way for me to get home at night?

I have four kids, and I'm going to be honest. I've walked through that demonstration for two weeks now, and I've never, ever felt threatened walking through it. If it actually is a national security issue, I think it's important that members of Parliament are not at all protected in that situation. I wanted to say that today.

The part of the legislation that I'm most drawn to is part 2, the underused housing tax act. As it pertains to my role as shadow minister for national revenue and pairing that with the latest report of inflation from Statistics Canada and the Parliamentary Budget Officer's reaffirmation that home prices are steadily climbing, I have a great deal of concern that this is simply a tax grab for the government that will mostly likely have zero impact on Canadians being closer to affording a new home. I also have concerns that other countries will impose the same tax on Canadians like snowbirds, who are already facing 30-year-high inflation.

My question is for Mr. Giroux.

I appreciate your being here today. How did you first come to the conclusion that this tax would generate \$134 million while the government was suggesting it would generate \$200 million? Obviously there's a 33% difference between the two, and I was just curious to see how you came up with your number and how it looks today.

Mr. Yves Giroux: Thank you for the question.

In very brief terms, we looked at the experience in British Columbia, which imposed such a tax. It was broadly similar and also subsequently increased, so we can have a pretty good idea of the behavioural impact of instituting the tax and then raising it subsequently.

Monsieur Perrault can probably give you a more complete answer as to how we came up with the estimate.

Mr. Jake Stewart: Sure. At this moment in time, was your estimate concluded to be more accurate than that of the government itself? They're just two different numbers. I just questioned if one was more right and more accurate than the other. It's just a general curiosity.

Mr. Yves Giroux: If you ask me, I will tell you that our estimate is better than the one by the Department of Finance.

Some hon. members: Oh, oh!

Mr. Jake Stewart: I had a feeling you'd say that, but I didn't know for sure. I appreciate that.

Then again, here's another example of how this government doesn't understand what impact this will have on the financials for Canadians or their tax dollars.

Today's report from the PBO confirms what many Canadians already know first-hand, that the dream of home ownership or an affordable place to live is far out of reach and is worsening under the Trudeau government. Home prices continue to rise every month, and since the Prime Minister came to office, home prices in Canada have nearly doubled. That means that the same home that was \$300,000 in 2015 is most likely priced at \$600,000 today, and a half-million dollar home is now reaching a million dollars.

This failure to address skyrocketing home prices has reached crisis levels after a mere six years of government. Home prices in Canada are completely unaffordable for Canadians, and there is no end in sight. For Canadians in Hamilton, Toronto, Halifax and Ottawa, for instance, home prices are 50% above affordable levels. For Canadians in Vancouver, Montreal and Victoria, homes are up 45% above affordable levels.

The government has had six years to fix the issue. Instead, they have let it turn into an affordability crisis and continue to refer to it as simply a global phenomenon. Canadians who care about having an affordable place to call home or have hopes of one day owning their own home can't afford more of the Prime Minister's failed leadership on housing.

• (1630)

The Chair: Thank you, Mr. Stewart. That's your time.

Mr. Jake Stewart: You're very welcome.

The Chair: Now we're moving to MP Baker from the Liberals for five minutes.

Mr. Yvan Baker: Thanks very much, Chair.

Thank you very much to our witnesses for being here today.

I'd like to start by directing my first question to Monsieur Giroux.

A number of the members have been alluding to the vacancy tax in Bill C-8. You were speaking about a report that I think I heard you say you issued this morning, but forgive me if I got the timing of that wrong. You were explaining to a colleague of mine why... You had concluded in your report that housing prices were too high for many Canadians to afford to purchase a home—that's what I heard you say—and you quantified that.

You also spoke about why that is, why housing prices have grown so much. I'm wondering if you could explain that again and elaborate on it.

Mr. Yves Giroux: Thank you for your question.

We try to look at what could be driving the increases in house prices. One area people usually look to when looking at the demand for housing is household formation, so the demographic factor. Not only do people need somewhere to live, but they also need somewhere to live if there's... As the population grows or people turn the age where they normally leave their parents' house, there's greater demand for housing. We also looked at the supply.

Looking at the increase in population, we found that there's an increase in population that's occurred. There's been a faster increase in population since 2015, but the building of new housing, be they apartments or houses, has not kept up with that pace in demographic pressure. That's very likely a determining factor in increasing house prices.

The other aspect is whether individuals and households have more money to spend on housing, and that is indeed the case. The incomes of Canadians have increased over the last several years. At the same time, interest rates have gone down. For a household looking at what they can afford, the interest rate is a big determining factor in deciding whether to go for a house of a certain price or not, because the monthly payments they can afford vary according to the interest rate.

We had a confluence of events—rising incomes, lower interest rates and demographic pressure that has not been matched by an increase in the supply—and that's what has led, in many areas of the country, to the increases in house prices.

Mr. Yvan Baker: Thank you very much for that.

Monsieur Giroux, in Bill C-8, we see proposed funding, tax credits, etc., mechanisms to support a number of measures related to COVID, such as ventilation, for example, or rapid tests. In my mind, they're a scaling down of the kinds of supports that we saw over the past year and a half to two years.

Can you talk a little bit about where we were economically a year ago? Can you talk about where the supports were, let's say, about a year ago—let's say last fall—and then how that compares to what's proposed going forward?

• (1635)

Mr. Yves Giroux: That's an interesting question.

I hadn't looked at the exact numbers on the pace of government spending for example, a year ago or six months ago, compared to now, but there has been a net deceleration in government spending.

Not that anybody wants to, but if we go back to a year ago, the government was still providing supports for Canadians and businesses at a significantly higher level than what we are seeing now. With the successive waves and resilience of the Canadian economy, these supports have been withdrawn progressively, either because demand is not there or because some of these programs have expired. I would say, in a nutshell, that the levels of support have diminished certainly compared to a year ago.

Mr. Yvan Baker: Thank you very much.

The Chair: Thank you, MP Baker.

We're moving to the Bloc and MP Ste-Marie for two and a half minutes.

[*Translation*]

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

Once again, my question is for Mr. Taillon, and it pertains to the underused housing tax.

As I understand it, then, once Ottawa creeps into the property tax sphere, the risk is that it won't get out. You flagged the risk that the courts could strike down this part of the act, ruling it unconstitutional. If the purpose of the measure is to alter behaviour, it falls under provincial jurisdiction. What's more, even if the courts didn't go that far, you explained that, in all cases, Ottawa should have negotiated with the provinces. By not doing so and by acting unilaterally, Ottawa has undermined co-operative federalism. Do I have that right?

Mr. Patrick Taillon: Actually, it's one or the other. Either it's a hidden tax and, in reality, a bill that deals with housing law, which means the measure's pith and substance fall under provincial jurisdiction. Or it is fundamentally a tax, which means the primary objective is to collect tax revenue, and I highly doubt that. In addition, a whole system has to be put in place in order for the federal government to administer property tax, something it has never done before.

Keep in mind that municipalities, school service centres and provinces don't exactly have an easy time when it comes to funding. For the federal government to encroach on their area of taxation—an area overseen at the local level—is inappropriate policy, especially without negotiation.

The smartest thing to do is accept that there is no magic solution for the housing situation and that each province has its own suite of strategies. For instance, Quebec has rent control measures in place that don't exist in the rest of Canada, and British Columbia uses strategies that differ from those used elsewhere. What the federal government would do, if it were wise, would be to support those strategies, rather than impose regulations that fall outside its jurisdiction.

Mr. Gabriel Ste-Marie: Thank you.

The Chair: Thank you.

[English]

We're moving to the NDP and MP Ashton for two and a half minutes.

Ms. Niki Ashton: Mr. Chair, thank you very much.

I want to go back to the earlier discussion around housing, and I appreciate the report that the PBO released earlier today around that. Of course, what we're saying is that there are some major issues with the underused housing tax and what we need to do is take immediate, concrete action to see the federal government invest in the construction of housing.

I note that, in the report, the PBO indicated the average income-earner will find it ever harder to afford a home in the future unless prices drop or wages climb.

Would you add to that as well the need for the federal government to directly invest in the construction of housing, particularly social, affordable housing in our communities?

Mr. Yves Giroux: I assume the question was directed at me.

It's quite clear that increasing supply is one easy—relatively speaking—way to alleviate the pressures on prices and ensure that those who are seeking to enter the market don't face a market that is very expensive and is outpricing them.

Whether it's only the federal government's jurisdiction or whether there is also something that municipalities, for example, could do through relaxing some of the requirements they impose on promoters and developers, that's an area that's up for discussion.

However, for sure, increasing supply, be it through provincial, federal or municipal action, is certainly something that would alleviate the pressure that households entering the market are facing.

• (1640)

Ms. Niki Ashton: Thank you.

Just quickly to the PBO, you've talked about how the government's definition of affordability is an issue as well. With the current state of inflation and the crisis that people are facing, is that going to exacerbate the issues that people are already facing with respect to the housing market?

Mr. Yves Giroux: When StatsCan released its report yesterday, I think, on inflation, it was clear that some components were pushing up prices: gasoline prices and food, but also the dwelling component of the consumer price index. It is clear that inflation is also present, whether you're renting or in the market to buy a house. It's not only those who are in the market to buy a house, but also those looking to rent an apartment who are facing increasing prices, and that's reflected in the consumer price index.

That means that inflation is affecting, obviously, dwelling and housing as well.

Thank you.

[Translation]

The Chair: Thank you, Mr. Giroux.

[English]

We are moving to the Conservatives. I have MP Chambers up for five minutes.

Mr. Adam Chambers (Simcoe North, CPC): Thank you very much, Mr. Chair.

Thank you to all our witnesses for taking some time out of your day. We certainly appreciate your helping us think through Bill C-8. I know everyone is very busy, but I hope we also have many of you back to speak with us about other issues.

Mr. Cohen, from Transparency International, thank you very much for all of your work on money laundering and for your comments on the underused housing tax.

I'm wondering if you could discuss this for a minute. We had testimony at the committee earlier this week where the government officials were stressing that this was a revenue-raising measure, and government members were stressing that it was also to do with helping with supply in the market and creating more inventory available.

My question would be this: In what you have seen and the work you have done in general on money laundering and some of the actors that we see, do you think that a 1% tax on a house will have much impact on the behaviour of some money launderers?

Mr. James Cohen: Thank you for the question.

Without doing an analysis of what the exact right amount is to dissuade people and going into any kind of behaviour analysis, I would say at a very basic level that you are looking at what the cost of doing business is. In this case, it's the business of crime. When you are talking about laundering millions of dollars, a 1% hit on that could be considered the cost of doing business.

This is why we talk about, as well, the need for penalties for money laundering to be highly substantive and not just seen as the cost of doing business, to properly dissuade money launderers from exploiting Canadian housing.

Mr. Adam Chambers: Thank you. I'll take from that that it will be unlikely to dissuade money launderers.

You mentioned some challenges with the government's implementation of understanding the ownership, the ultimate owner or beneficial owner of housing, and what they could do under the current regime. Could you just expand on that? What would your recommendation be to fix that, and do you believe it would be easy for money launderers to get around the foreign underused housing tax as it currently stands?

Mr. James Cohen: As it currently stands, it would be, because they already are getting around any indicators we have very well. They are getting around the indicators we have to figure out the proceeds of crime or terrorist financing coming into Canada.

As I said in the beginning—and we've seen it—sure, you can set up a company that's incorporated in the federal jurisdiction or in any one of Canada's jurisdictions, but that could have come from money from a separate jurisdiction, a separate secrecy jurisdiction. Somebody could have sold you a Canadian company with the names of directors already available, Canadian directors who are willing to sell their signatures for \$200 a signature.

There are a number of ways for money launderers to make it look like they have full legitimacy of being Canadians, and as I understood from reading Bill C-8 on the exemptions under Canadian companies, they would wind up coming under those exemptions. Without ultimate beneficial ownership transparency, the government probably wouldn't see the kinds of reactions to the attempt that the tax is trying to achieve immediately. Maybe it would for people who have licit funds who are just holding it in property, but for those with the illicit funds, they would most likely find a way around it.

I've been talking about the corporate registry. We also need to talk about trusts, which have their whole own legal situation, as well as nominees. I want to stress that the ultimate beneficial ownership registry is not a silver bullet. There is no silver bullet to money laundering, but it is an incredibly useful tool to the gaps that Canada currently has.

• (1645)

Mr. Adam Chambers: Thank you very much.

You mentioned the year 2025. What was significant about 2025? Is that when we expect the registry to come into place?

Mr. James Cohen: Yes. As I recall from the government's proposal in the federal budget in 2021, this year, Innovation, Science and Economic Development Canada is meant to conduct a study on how to implement a publicly accessible registry in Canada, with the idea that such a registry would be up and online by 2025.

Mr. Adam Chambers: Thank you.

The Chair: Thank you, MP Chambers. That's the time.

We are moving to the Liberals. We have MP Chatel for five minutes.

Mrs. Sophie Chatel: Thank you very much, Chair, and thank you to our witnesses.

I must say thank you to Mr. Stewart too for agreeing to pursue our questioning on Bill C-8. I share the sentiment that it is not easy to do in this context, but we must and I'm grateful to him.

I have a question for Mr. Agnew. You mentioned that Bill C-8 is a good step forward for our farmers who are adjusting to the green transition, and you also suggested that more could be done. I'm interested to hear your view on the impact of this credit. Also, what extra steps do you have in mind?

Mr. Mark Agnew: There's a gap between what's in Bill C-8 and what we heard from some of our members in the industry, particularly around the harsh climate realities of the Canadian agricultural industry. Again, grain drying, for instance, is quite important to make sure the products are being dried out properly and you don't have a spoiled grain product. Because of our harsh climates in the

winter, we need to have heating for livestock. Similarly, you need to have cooling in the summer in many places.

If you were to ask people what the ideal situation would be, I think the exemptions for natural gas and propane would be where we'd like to move the conversation. Bill C-234 moves it in that direction. As much as Bill C-8 is a first step, there's still that gap, given where we've heard members would like things to go.

Mrs. Sophie Chatel: Staying with you, Mr. Agnew, what do you think is the impact of our other tax credit on support for air ventilation? One of the main objectives is to keep our schools open, for example, in the case of a sustained or endemic situation in our schools or other virus that could circulate.

Could you tell us what you heard from your membership on this credit? How helpful would it be?

• (1650)

Mr. Mark Agnew: I can't speak from the school standpoint, but I can from the business community standpoint. Businesses right now, particularly small and medium-sized businesses, are feeling a lot of inflationary pressures in the economy, and it's sort of that the drip-feed of every additional cost is another thing that's squeezing the bottom line.

Ventilation is going to be quite important for a number of companies, again, as a confidence-building measure. People are more aware of the need for good ventilation, but that comes at a cost. What this tax credit will do is ultimately reduce one of the input costs that a business has to have in order to operate as safely as it would like to.

Mrs. Sophie Chatel: I have a question for Mr. Cohen now.

I'm very interested, of course, in the development on beneficial ownership and I understood you on trusts. I agree completely that they're an issue. We have to cover trusts as well. The requirement for the registry is a good step forward for more transparency. As you know, FATF and the international community are working really hard on the standards, as is Canada, to match those standards, of course.

This new legislation will require a 1% tax on the value of properties if they are owned by a non-resident. In the quest to find that information, would the tool the international community now has and a Canadian registry help to find money laundering in the real estate market? That's a big issue.

Mr. James Cohen: If I'm understanding your question correctly, it's once we have the registry and if other countries have the registry including if the FATF increases the standards on beneficial ownership registry, will this help us find money launderers. I just want to make sure that I have it correct.

Mrs. Sophie Chatel: Yes.

Mr. James Cohen: Yes, it will help. I want to repeat there is no silver bullet, but this is a huge gap, not just in Canada but you have to look at it globally. A lot of countries are undergoing this problem of housing markets that are already being crunched on supply being exploited by those who see new condo developments or new houses just as a safety deposit box for their illicit funds.

It can't just be Canada doing this on its own. It helps that the Financial Action Task Force is currently looking at updating recommendation 24 on beneficial ownership transparency so that more countries fall in line with the actions that Canada is taking.

The Chair: Thank you. That is the time, Mrs. Chatel.

Members, we are moving to the third round. This will be the final round before we take some time for other business.

We have the Conservatives up first with Mr. McLean for five minutes.

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

Welcome witnesses. I'm pleased to see a few people I'm used to seeing at some of these committees. Mr. Giroux, Mr. Perrault, thank you for coming.

My first question will go to Mr. Perrault or Mr. Giroux, whichever one of you would like to answer.

I know you're both adept at finance. If you were an investor, in an inflationary environment like Canada has been designed to be by the fiscal monetary policies of this government, would you accept a 1% tax on a safe investment when you're getting a 28% return per year on a Canadian housing investment?

Mr. Yves Giroux: That's a hypothetical question. I would probably personally decline such a proposition, because I probably don't have enough money, but also because it's probably not the promise of great returns.

Mr. Greg McLean: I'm sorry, Mr. Giroux. What was the last part of that?

Mr. Yves Giroux: There's probably not a great return on that investment going forward, but that should not be construed as providing investment advice.

Mr. Greg McLean: Mr. Giroux, I'm sorry. I'm pulling this out of your report that we received this morning.

According to your report, the average house price is up 43% in Canada in the last two years. It's up 97% since December 2015, about the time when this government took office. More or less it has doubled since this government started instituting their housing policies versus the ones that preceded them. Obviously, something is not going right as far as housing affordability goes and the policies associated therewith.

Are you telling me that a nominal investor wouldn't accept a 1% tax on a 28% return?

• (1655)

Mr. Yves Giroux: That's based on past returns. Going forward, I'm not sure I would make that investment. I understood your question that way. I'm sorry if I misunderstood.

Based on past returns, yes, a 1% tax would probably not make much of a difference, but going forward with the increase that's on the horizon in interest rates and the expected and relatively slow growth in household incomes, I don't personally think there is that much more room for house prices to go up. That's just my personal view and it's based on the mismatch that we have seen, or the delinking of house prices with the affordability that average households are seeing.

Again, this is not to be perceived as any type of investment advice....

Mr. Greg McLean: Mr. Giroux, I appreciate that.

For a typical house in Canada it was a 26% increase year over year in December and a 28% increase year over year in January. The inflationary effects are continuing in real assets in Canada. I would suggest, and you might be able to verify, that it's largely because of fiscal and monetary policies that are leading to an inflationary environment, which is particularly reflected in asset inflation. Would you say that?

Mr. Yves Giroux: That has played a role and we outline in our report that household incomes have gone up and in part due to COVID-19 supports. That being said, it's not the only factor. Given that housing markets differ from region to region and from city to city, there's obviously much more than one factor at play. Demographic issues and supply issues are also important factors.

Mr. Greg McLean: Thank you, Mr. Giroux. I'll move to Mr. Cohen now.

Mr. Cohen, thank you for your testimony today as well.

I really appreciated what you referred to as condos being a safety deposit box for illicit funds in Canada. We allow a lot of illicit money to be parked in Canada. It's, as you say, a safety deposit box in Canadian real estate, primarily condominiums. We've also seen a rise in crime in the neighbourhoods where those properties are being bought. That crime includes the negative effects of fentanyl overdoses and other homelessness activities affecting the social fabric of this country.

Is that something you look at as a linkage, illicit money and the nature of the illicit money leading to societal decline due to higher crime rates and addiction, because what flows with illicit money is illicit activity?

Mr. James Cohen: There's definitely a link with the mechanisms that money launderers provide to the person committing the crime. Inevitably, at the end of the day, you're inevitably trying to get that dirty money into the licit economy.

Something that's been in the news a lot, especially in British Columbia, is this Vancouver model of money laundering, this idea of the money coming over from underground banks in mainland China into Canada into underground banks and being used to purchase property. The one thing, though, is that the money gets mixed in with things like the fentanyl trade in Canada. While there's usually an emphasis on the foreign funds in this, there are also illicit funds within Canada that are being moved through our property systems or the other tools and gaps that money launderers will find.

The Chair: Thank you, MP McLean.

We are now moving to the Liberals, and we have MP MacDonald up for five minutes.

Mr. Heath MacDonald (Malpeque, Lib.): Thank you, Chair.

Thank you to the guests. I want to go to Mr. Agnew in regard to his comments on the digital services tax and a multilateral agreement with the U.S.

Can you expand on that conversation and tell us what the benefits would be?

Mr. Mark Agnew: Given the complexities of the digital economy that we're all in, having a single global set of rules is absolutely critical. I think the OECD has done a good job of delivering that.

The concern that we have is on the current legislative proposals to push forward with a sort of made-in-Canada digital services tax proposal. We think the focus should be on the multilateral deal and implementing that.

Another area of concern with the current legislative proposals would be the retroactive application. There are a number of things that companies have to do to get ready. Given that we're already a couple of months into the year and there's going to be a retroactive application of about two years, certainly it would be administratively quite complex to be able to do that.

• (1700)

Mr. Heath MacDonald: Thank you.

I have a couple of comments. Where I came from, the benefits were forthcoming and well received in small to medium-sized businesses, which are the majority of our businesses in Prince Edward Island.

I'm curious. What are your performance objectives or indicators that say this is a success or this is a failure? How do you do that from the national chamber office in regard to what has worked and what hasn't worked?

Mr. Mark Agnew: In regard to what specifically? I'm sorry. I didn't understand.

Mr. Heath MacDonald: It's in some of the programs that are initiated by the federal government.

Mr. Mark Agnew: Certainly job retention is quite an important metric. You've heard throughout the pandemic a lot of people speaking about the connectivity between the employer and the employee. Given labour shortages, employers need to retain those connections. One thing that a number of these programs did was keep workers employed. When we're now in a phase with things starting to open up, employers aren't having to go from scratch and compete for talent.

Mr. Heath MacDonald: I have one question on what you brought up around farmers, Bill C-8 and climate change.

With regard to risk assessments from climate change vis-à-vis financial institutions, are you hearing that lending authorities are going to start asking for specific reports relevant to a business and how they're participating in climate change or reducing their

GHGs? Do you believe that will be a criteria for many of your businesses going forward in accessing money from lending institutions?

Mr. Mark Agnew: That's becoming a bigger and bigger theme, particularly from large institutions that are lending out. One of the things that is becoming a problem is the proliferation of the ways that reporting has to be done and the number of frameworks that have to be done. As much as the goals are laudable to support a transition to net zero 2050, we need to have a way that's not overly cumbersome administratively for businesses. That we've certainly heard from a lot of our members.

Mr. Heath MacDonald: Do you have any numbers on the insolvency in the last two years in relationship, possibly, or in close proximity to COVID-19 for businesses across the country?

Mr. Mark Agnew: We have numbers through the Canadian survey on business conditions. I don't have those on hand, but I would be happy to pass those back through the chair and the clerk to you.

Mr. Heath MacDonald: Were there any surprises? Were they higher or lower? In normal circumstances, were they comparable?

Mr. Mark Agnew: It's hard to say. We're in an unprecedented pandemic period. It's been elevated, but with an emphasis on the travel and hospitality industries, as they've faced the strongest public health restrictions on their ability to operate at capacity.

Mr. Heath MacDonald: Looking back now, these programs that started out in COVID-19 through the federal government, whether it be CERB or CEWS or what have you, were beneficial to small to medium-sized businesses across the country.

I have a quick question on proof of vaccinations. They had a positive effect—I believe and you can tell me otherwise—on small businesses. Now some of those regulations are being lifted across the country as well. Many businesses are saying that they're going to keep them. I want to know what you're hearing.

Mr. Mark Agnew: One of the things that we've heard is the need for coordination between the federal and provincial governments in a way that hasn't really been there to date.

Businesses don't want to be in the awkward spot of having to be on the front line of the frustration of their customers, if I can put it that way. Having good messaging coming down from governments is quite important so that customers and businesses alike know what the rules are and they know what the businesses can and can't do.

Mr. Heath MacDonald: Thank you.

The Chair: Thank you, MP MacDonald.

We are moving to the Bloc and Monsieur Ste-Marie for two and a half minutes.

[Translation]

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

Mr. Taillon, you are concerned that the tax could be considered a regulatory measure in the area of housing, the domain of the provinces. In your view, that's what is likely to happen, and the courts will ultimately have to decide. Quite clearly, this measure has legal vulnerabilities.

I understood from your remarks that it's better if we do something now, before the measure is passed, than if we wait for the courts to decide.

Why would parliamentarians be well-advised to do something now to clarify the issue or find a solution?

• (1705)

Mr. Patrick Taillon: It's a lot easier to do something beforehand. It bears repeating that, although federal tax authorities collect various types of taxes, they don't collect property tax. To do so, they would need to set up a new system, a new mechanism, one that will probably be here to stay once implemented. That is why it's better to think ahead.

Just as the federal government has no authority to regulate housing, it has total authority to levy whatever taxes it likes. This is a situation where the federal government has levied a tax in an area it has never chosen previously. There will be a price tag to setting up a system to administer and collect property tax, and it will all be for naught if the tax is ultimately deemed, not a true tax, but a hidden tax whose real intent is to interfere in housing matters.

Mr. Gabriel Ste-Marie: That's quite clear. Thank you.

Mr. Chair, we have the Parliamentary Budget Officer here today, and every year, he submits a fiscal sustainability report. In it, he pointed out that Ottawa has fiscal capacity and room, but that longer-term problems tend to arise at the provincial level.

Mr. Giroux, would you care to comment on that, briefly?

Mr. Yves Giroux: Yes, very quickly, I can confirm what you just said.

In our most recent fiscal sustainability report, which came out in June, we established that the federal government still had fiscal room, but that the provinces, when taken together, did not. In fact, on an aggregate basis, the provinces will have problems with fiscal sustainability over the long term.

Mr. Gabriel Ste-Marie: Thank you.

[English]

The Chair: Thank you, MP Ste-Marie.

We will now move to the NDP.

MP Blaikie, you have two and a half minutes.

[Translation]

Mr. Daniel Blaikie (Elmwood—Transcona, NDP): Thank you.

My apologies, Mr. Giroux, for not being here earlier. I was taking part in the emergency measures debate in the House of Commons.

In the past, you have said that the timing of public accounts poses a problem. Bill C-8 earmarks a few billion dollars for pandemic-related measures.

In the NDP, we feel the government should have to report regularly on that spending.

In your view, what information should appear in those reports so that parliamentarians and Canadians have a good understanding of how the money is being spent?

Mr. Yves Giroux: That's a good question.

First, I would say that, in order to ensure parliamentarians are well informed, the government should specify who received funding. In the case of provincial and territorial transfers, that would mean specifying how much each received and how the money was, or will be, used. For instance, the report could indicate how many tests or supplies were purchased with the funding.

Second, when it comes to transfers to persons, the report should specify how many individuals received the federal funding by province or territory. That would provide a picture of the situation over time so that you, as lawmakers, could better understand how effective the measures were and determine whether the funding was being well spent. In other words, is the money being spent as intended?

• (1710)

Mr. Daniel Blaikie: Thank you.

The Chair: Thank you, Mr. Blaikie.

[English]

We will move to the Conservatives.

MP Lawrence, you have five minutes.

Mr. Philip Lawrence: Thank you very much.

Mr. Agnew, I'd like to discuss Bill C-8's rebate on propane and natural gas and the carbon tax. If we compare and contrast, of course, Bill C-8 provides a rebate on a carbon tax charge on propane and natural gas, whereas Bill S-234 provides an exemption.

Your job is to speak for your members. Could you convey whether or not your members would prefer a rebate? Depending on, as you said earlier, regional differences or differences in their agricultural practices, they might get anywhere from 30% back to maybe 100%, depending. Would they rather have an exemption where they get 100% of that back?

Mr. Mark Agnew: They would rather have an exemption.

Mr. Philip Lawrence: With respect to equity, on a related issue, do you think it would be fairer that all members would get 100% back, or different members would get different amounts of their exemption back, depending on where they live and the type of farming they have?

Mr. Mark Agnew: Ours is a multisector association, so that's a bit of a pickle for me to answer, as you can imagine.

The answer, I think, from our standpoint, is that it does need to take into account the uniqueness that is in the sector. A lot of competing tensions have to be balanced. I recognize that this is a bit of a non-answer in some way, but it is a difficult balance to strike a new program that fits the most number of circumstances but is not overly administratively complex.

Mr. Philip Lawrence: The other issue with this, of course, is that the carbon tax is there to change behaviour. We heard substantial testimony in the agriculture committee that many farmers in the grain-drying industry, in particular, just don't have other options. They would love to explore them, but they just don't exist, not on a financial level. Have you heard comments similar to that?

Mr. Mark Agnew: Yes, I have. Another example I'll give you is switching to alternative fuel sources and electrification. Again, the folks who are out there, they can electrify and use lower-carbon fuel sources, which is great, but the infrastructure to make that transition, as the member would appreciate, is just not there in a lot of these rural and remote communities.

Mr. Philip Lawrence: Thank you.

Would your stakeholders, your members, prefer to ship their money to Ottawa, let it sit there for anywhere from a couple of months to 14 or 16 or 18 months, and then get a percentage of it back, or would they rather just keep it in their jeans?

Mr. Mark Agnew: Keep it in their jeans. Folks need to have working capital in the bank account, so money that is going out of the bank account is working capital that they're not able to draw upon.

Mr. Philip Lawrence: If we just sum up the difference between Bill C-234 and Bill C-8 for farmers with respect to the exemption of the carbon tax for natural gas and propane, Bill C-234 will provide a higher recovery percentage and will provide complete equity, because 100% will get 100% back. They will also receive that money...in fact it will never leave, so they effectively receive it immediately, as opposed to waiting for up to two years for that money.

When I compare those two, my assumption would be that Bill C-234 would be a much better option for your members.

Mr. Mark Agnew: We'll take what we can get in the meantime, but certainly, working towards Bill C-234 is what we hope can happen.

Mr. Philip Lawrence: Perfect.

Just getting back to that, as well, because there aren't options for many of your farmers.... I live in a rural area, and in my opinion—and I'm open to your comments—the rebate will not provide any greater behavioural modifications, because in terms of the cost of making those behaviour modifications, like for grain dryers, there just isn't the technology to do it any other way but with carbon.

Could I have your comments on that, Mr. Agnew?

Mr. Mark Agnew: Yes. Again, this goes back to the infrastructure piece of just not having it there to get a high degree of savings from electrification. The other thing I would say, to go back to your earlier point about working capital, is that these are capital investments that people have to make to get the infrastructure on location. If they don't have the capital “in their jeans”, to pick up on the honourable member's expression, they're not going to be able to deploy it.

• (1715)

Mr. Philip Lawrence: Thank you very much.

Do I have any more time, Mr. Chair?

The Chair: You have about 10 seconds.

Mr. Philip Lawrence: I'll just thank the witnesses, then, and the chair for his great work.

The Chair: That's great. Thank you.

We are moving to our final questioner and the Liberals.

We have MP Dzerowicz for five minutes, please.

Ms. Julie Dzerowicz: Thank you so much, Mr. Chair.

I want to thank everyone for the important conversations today.

I will be directing my questions to Mr. Agnew again.

Mr. Agnew, part 5 of Bill C-8 is related to the COVID-19 proof-of-vaccination fund. It is to ensure that the Government of Canada continues to support provinces and territories in implementing proof of vaccination by introducing the proof-of-vaccination fund.

Here is my question for you. Across the country, there are different provinces that are making different decisions around the vaccine passports. How important do you think it is for us to continue to have this type of fund?

Mr. Mark Agnew: It is important. I'll explain that. Even if tomorrow every province and territory across the country decided they were no longer going to require proof of vaccination to get into a business establishment, there's the reality of international travel. Many foreign jurisdictions require a fully vaccinated status for travel into a country and, as well, we still require full vaccination in order to be exempt from certain quarantine and testing requirements.

Even if we're not going to need them domestically, there's still an international use case for them. For that reason alone, I think we have to make sure the provinces have the funding they need for the infrastructure, because we made the decision in this country not to have a single federal government-run vaccine registry.

Ms. Julie Dzerowicz: I appreciate your mentioning that.

I think the other thing that comes out once in a while is that we don't really know how COVID will evolve. We think it's sort of nearing its end because we'd like to believe that omicron looks like it's weaker, but one really doesn't know how it's going to evolve and whether we will need, for some reason, to re-establish that quite quickly across the country. Would you agree with that?

Mr. Mark Agnew: Certainly I hope that we won't have to introduce restrictions, but a non-linear path is probably the best way to describe what the pandemic has been like in our country and around the world.

Ms. Julie Dzerowicz: My second point is still related to this vaccination fund. It says that the Minister of Health will determine the proportion of funds across provinces and territories, and the requirements for the provinces and territories to access funding.

You might not have any advice in this area, but would you have any advice in this area in terms of the requirements to access funding, or is that beyond the mandate of the Canadian Chamber of Commerce?

Mr. Mark Agnew: It would mostly be beyond the mandate. The one piece I would suggest is that we continue to have at least the single QR code. Although the registries are still held at the provincial level, we do need to have something that's interoperable and also recognized internationally. The worst thing that could happen is to have 13 separate pieces of paper and to have to go to other jurisdictions and get them to wrap their heads around that.

Ms. Julie Dzerowicz: In the final minute I have left, Bill C-8 is all about us trying to move into the post-COVID world and restarting our economy. One of the things we hear a lot from small businesses is their need to actually fill their labour shortages. We are hoping to introduce a record historic number of new Canadians in the next three years, some 1.3 million.

Do you think that's something that will be useful and helpful, and is there something more you think we could be doing to help fill the labour shortages?

Mr. Mark Agnew: Yes, that will go toward addressing these issues. If you're talking about it in the context of the immigration system, one of the things we've been talking about is a trusted employers program for temporary foreign workers. If you're a company that is a repeat user of the program, the administrative burden, we argue, should be less on you. It's sort of a NEXUS program, if you will, for temporary foreign worker program users. That's something we would encourage the government to take up.

Ms. Julie Dzerowicz: Thank you very much.

I think that's my time.

The Chair: Thank you, MP Dzerowicz.

It's time to thank all of our witnesses. Thank you for your remarks, your testimony and your answers to our questions on Bill C-8. On behalf of the members, the clerk, the analysts, the staff and the interpreters, we thank you very much for coming before our committee.

We will let the witnesses go at this time.

Members, MP McLean had asked to discuss a motion that he had sent. I believe it was distributed to everybody in both official languages.

I do see a hand up.

MP Beech, go ahead.

• (1720)

Mr. Terry Beech (Burnaby North—Seymour, Lib.): Thank you, Mr. Chair.

Mr. McLean requested this, so I put up my hand, but I will defer to him.

The Chair: MP McLean, please go ahead.

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

We forwarded the motion. We spoke with the clerk two days ago. We missed the deadline by 16 minutes in terms of submitting this for debate today.

However, there is an emergency that the country is facing right now. There's the Emergencies Act that we're debating in the House of Commons.

Part of the Emergencies Act, of course, implicates the Canadian financial system and what's going to happen to the security of our monetary system, with the government, I think, haphazardly—but we can determine that—forcing banks to actually freeze the accounts of people it thinks are involved with any of the blockades, protests, and so on, that are happening in Ottawa.

When I asked the question at the briefing the other night, the officials told me that the banks have algorithms to make this happen. I think the use of a blunt tool such as a blanket algorithm to freeze Canadians' bank accounts will have significant effects on our Canadian financial system, including the drifting of deposits from banks to other financial instruments that are not Canadian deposits.

There's a lot that is going on here, and I recognize that. I think this committee is well equipped to deal with the effects of what might happen with this, and we should examine that very clearly and very quickly.

If you'd like me to read the motion, I could, but it is in front of everybody. I think it would be respecting everybody's time if we were to just talk about the nature of what we need to accomplish here and let everybody read the motion itself. It stands on its own. We're open to some amendments to it. As a matter of fact, we ourselves would like to make some amendments.

Because of the timing of this committee and what we know we need to get done, part of the reason we bring this forward is to manage all the studies we have in front of this committee. We think this one should probably bounce to the top because of how urgent this actually is, and we should be dealing with this quickly.

Expediently, we could say that we're all expecting to have our amendments to Bill C-8 in by next Friday, and then on Monday, February 28, go clause by clause on it. I think we're all okay with that.

Perhaps we've seen enough witnesses for that and we can allocate two meetings next week for the first part of this study, including the witnesses we're calling here. That would be very instructive for the Canadian people and for the Canadian financial system.

I'll leave it at that. I'm open to any questions that people might have in terms of what I think this committee needs to accomplish on behalf of the Canadian people and to ensure that we're not overstepping and causing some significant harm to the Canadian financial system.

The Chair: Thank you, MP McLean.

We have MP Beech, and then MP Blaikie.

Mr. Terry Beech: First of all, I want to thank my friend opposite for raising this motion. He's right; it was outside of the 48-hour period, and even if it was 46 hours ago, we only received it this morning.

The emergency measures act is certainly important. It's something I think we can all agree should be studied. It's just going to be a matter of all of us agreeing how we're going to study that, how we're going to scope out this motion and how we're going to deal with the timing, which are all issues that my friend just outlined.

The intent of the motion as worded—and I don't know what amendments my friend opposite is referring to—is to start before March 3. I am guessing that there are members of this committee who would like to see it start even before that or significantly before that. I think it would be worth considering, especially given how much time is left in the day, potentially utilizing something at this committee that we haven't done thus far, which is to utilize our subcommittee to make sure that we can prioritize all of the current business, including this motion and the finalized wording of this motion.

I will remind my colleagues that we do have Bill C-8, current legislation, in front of this committee with a timeline agreed upon by this committee. With this motion, we have an additional request for the Deputy Prime Minister to appear, in addition to the current request for the Deputy Prime Minister to prepare for Bill C-8. I think we all want that to continue to happen.

At our last meeting, we included an updated invite with a new timeline for the Governor of the Bank of Canada. I think everyone here thinks it's important that pre-budget consultations are done on such a timeline that all of the substantial testimony we have heard to date and everything that has been written or received by this committee can be not only put into the final report, but received on a timeline such that it can be duly considered to be part of it and be positively impactful with regard to this year's budget.

Given that this is a substantial and appropriate motion that I think everyone here wants to study, and given that it's not just we who have amendments, but—

• (1725)

The Chair: MP Beech, I apologize for the interruption.

The clerk just informed me that we have a maximum of 10 minutes.

Mr. Clerk, when do we have to get this meeting done?

The Clerk of the Committee (Mr. Alexandre Roger): We have until 5:40 p.m. before we start impacting other meetings tonight.

The Chair: Okay.

Mr. Terry Beech: Without giving up the floor—and I don't know if this is possible—maybe I could ask my friend if that course of action is agreeable to him. If so, then we don't have to worry that we have a deadline of 10 minutes.

Given that he has amendments, we have amendments, and I guess my other colleagues have amendments, let's get to the subcommittee, and we can get this all sorted out and get to this motion expediently.

The Chair: I have MP Blaikie.

I don't know if MP McLean wanted to respond to that.

Mr. Greg McLean: Perhaps I can respond after MP Blaikie.

The Chair: Go ahead, MP Blaikie.

Mr. Daniel Blaikie: Sure.

I have a few things. First, I want to thank Mr. McLean for bringing this motion forward. It is a really extraordinary time and the government is taking some extraordinary measures. It's appropriate that we, as parliamentarians, provide oversight and that this oversight begin as quickly as possible.

What I would add to our understanding of this study.... I'm not sure if we even need an amendment for what I'm looking for. I note that the motion already says, "Any other issue or topic related to the extension of powers or their effect on the Canadian financial system by the invocation of the Emergency Measures Act".

What I'm concerned about—and we've seen this sometimes in cases where extraordinary powers have been granted—is that the police may pass on to financial institutions the names of people who have nothing to do with the convoy that is the justification for the invocation of emergency measures. They might have people on watch-lists for other political causes and might see this as an opportunity to flag them, to get information about them and to pass on information about them. It's really important that we, as parliamentarians, endeavour in our study to add that to our oversight work and look for reassurances—not just reassurances but concrete accountability mechanisms—to make sure that law enforcement isn't taking this as an opportunity to cast a wide net, but is respecting the very limited scope of the powers that it has been granted under the government's declaration of emergency powers.

That's something I would like to be part of our understanding of the study, if there are no objections by any members of the committee. I would take that to be understood as part of the study under section vii. Otherwise, I'd be happy to seek to amend it, because I think that's an important part of our oversight work.

Those are my comments on the substance of the motion.

On the process, I don't see any reason why we shouldn't be able to vote on this today as something that we need to move forward with. If we want to try to meet as early as next Tuesday on this matter, it's important that we settle it.

If we have agreement from the committee that this is what we want to study, I'm happy to have a subcommittee meeting to do the real work of figuring out how to work that into the schedule and how it interacts with the other priorities that we've already identified. This clearly has to be the priority, given that it pertains to emergency measures in an emergency. It's incumbent upon us to get to this right away. If we can't deal with this and get an approval for the study right away, the other option would be to have an emergency meeting of the committee in order to discuss this motion and get it approved so that we're on our way.

The subcommittee is definitely there for planning, but I don't think we need a subcommittee meeting.... In fact, the subcommittee can't adopt this as a study for the committee, so we do need the committee to say that this is something we want to study, and then the subcommittee can meet to decide how we study it and when we study it.

Thank you.

• (1730)

The Chair: Thank you, MP Blaikie.

The clerk has alerted me that MP Dzerowicz has her hand up in the room. After that, I see MP Beech's hand is up.

Go ahead, MP Dzerowicz.

Ms. Julie Dzerowicz: Thank you so much.

I think we're all in agreement that this is an urgent and important study for us to undertake—

Mr. Greg McLean: I have a point of order, Mr. Chair.

I understood that you were going to let me speak after Mr. Blaikie.

The Chair: Yes, I said that you could.

Mr. Greg McLean: I'm sorry about that, Ms. Dzerowicz.

The Chair: You asked to speak after MP Blaikie to MP Beech's comments.

Please, go ahead.

Mr. Greg McLean: Thank you.

The only amendment we're looking at in this—just for clarification, Mr. Beech—is the date. We'd like the date to start next week.

As I said, I think there's some accommodation we'd like to make on this as far as what's happening with Bill C-8 is concerned. Calling the minister on Bill C-8 would be something we would yield on here in order to have her here for this study as opposed to Bill C-8. We would move past all the rest of the hearings we had scheduled on Bill C-8. There's obviously going to have to be some give on some of the issues before us, and that is an issue I think we can give on, having other witnesses.

We'd still like to have the Governor of the Bank of the Canada here when he was scheduled to be here, because it's the only time we can get him, so we'd like to stick to that in the agenda. However, we would like to start on this study next week.

When we initially drafted this motion, we were thinking that we couldn't accommodate around Bill C-8, and we've decided to let that whole process go. I think most of the amendments we've discussed are going to be submitted by the 25th anyway, and we can do line-by-line according to the schedule that you've set previously, so there would be no compromise as far as getting that through the House is concerned. That accommodates that.

I do think that all Canadians have a heightened awareness of this and what this means for their financial system and the way their banks are treating them. I would like this to move forward as quickly as possible and we'll hopefully get a vote on it today.

I appreciate Mr. Blaikie as well in accommodating his concerns into the motion we have here today.

The one amendment of course is about “no later than Thursday, March 3”. Of course, that would be Tuesday. That's in part (b). It would be Tuesday, February 22. That would be it.

The Chair: Thank you, MP McLean.

We have MP Dzerowicz, and then MP Beech.

Ms. Julie Dzerowicz: I'll say mine very quickly, and then I think Mr. Beech is just going to finish off what I have to say.

This is urgent and important. I think we're unanimous on that. We do have lots on the go, as Mr. Beech has very well articulated. We also have amendments to this motion that I think, for the most part, will be favourable, but I think that's going to take some time, which we don't have.

Is there a way we could agree in principle with the study, gather witnesses to start on Tuesday, and then have that emergency meeting that Mr. Blaikie talked about to organize all of the timings and maybe finalize the wording of this particular motion?

That's what I'm putting on the table in terms of suggestions, and then I'll get Mr. Beech to finish up.

• (1735)

The Chair: Thank you, MP Dzerowicz.

MP Beech, go ahead.

Mr. Terry Beech: If the committee is willing to go forward with Ms. Dzerowicz's suggestion, then I'll defer to that.

The Chair: Thank you, MP Beech.

MP Blaikie, go ahead.

Mr. Daniel Blaikie: Sure, but maybe I'd just make a modification to Ms. Dzerowicz's proposal, which is that we vote on this motion and we pass this motion for the study, and we add to the subcommittee's agenda an item about the scope of the motion. Then the subcommittee could discuss some of these other amendments and make a recommendation to the committee, which the committee could then adopt or refuse at the next meeting.

At least passing this study motion in its current form would allow us to begin reaching out to witnesses, and then it would allow for some of the discussion that needs to happen around the scope of it at the subcommittee. Then, when the full committee next deals with this, it can deal with it having the benefit of the subcommittee having hashed out some of the issues and proposed a kind of unified and concrete recommendation for what it would look like going forward.

The Chair: Thank you, MP Blaikie.

MP Beech, go ahead.

Mr. Terry Beech: We can't agree to vote on this motion without actually addressing some of the language that's in it, but what we can agree on—if Mr. Blaikie is amenable, and if the other members opposite are amenable—is to proceed in principle with the study, call some of the witnesses who are on this list to appear on Tuesday, and defer the motion to the subcommittee for the final text to be confirmed at the earliest possible meeting time.

The Chair: MP Blaikie, go ahead.

Mr. Daniel Blaikie: I'm certainly open to that, if that means less delay in getting on with this study. Perhaps this is a question for the clerk.

I'm just curious about having witnesses and then incorporating them later into a study that we authorize after we've had some witnesses. I think that can be done if we're all on the same page, but I'm wondering if it creates some administrative difficulty for you to be trying to get witnesses to committee for a study that does not yet have any authority out of the committee.

The Chair: Mr. Clerk, go ahead.

The Clerk: First of all, on the public notices of meetings, the study is mentioned on the notice itself, so if witnesses are invited to appear on a public notice, the study will have to be there on the notice.

Unless we just put committee business in general and then have witnesses.... That's a possibility, but I've never seen that before.

The Chair: Thank you, Mr. Clerk.

MP Beech, go ahead.

Mr. Terry Beech: I think we can correct for that by stating that we are starting a study on the emergency measures act, and we can invite the favourite witnesses that are already included in this motion.

In addition, we will have a subcommittee meeting to finalize the scope of the fullness of the study immediately. That way, the name can be on the title of the meeting, and we can invite some of the people who are listed here. We can start on Tuesday, and we can finalize our amendments at subcommittee without delay.

The Chair: Thank you, MP Beech.

Mr. Clerk, go ahead.

The Clerk: Mr. McLean wanted to speak, sir.

The Chair: Oh, I'm sorry. I didn't see him.

MP McLean, go ahead.

Mr. Greg McLean: Perhaps the motion could say at the bottom "with amendments that will be agreed to at the subcommittee that's being held on Friday, February 18".

The Chair: Is that directed to MP Beech?

Mr. Terry Beech: Yes, it could, as long as that is on the short version of the motion that I just proposed and not the full motion in itself, because we would not be in favour of passing the full motion in itself subject to potential amendments. If we can have a shorter version and get some of those people started, and finalize the wording of this motion at subcommittee, that's what we're proposing.

We would literally start the study on Tuesday, but we'd have an opportunity to shake out this language with everybody at subcommittee.

• (1740)

Ms. Julie Dzerowicz: As a point of information, not a point of order—

The Chair: Yes, go ahead on a point of information.

Ms. Julie Dzerowicz: I'd like to vote on this today, but we don't have to vote on this today, do we?

It's on the floor, but it didn't get official notice, though.

What I'm trying to—

Mr. Adam Chambers: Well, no. Because we added committee business to the end and the chair agreed, it's now on the floor.

Ms. Julie Dzerowicz: My point is that we're just about to end, because another committee is about to throw us out.

We have a decision as to whether it's going to be what Mr. Beech has proposed—we start on Tuesday and figure out the language in an emergency subcommittee meeting—or we don't have an agreement.

The Chair: Mr. Clerk, how much time do we have left? We have zero time.

Mr. Greg McLean: Can we have the vote, please?

Mr. Terry Beech: No. I would have amendments if there was a vote, and I would start moving those amendments.

Mr. Daniel Blaikie: Mr. Chair—

The Chair: Yes, MP Blaikie, go ahead.

Mr. Daniel Blaikie: It has been my experience from time to time on certain committees that when committee meetings run long....

I recognize we're interfering with the business of another committee, but in light of the subject matter and the obvious importance of the timing, given that it pertains to the government's invocation of emergency measures and given that this is one of the most senior committees at the House of Commons, it is important that we get this sorted.

My understanding is that if a committee continues to meet, it does bump the other committee. While I don't think that's something we want to do with any regularity, given the seriousness of the subject matter and an apparent lack of consensus on a way forward, I think our meeting should continue.

The Chair: MP Blaikie, I don't know if that's a question for the whips to look at, but I'm looking to the members again and also to the clerk. We're really running up against the other committee.

MP Beech, go ahead.

Mr. Terry Beech: I would just say to all my friends at this committee that I have always followed through on everything I've said. We're making this offer in good faith. We want to get to this. We want to get it done. I would just stress to other members that if we can come to this agreement, we're good to go and we can get this thing done faster than if we're delayed.

I'm making this offer in good faith and I hope we can work together on this.

The Chair: Mr. Clerk, go ahead.

The Clerk: Mr. McLean wants to speak.

The Chair: MP McLean, go ahead.

Mr. Greg McLean: I accept in good faith. That's why I said that it would be subject to any changes to this motion that will be heard and agreed to at the subcommittee held on Friday, February 18. I do think it is something we need to have as an official motion to move this forward. This is good faith that I think we've established among all parties here to make this work. If there are more witnesses we need to call or if there's something that might be deemed inappropriate from what we need to look at, then we can hash that out tomorrow. I haven't seen any of Mr. Beech's proposed amendments at this point in time.

If we could incorporate Mr. Beech's last codicil, if you will, at the bottom that says "subject to subsequent amendments that arise at the subcommittee hearing on February 18", I would be all in favour of making sure that his concerns are accommodated at that meeting.

The Chair: MP Beech, go ahead.

Mr. Terry Beech: It just puts us in this impossible position where we are supporting a motion that we don't support without amendments.

If we have the time, I can start going through the amendments. I've been told that we don't have the time. I wasn't aware that we weren't going to have the time. That's why I'm trying to push this forward so that we can actually take the proper time, go to the subcommittee and figure this stuff out. I'm sure it will be fine, but to support a motion.... What if we don't come to an agreement at the subcommittee and then we have this motion sitting on the table that we don't agree to? Do you see the problem from our side?

• (1745)

The Chair: MP McLean, go ahead.

Mr. Greg McLean: Mr. Chair, the wording is very broad here, and it's not meant to be punitive. If there's something that he thinks shouldn't be in here, perhaps he can put that on there as opposed to having just specific wording that we have to agree to. If we look at a broad scope that he wants to limit here, or not have something as part of this study because he thinks it is ultra vires of this committee, then we can discuss that very quickly right now.

The Chair: I see MP Dzerowicz's hand up.

Ms. Julie Dzerowicz: Thank you so much.

We can't force a vote here. We are agreeing to offer an official motion to start the study on the Emergencies Act on Tuesday with the list that's been provided, and then we can discuss the actual motion details at subcommittee.

Mr. Greg McLean: Can we go back to Mr. Beech so he can give us the substance of what might not be acceptable here?

Mr. Terry Beech: I am happy to get into the amendments, but I don't want us to get cut off in the middle of my amendments and have the study delayed.

I'm happy to start getting into the amendments. I need to seek guidance from the clerk to make sure we're not going to get cut off and kicked out of this meeting.

The Chair: Mr. Clerk, go ahead.

The Clerk: The reality is that we have stretched resources tonight. The House is sitting late, and there are more meetings

tonight. The whips will have to decide whether finance keeps meeting and, if so, which other meetings are cancelled. It's really the whips' decision.

The Chair: Understood.

I see Mrs. Chatel, and I saw Mr. Blaikie put his hand up instead of his virtual hand, but that's all good.

We have Mrs. Chatel, and then MP Blaikie.

Mrs. Sophie Chatel: Thank you.

In case there is a lack of trust here, MP Beech could go quickly with the amendments. I feel that myself. To advance this, I am agreeing that we can discuss those amendments and have the short version for now. I'm trying to read the English version. We just got it.

We could, at a high level, explain the changes that we want to put forward and then agree that we'll discuss those changes and agree with the text of the motion, and in the meantime we can have the short version so that we can start on Tuesday. It's constituency week, so we'll have to agree to the time now.

The Chair: We have MP Blaikie.

The Clerk: Mr. Baker also wants to speak.

The Chair: Okay.

We'll have MP Baker after MP Blaikie.

Mr. Daniel Blaikie: Thank you very much.

I have a couple of thoughts. One, I do hope that the whips are talking in the event that we do need extra time. I've endeavoured to reach out on that front, to make sure that my people, at least, are aware of the need for some discussion outside or around this table in order to get us more time, if that's what we need.

I'm not sure I like the precedent, but I also recognize that we are in an extraordinary time. I think the proceedings of the House today affirm that in no uncertain terms. One other option I would want to proceed with—only if everyone, and I mean everyone, at the table is comfortable with it—would be to empower the subcommittee to adopt a study motion in respect of the financial aspect of the emergency measures act.

This would mean that if we did have a subcommittee meeting tomorrow, representatives from each party would be able to discuss, negotiate and determine the scope of that study. Any amendments that members from any side have could be considered at that time. We could vote on it. The study could be approved before the end of the day tomorrow if the committee is willing to delegate its authority to the subcommittee.

I don't think that would make sense as a best practice or a precedent, but given that it pertains to emergency measures, given the pandemic, and given that the hybrid format necessitated by the pandemic is creating some artificial time constraints, I think this is one way of trying to get around those.

I would look to Mr. McLean, Mr. Beech and Monsieur Ste-Marie to see if that might be acceptable to them. I'm prepared to stay as long as the whips will let us in order to deal with amendments, if that's what it takes in order to get a study motion approved that will provide the proper authority for the clerk to invite witnesses and to set up a meeting early next week on this matter.

• (1750)

The Chair: Thank you for that, MP Blaikie.

I don't know if anybody on the floor has their hand up, but I have MP Beech next.

Please go ahead, MP Beech.

Mr. Terry Beech: Like my friend, I am willing to stay here to go through amendments if we get the time from the whips. I'm also willing to accept his proposal. I'm also a little nervous about the precedent of that, but these are extraordinary times. I'm also willing to continue to go forward with our initial proposal.

I would leave this in the hands of our colleague from the Conservatives and our colleague from the Bloc to see what their preference is. I think either of those solutions would work for us—the one just proposed by Mr. Blaikie or the one we previously proposed.

The Chair: Thank you, MP Beech.

I apologize, MP Baker. You had your hand up. I was alerted to it by the clerk. My apologies.

You have the floor.

Mr. Yvan Baker: I'll allow Mr. McLean to respond. It's easier to continue the discussion if Mr. McLean responds.

Mr. Greg McLean: Thank you.

There's a spirit that you see in the motion that does look at what we're supposed to be doing here, and I don't want to lose any of that in our discussions at the subcommittee. It is what I think Canadians are expecting us to look at here, and the impact on their financial system. I think nothing in here detracts from what we should be looking at, as Canada's House of Commons finance committee, in terms of the impacts of something that's never been done before.

I think it's wide open. I would go back to my proposition to you to add "subject to". That's the spirit of this motion: Let's look at this very quickly, please, and if there's something that we're missing or some detail that needs to be changed, then let's please put in an amendment at the bottom that says it's subject to changes that will be agreed upon between parties at a subcommittee meeting on February 18.

I think we're covering it all. I haven't heard what the substantial, principal concerns are about the words that are on the page here. It is really about examining what this means to the Canadian financial system and to Canadians going forward.

The Chair: Next is MP Baker.

Mr. Yvan Baker: Thanks very much.

I think we have a couple of options. We can go with what Mr. Blaikie suggested, which I thought was practical. The goal that we

all share is to move forward on this expeditiously. We all share that goal, I think.

One way to do that, from my perspective, that makes sense is what Mr. Blaikie suggested. It allows us to move forward by Tuesday and it allows the subcommittee to iron out all the details, the scheduling issues, prioritization issues, amendment issues and that sort of thing.

The other approach would be to do it here in committee now and work through the amendments now. I think there are a few problems with that for us. One is, in general, I just don't think that's the most efficient way to work through what we're going to have to work through. Let's be honest. There's a schedule that we need to look at and figure out how this jives together. I don't think having all of us sit here doing that is the most efficient way to begin with. A subcommittee would be a great way to approach that, I think, practically speaking. It would, by happenstance, also allow another committee that's supposed to be meeting with other colleagues to meet as well.

I prefer Mr. Blaikie's proposal on how we move forward on it. If we have to start moving amendments, we can do that. I'm happy to do that.

Mr. McLean, I would ask for your understanding that it's hard for us to vote on the language of a motion that we haven't had a chance to amend yet. The spirit here, what you're hearing from Mr. Beech and myself and all of us, we want to do the study. There's not opposition to doing the study. That's not the issue, but I think the specific language.... It's difficult for us to approve something that we know we want to amend.

Let's move forward with the study, but let's find a way to amend it as we move forward.

• (1755)

The Chair: Thank you very much.

I see MP Ste-Marie and I also see MP McLean's hand is up.

[*Translation*]

Mr. Gabriel Ste-Marie: I'll keep it brief, Mr. Chair.

For goodness' sakes, let's figure out a way to start the study as soon as possible.

I agree with what Mr. Blaikie is suggesting, provided the clerk can confirm it would be possible. This would be an exception to the rule in light of the extraordinary circumstances.

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

[*English*]

Next is MP McLean and then MP Lawrence after him, I believe.

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

I will go back to Mr. Beech, because I think the issues of substance are his to raise at this point in time, as you can see that the rest....

Mr. Baker, we've already talked about when this meeting would start, but the issues of substance are (a)(i) to (vi), about what we're trying to accomplish here.

If there's something in the spirit of that motion that needs to change immediately, I would entertain that right now, but if there's something you don't like with the spirit of that, then I think you should put that on the floor, because this is what we're trying to get at here: how does this work; how does it impact the financial system of Canada going forward.

I'm opening the floor to you to tell me what principle you think needs to change in the first six points of language after (a).

Mr. Terry Beech: I'm happy to address that. I'm just very concerned about time and I don't want to get cut off.

Mr. Clerk, where are we currently with the time? I don't want to get into discussing amendments and then get cut off.

We've had all members from every party, except the Conservatives, agree to Mr. Blaikie's proposition. What we could do is move to table debate on this motion and then move a new motion to take on Mr. Blaikie's proposition. I assume that motion would pass, because we have a majority to be able to do that.

Mr. Clerk, I want to get the timing, and I want to do this in a way that everybody agrees, because I want people leaving this meeting feeling good about the way we're moving forward on this motion that we all want to do.

The Chair: MP Blaikie.

Mr. Daniel Blaikie: Thank you, Mr. Chair.

The Chair: I apologize. Was MP Lawrence up?

Mr. Philip Lawrence: I was, but I'll yield to Mr. Blaikie. I think I know what he's going to say.

The Chair: Thank you, MP Lawrence.

MP Blaikie, go ahead.

Mr. Daniel Blaikie: We have a telepath on the committee. This could be an important resource going forward.

As I said earlier when I presented this as a possible alternative, I'm only comfortable with doing that if we have unanimous consent. I think that's really important. I'm not prepared to bring the hammer down on this.

I think we do need to deal with this in a timely way. It is a national emergency. These are extraordinary powers. It is appropriate for the finance committee to provide this oversight.

I respect that some members may want to change some of the wording around this. I'm certainly open to suggestions. I'm satisfied with the motion as it stands. If we're not going to vote on it today as a means of concluding this meeting, then I think we all have to be agreed on the path forward.

That's certainly my position. I won't be voting in a way to override anyone's wishes on the committee if we don't have a consensus.

The Chair: MP Lawrence is up and then MP Beech.

Mr. Philip Lawrence: Thank you very much for that clarification. That was what I thought you were going to say, MP Blaikie. Maybe I am a telepath.

The challenge I have is that if we don't leave here with an agreement to have at least the study we've agreed upon with those details, we don't know what those amendments will be.

Mr. Beech, I know you're doing this in good faith, but you don't know where we'll be on that. We could get into an impasse there, not from anyone acting in bad faith, but until we know what those amendments are....

If you have those amendments with you, could you give us at least a high level? Whether we debate them or not tonight can be discussed.

• (1800)

Mr. Terry Beech: I'm happy to. I'm just waiting for the chair to tell me—

The Chair: MP Beech, I apologize. Go ahead.

Mr. Terry Beech: I'm happy to give you the high level. If we have time we can break into the individuals.

I would like to add some language into the study around examining the economic impacts of the blockades. I would also like to add some additional witnesses. I would like to modify the language around the appearance of the minister. I would like to look at some of the language around the timing, including potentially moving it up—which I think you have already talked about—and changing some of the language around some of the statements. A lot of these changes are not changing the intent of the motions nor the scope, but perhaps adding to it.

That would be the high level intent of the amendments I'm currently looking at.

I would literally be willing to go through all of these things if we had the time today. I'm happy to go through them all at subcommittee as well.

The Chair: Thank you, MP Beech.

MP McLean.

Mr. Greg McLean: As I said, Mr. Beech, in good faith, we're letting a number of issues go with regard to C-8 and the minister's appearance for that purpose. We're compromising here as effectively as we can, as far as moving something forward that Canadians are very concerned about right now.

If there's extra language and things that you would like to add, I think that is very well covered in what I suggested for the amendment we put at the bottom here, which is that it be subject to any amendments that will be arranged at a subcommittee of this committee to be held on February 18.

It didn't sound like there was much there, except potentially excluding the Deputy Prime Minister and the Minister of Finance from appearing, that seemed like it was outside of the scope of what we've already put on the table here.

We know this may not be complete. We know there may be other people that we add. The language is open to accommodate that from all parties. In the spirit of goodwill, if you can pass this with the opportunity to amend at the subcommittee, I think we're all the way home.

The Chair: Go ahead, MP Beech.

Mr. Terry Beech: Yes, I have a couple of things.

First of all, I have no intention at all to remove the Deputy Prime Minister. The Deputy Prime Minister, I'm sure, would be happy to attend and speak to these matters, so please don't interpret some tweaks to the language on her appearance to be that we don't want her to appear. I think we should have her appear.

The fundamental problem is that I don't think anybody on this committee from any party would want to be asked to agree to a motion that they don't agree with subject to future amendments that might not happen. That will set into motion things that, without future agreement, will continue to proceed in the manner that is listed in this motion.

The alternative that I suggested is the opposite of that. It says to take those elements that we know we can approve today, which is that we are going to have the study, that we are going to invite some of those witnesses, and between now and Tuesday, we are going to have a meeting to finalize this language. This is basically just acknowledging that we don't have time at this meeting and gives us time at the subcommittee to accomplish it.

That is less problematic than what you're proposing, which is to make us agree to a motion when we don't necessarily agree with 100% of the language.

The Chair: Go ahead, MP McLean.

• (1805)

Mr. Greg McLean: Thank you.

Mr. Beech, I appreciate what you said. I'm willing to scribble out parts of these words that you might find difficult. If the issue of the Deputy Prime Minister still attending is a definite on this, which we think it should be, then we can take out the part that's offensive very quickly here.

If the number of meetings is a problem, then we can take out and amend that as you see fit right here very quickly. We can amend the logistics of this as far as when we meet, but our initial focus, of course, is to have the first two meetings next week.

There's not much logistically here that I think we're stuck on. We need to get this motion moving forward, and I think that has to happen here today.

The Chair: You have the floor, MP Beech.

Mr. Terry Beech: Yes, the longer we talk about this, I feel silly for not just moving the amendments when we started a while ago.

Mr. Greg McLean: The amendments...

Some hon. members: Move the amendments.

Ms. Julie Dzerowicz: Move the amendments, Terry.

Mr. Terry Beech: All right, so can I move my first amendment?

I would like to move an amendment, Mr. Chair.

Mr. Greg McLean: Terry, just go through them, and we'll just kind of pencil them in or scratch them out as we go through this.

Mr. Terry Beech: Sure.

The first is under the study, examine to add a new section that would state, "The financing of the illegal blockades, and the impacts of these blockades on the Canadian economy and Canadian workers."

I would so move.

The Chair: We have MP McLean on the amendment.

Mr. Greg McLean: Mr. Beech, I think it's clear that these blockades, these illegal blockades, had an impact on the Canadian economy. This is post facto. We know that we've lost hundreds of millions of dollars of trade because of this. What we're looking at here is how to make sure that what we're doing going forward isn't going to negatively affect the Canadian financial system. We already know what happened. Let's go forward with, not an analysis, but "what is going to happen if we do this?" That is the scope of this study.

The Chair: We have MP Lawrence and then MP Beech.

Mr. Philip Lawrence: I understand this exact issue is being studied by public safety and another committee, so it would be redundantly redundant to study it here.

The Chair: Go ahead, MP Beech.

Mr. Terry Beech: I actually don't think it's redundantly redundant. I think that this is actually an important aspect of this very important study for a number of reasons. Let's also not forget that there is an entire different committee that is going to be struck to examine emergency measures. It's going to be made up of parliamentarians and it's going to examine the full scope of these measures. I hope that this study could help positively contribute to that discussion.

But with regard to the financing of illegal blockades, I think it is important to understand how we came to have these emergency measures in the first place and what exactly has been happening on the ground, and then realize who is affected by these measures and how. If we don't understand the people who have been raising money, what they've been using that money for, how they've been utilizing that money and how they've been raising that money... I've heard an unbelievable amount of variance and different causes and reasons for this money, everything from "investigative journalist" to people who have all kinds of different causes coming in and justifying their reason for this.

Those are all the types of people who are going to be affected by these emergency measures, so in order for us to understand whether or not the measures are appropriate and affect the appropriate people, we need to understand who those people actually are in the first place.

The second aspect of the proposed addition to the study, which is the impacts of the blockades on the Canadian economy and Canadian workers, is for us to understand the tolerance of the measures that the government has put into place. We're going to study the impact as per this motion as currently worded and we're going to be thinking about whether these are appropriate measures.

We should absolutely understand exactly what the economic impact of these blockades has been, not just in Ottawa, not just at the Ambassador Bridge, but on families and with workers, to understand that if this was to happen again in the future, or if this was to be a regular tactic—and it's not like we haven't seen tactics similar to this before—whether or not the measures that are proposed in the Emergencies Act are an appropriate use or if we should be looking at other methods.

I think both aspects of this are important. First, the financing of the illegal blockades, where that financing is coming from, what it's being used for, how it's been tracked by the various agencies like FINTRAC and the like is very pertinent to this study.

Second, there are the impacts of the blockades on Canadians and Canadian workers. We have heard about individuals who have been laid off, and plants and factories that haven't been able to continue. Understanding that, I think, will provide a lot of context to this particular study.

• (1810)

The Chair: Thank you.

I've got, from the floor, MP Baker, MP Dzerowicz and MP Blaikie.

MP Baker.

Mr. Yvan Baker: Thanks, Chair.

I agree with a lot of what Mr. Beech has said. Maybe I could just briefly say that in the motion that Mr. McLean proposed there was a desire to study the powers given to financial institutions to share personal information and other aspects. I think if we want to study that and what Mr. Beech is proposing in terms of understanding the financing of the blockades, it's important that they go hand in hand, to understand whether certain powers or certain disclosures are reasonable around finances. It's important to understand how the blockades are financed. That's why I think that part of what he's proposing is helpful to the study.

In terms of the impact of the blockades on the Canadian economy and Canadian workers, again, if you're going to evaluate a measure taken by government to solve a problem then it's important to fully capture the impact [*Inaudible—Editor*].

The Chair: MP Baker, you will have the floor but I do need to suspend. This is coming from powers upon high.

I understand, clerk and interpreters, we need to suspend for 30 minutes to air the booths for our protocol measures at this time.

Thank you.

• (1810)

(Pause)

• (1846)

The Chair: I call the meeting back to order.

We're going to start with MP Baker.

Mr. Yvan Baker: I had finished what I wanted to say, Mr. Chair.

The Chair: Okay. MP Dzerowicz was next. Is she still in the room? No.

I am going to go to MP Beech.

Mr. Terry Beech: Thank you, Mr. Chair, and thank you to all of my colleagues. We were able to have some discussions during the break.

I am going to withdraw my amendment, and seek unanimous consent to amend the motion as follows. I would add a new bullet under “a) The study examine”, which would read, “i. The financing of the protest and the blockades;”

I would further amend the motion under part c) that refers to the invitation of witnesses, and change the part where it refers to the Deputy Prime Minister and the Minister of Finance alone for two hours. We would delete the word “alone”, and add the Department of Finance to the list of departments that are on the next bullet point.

With those amendments, we would pass the motion in its entirety on division.

I will speak to that amendment now, Mr. Chair, since I have the floor.

Obviously, we still need to have a subcommittee meeting. We have some programmatic stuff that we need to get to. I'll take members on their word that we're going to figure out a way to deal with Bill C-8, including some commitments that were made under the scheduling of the minister.

I believe, having talked to everyone, that this is agreeable, and that this will get us out of here tonight with a path forward to examine this very important subject.

The Chair: Thank you, MP Beech.

MP Chatel, please go ahead.

Mrs. Sophie Chatel: I have a small change to the first sentence, after the comma. It's mostly cosmetic.

It would be “any related measures taken regarding the blockages”.

• (1850)

Mr. Greg McLean: On a point of order, Mr. Chair.

Could I have Mrs. Chatel repeat it, because I'm not following where the comma is. At the end, is it “taken regarding the 2022 freedom convoy”? What words do you want to add?

Mrs. Sophie Chatel: It's referring to the blockages, and it's following the previous amendment. It's cosmetic. Do you want me to—

Mr. Greg McLean: We've agreed on the wording so far, Mrs. Chatel. They are friendly amendments. If it's okay, we can leave them as Mr. Beech read them, and that would be good enough.

Mrs. Sophie Chatel: Thank you.

Mr. Greg McLean: I'll confirm the friendly amendment as well in part b), which was “Tuesday, February 22”. This is when the hearings begin and no later.

Mrs. Sophie Chatel: Okay.

The Chair: Thank you.

Is there any further discussion?

Seeing none, I think someone asked for unanimous consent to pass it on division, is that correct?

(Motion as amended agreed to on division [*See Minutes of Proceedings*])

The Chair: I do see everybody coming together.

Terrific.

Mr. Greg McLean: Mr. Chair, may I thank all colleagues here? I think we're going to do something really important and good for Canadians here. It's much appreciated.

The Chair: Thank you.

Members, while I still have you here on Bill C-8 and the PBC, I know that the clerk and analysts are seized with the calendar and are trying to get this done. We're partway there, but if you will allow me, I can work together with the clerk and the analysts to propose some of the dates, etc., so that we could get C-8 and the PBC done. We would send those out to you, if that would be okay.

Thank you very much.

Mr. Greg McLean: Mr. Chair, I have a point of order.

We did talk about a subcommittee here. I suggest we have that subcommittee because we have so many studies on the horizon and time is always limited. I understand there's no availability tomorrow, but if the clerks can start corralling the witnesses for Tuesday, perhaps we could have the subcommittee meeting on Monday.

The Chair: Mr. Clerk, perhaps you could see if we have availability.

On that subcommittee, maybe we could still get some of that work done. As I've said, I've had discussions with the clerk and the analysts. I could distribute that to members and see if some of those dates and times work, just before our subcommittee.

I see everybody's heads shaking in the right direction.

Do we move to adjourn?

Mr. Adam Chambers: I move.

The Chair: Thank you.

We are adjourned.

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