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• (1630)

[English]

The Chair (Mr. Peter Fonseca (Mississauga East—Cooksville, Lib.)): I call this meeting to order. Welcome to meeting 70 of the House of Commons Standing Committee on Finance.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Wednesday, November 16, 2022, the committee is meeting to proceed with the clause-by-clause consideration of Bill C-32, an act to implement certain provisions of the fall economic statement tabled in Parliament on November 3, 2022 and certain provisions of the budget tabled in Parliament on April 7, 2022.

Today's meeting is taking place in a hybrid format, pursuant to the House order of June 23, 2022. Members are attending in person in the room and remotely using the Zoom application.

I would like to make a few comments for the benefit of the witnesses and the members.

Please wait until I recognize you by name before speaking. For those participating by video conference, click on the microphone icon to activate your microphone, and please mute yourself when you are not speaking.

There is interpretation for those on Zoom. You have the choice at the bottom of your screen of either floor, English or French audio. For those in the room, you can use the earpiece and select the desired channel.

I remind everyone that all comments should be addressed through the chair. For members in the room, if you wish to speak, please raise your hand. For members on Zoom, please use the "raise hand" function. The clerk and I will manage the speaking order as well as we can. We appreciate your patience and understanding in this regard.

Members, before we go to clause-by-clause consideration of Bill C-32, you will have received the budget for the Bill C-228 study from the clerk on Tuesday. Everybody should have received it at 11:03 a.m.

I'm looking around for confirmation that everybody is good with that budget.

Some hon. members: Agreed.

The Chair: The budget is approved.

Today, to help with our clause-by-clause consideration of Bill C-32, we have officials from the Canadian Space Agency, the De-

partment of Crown-Indigenous Relations and Northern Affairs, the Department of Employment and Social Development, the Department of Finance and the Department of Justice.

On behalf of the committee, I thank all our officials. I wish to inform the committee that all witnesses have been audio tested for today's meeting and have passed the test.

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

Mr. Philip Lawrence (Northumberland—Peterborough South, CPC): On a point of order, Mr. Chair, as brevity is the soul of wit, I will be quick. I'm renowned in this committee for my brevity. In all seriousness, I just want to put a couple of comments onto the record, if the other members will indulge me.

Conservatives will not be supporting Bill C-32, the legislative implementation of the fall economic statement.

Prior to the announcement of the fall economic update, Conservatives stated that they had two requirements for the upcoming legislation: one, that there be no new taxes; and two, that there be no new spending. Conservatives put these requirements in place because we are acutely aware of the struggles that Canadians are facing in the midst of one of Canada's largest affordability crises.

Food bank usage has climbed to record highs, with 1.5 million Canadians using food banks in a single month. A third of those were children, so that's 500,000 children who had to go to food banks just to eat in one month.

Nearly half of Canadians are within \$200 of insolvency, and with rising interest rates, many Canadians are now on the brink of losing their homes. The pain that has been inflicted is the responsibility of the failed Liberal tax-and-spend agenda.

In the fall economic statement the greedy government refused to give up even \$1 of revenue while adding to Canadians' suffering. Instead, it is stubbornly refusing to relent on its plan to raise the carbon tax, which, according to the Bank of Canada, is inflationary, so this represents a double hit for Canadians. One is the direct impact on gas, groceries and home heating, but then there's also the impact of inflation, which, at its low rate of \$40 per tonne, was estimated by the Bank of Canada to be 0.4% and very well could be over 1% when we get our numbers back from the PBO.

On January 1, the greedy Liberals will take yet more money from Canadians, and for what sin? What travesty have Canadians committed? They have gone to work. In one of Canada's worst labour shortages in recent history, the Liberals are actively disincentivizing work. They're punishing workers by increasing the payroll tax.

In addition to direct taxation, the government is indirectly increasing the burden on workers through inflationary spending. As Tiff Macklem said at this very committee in response to my colleague's question, more spending equals more inflation. The more the Liberals spend, the harder life gets for Canadians.

We have also heard comments, not just by the current Bank of Canada governor Tiff Macklem but also by former Bank of Canada governor and future Liberal leader Mark Carney that inflation is actually a homegrown problem that is a direct result of this government's tax-and-spend policies.

The government has had the opportunity to provide hope by reducing the burden through reductions in the carbon tax or the payroll tax, or even by cancelling the planned tax hikes on Canada's sacrosanct tradition of drinking beer. Unfortunately, the only thing it had to offer Canadians was more taxes and more inflation. At a time when Canadians needed a hand up, the Liberals dropped an anchor on them.

For these reasons and many more, Conservatives cannot support Bill C-32.

Thank you.

• (1635)

The Chair: Thank you, Mr. Lawrence.

I saw Mr. Ste-Marie. You had your hand up.

[*Translation*]

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

I, too, have a point of order, as well as a comment that will hopefully be as brief as Mr. Lawrence's.

First, I had informed the committee that I still had a lot of questions for the officials from the various departments that will have a hand in Bill C-32. At a previous meeting, I had requested the committee's unanimous consent to ask those officials to provide written answers to the questions suggested by the House of Commons analysts, but there wasn't unanimous support for that request.

In the spirit of co-operation, Terry Beech, the parliamentary secretary, suggested I give him the list of questions I was most interested in having the answers for, and in hardly any time at all, the officials had answered all of my questions in a document that was sent to me. I asked the clerk to share the document with the committee so that members would have the excellent information I received, which was in both official languages.

I realize how much work that was, so I want to express my sincere thanks to Terry Beech for his help, as well as to the finance officials for their comprehensive answers. Thanks to them, I won't have any technical questions today, since I already have the answers I was looking for.

It is clear to those of us in the Bloc Québécois that Bill C-32 does not address the financial priorities of the people of Quebec. However, as always, we will vote on what is in the bill, not on what isn't. We don't have a problem with any of the measures proposed in this omnibus bill, and that is why I, as the Bloc Québécois's representative today, will be voting in favour of the bill and each of its clauses. We don't have any amendments to propose.

Before I wrap up, though, I would like to point something out to the members of the committee. The Canadian Bar Association sent a letter to the chair to express its concern that some of the proposed amendments would undermine solicitor-client privilege. I know that the government is very mindful of the rules in place and has read the letter, as I have. For that reason, I am not so concerned that I feel the need to propose an amendment.

Speaking of solicitor-client privilege, I would also remind the members of the committee of our study into the whole Isle of Man affair and the use of trusts for the purposes of tax avoidance and tax evasion. That was a case in which KPMG invoked solicitor-client privilege to refuse to disclose the names of its fraudster clients to the government. We must bear in mind that solicitor-client privilege is not absolute, because it does not apply when a lawyer advises their client to do something illegal.

The Canada Revenue Agency's American counterpart, the Internal Revenue Service, or IRS, gave KPMG an ultimatum when it tried to pull the same thing in the U.S. The company could either hand over the list of clients with whom it had conspired to defraud the IRS or it would face criminal prosecution and risk dissolution. The matter was resolved pretty quickly. Here, an out-of-court settlement was reached.

I welcome the measures in Bill C-32. Solicitor-client privilege is obviously very important, but so is the fight against tax evasion and tax avoidance.

Thank you, Mr. Chair.

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

[*English*]

I saw Mr. Blaikie's hand up.

Mr. Daniel Blaikie (Elmwood—Transcona, NDP): In the spirit of offering some reflections at the outset for our position with respect to the bill, I thought I would make my own contribution.

Similarly to Mr. Ste-Marie, I think some of the cracking down on tax avoidant measures in Bill C-32 is certainly welcome. There's more work to do, but these are steps in the right direction.

I would highlight in this bill, as well, the elimination of interest on student loans, something New Democrats have long championed and are glad to see a government finally proceed with. It is also under-reported.

I think the headline item for this is actually something New Democrats have been calling for, for some time, which we made sure was part of our understanding with the government in the supply and confidence agreement, and that is the Canada recovery dividend. It means that big banks and insurance companies that did very well during the pandemic, including because of the generous support of the federal government, are going to have to pay some of that money back, and that's important so that there are resources to do the things we need to do in order to support Canadians through a very difficult time.

New Democrats think the Canada recovery dividend is an important step alongside a permanent increase of 1.5% in the corporate tax rate for banks and insurance companies.

These are some of the reasons we're supporting Bill C-32, and I thank you for the time to put that on the record.

• (1640)

The Chair: Thank you, Mr. Blaikie.

I'm looking around the room. I don't see any other hands.

Oh, I'm sorry, Mr. Beech. Go ahead.

Mr. Terry Beech (Burnaby North—Seymour, Lib.): I want to thank all the members for their input, and committee for finding a path forward for this piece of legislation.

Obviously, it's no surprise that the government is in favour of this legislation. I will do my best to keep my comments the shortest.

Thank you.

The Chair: Thank you for the brevity, Mr. Beech, and for helping to bring people together. It was good to hear some really nice comments.

Members, we are at clause 2, as read.

Shall clause 2 carry?

Go ahead, Mr. Hallan.

Mr. Jasraj Singh Hallan (Calgary Forest Lawn, CPC): Mr. Chair, I'd like to ask for a recorded vote for the first one, if that's okay with you.

(Clause 2 agreed to: yeas 7; nays 4)

The Chair: Now, members, 'tis the season and, as I understand it, everybody seems to be in agreement on looking at clauses 3 through 168.

Go ahead, Mr. Hallan.

Mr. Jasraj Singh Hallan: The Conservatives would like to apply our previous vote to all the future ones, as well.

The Chair: Okay, it looks as if they would like the previous vote applied to clauses 3 through 168.

Do I see agreement?

(Clauses 3 to 168 inclusive agreed to)

The Chair: That takes us to the title.

Shall the short title carry?

Some hon. members: Agreed.

[Translation]

Mr. Gabriel Ste-Marie: On division.

[English]

The Chair: Shall the title carry?

Some hon. members: Agreed.

An hon. member: On division.

The Chair: Shall the bill carry?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

An hon. member: On division.

The Chair: We are done. Congratulations, members. I'm glad everybody is doing so well.

Members, I want to bring this to your attention: We talked about our next meeting on Monday around Bill C-241. On Wednesday we are looking at fiscal federalism. The clerk has some witnesses from you, but if you want to put forward more witnesses for the clerk to invite.... This would be for next Wednesday's meeting on fiscal federalism.

Is that correct, Mr. Clerk? Perhaps you can let the members know where we are, in terms of witnesses.

• (1645)

The Clerk of the Committee (Mr. Alexandre Roger): Yes. I have enough witnesses on the Liberal side, unless you want to add more and change the priority. That's fine, too.

I have one witness on the Conservative side.

[Translation]

The Bloc Québécois does not have any witnesses to propose.

[English]

I don't have any for the NDP, either.

I was speaking with the analysts at the back of the room, who told me they would be happy to suggest witnesses as well. They could send me a list of suggested witnesses for tomorrow, perhaps, and I can send that to you tomorrow, during the day—before the evening. Then you could get back to me by Friday on who you'd like to invite for next Wednesday.

The Chair: I see two hands up. I'm sure Mr. Blaikie...yes, because it's on fiscal federalism.

Go ahead, Mr. Blaikie.

Mr. Daniel Blaikie: I was going to say that we have some names, and we'd be happy to get those to you as soon as possible—probably by the end of the day tomorrow, at the latest.

The Chair: That's great.

I have Mr. Chambers, then Mr. Ste-Marie, or rather, Mr. Ste-Marie first.

Go ahead, please.

[*Translation*]

Mr. Gabriel Ste-Marie: Like Mr. Blaikie, we have witnesses to propose. I discussed it briefly with the clerk before the meeting began, and I will be sending him our list.

Thank you.

The Chair: Thank you.

[*English*]

Mr. Chambers.

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

I just want to flag for members that next Tuesday the Auditor General is releasing her report, which was a request from this committee. There's a lock-up at seven in the morning, for those of you who are interested.

I'm just flagging that for the committee. Of course, I would not want to ask anybody until we see the report, but there has been the precedent in the past, when the Auditor General has done a study at the request of the committee, that we have heard from that office following it.

I'm not asking for that consent here, I'm just flagging that it's coming up next week. If anybody is interested in going, that will be public on Tuesday. As we're managing the calendar, that may be a request, should that be the will of the committee, but obviously we'll wait to see what the report says next week.

The Chair: Thanks for that update, Mr. Chambers.

Looking around, I think we're good.

Shall we adjourn, members?

An hon. member: Yes.

The Chair: We're adjourned.

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