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# Standing Committee on Finance

EVIDENCE

**NUMBER 134**

Tuesday, April 9, 2024

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Chair: Mr. Peter Fonseca





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• (1005)

[English]

**The Chair (Mr. Peter Fonseca (Mississauga East—Cooksville, Lib.)):** I call this meeting to order.

Welcome to meeting number 134 of the House of Commons Standing Committee on Finance.

Pursuant to the order of reference on Monday, March 18, 2024, and the motion adopted on Monday, December 11, 2024, the committee is meeting to discuss Bill C-59, an act to implement certain provisions of the fall economic statement tabled in Parliament on November 21, 2023 and certain provisions of the budget tabled in Parliament on March 28, 2023.

Today's meeting is taking place in a hybrid format. Pursuant to Standing Order 15.1, 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 members. Although this room is equipped with a powerful audio system, feedback events can occur. These can be extremely harmful to the interpreters and cause serious injuries. The most common cause of sound feedback is an earpiece worn too close to a microphone. We therefore ask all participants to exercise a high degree of caution when handling the earpieces, especially when your microphone or your neighbour's microphone is turned on.

In order to prevent incidents and safeguard the hearing health of our interpreters, I invite the participants to ensure they speak into the microphone into which their headset is plugged in and to avoid manipulating the earbuds by placing them on the table away from the microphone when they are not in use.

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 best we can. We appreciate your patience and understanding in this regard.

I believe, Clerk, that all virtual witnesses have been tested and everything is fine. They're ready to go.

With us today, we have, as an individual, Mr. Jeffrey Simser, who is a barrister and solicitor.

Welcome, Mr. Simser.

From the Forum for Leadership on Water, we have Ralph Pentland, a member of that forum.

From the Regroupement d'ordres professionnels en santé mentale du Québec, we have Monsieur Félix-David Soucis, who is a psychoeducator, and Madam Josée Landry, who is a guidance counselor.

Each of you now will have up to five minutes to make some opening remarks before we get into the members' questions.

We'll start with Mr. Simser, please.

**Mr. Jeffrey Simser (Barrister and Solicitor, As an Individual):** Good morning. Thank you so much for inviting me to come and share my expertise with the committee.

For those of you who don't know me, I'm now retired from the Ministry of the Attorney General after over 30 years, and I was Canada's first director of civil asset forfeiture.

I'm here to talk about subdivision A of Bill C-59, which is proposed section 278 and onward, and specifically changes to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act and the Criminal Code. However, before I do, I want to give you a bit of brief context and history.

A company, Silver International, operated out of unit 303 in a nondescript building in Richmond, B.C., called the Pacific Business Centre. When a search warrant was executed on that unit, police found two safes with over \$2 million in bundled cash, mostly \$20 bills, as well as ledgers chronicling the daily in and out transactions of the enterprise. Silver's video security system was also seized, along with an archive of the previous two weeks, and that surveillance provided investigators with a very clear picture of what was going on at Silver International.

Legitimate customers went in to access the money service business, or MSB, of Silver, but at that time, it was not properly registered as an MSB. It registered later with FINTRAC, after the warrants were executed, something that, thankfully, wouldn't happen now in 2024. The legitimate clients went in and did the standard paperwork, say, to exchange currency. They showed ID, confirmed the exchange rate, counted the money carefully and got a receipt. It's a process that might take 15 minutes.

The video archive, however, showed a second group of customers who stayed less than two minutes each, simply dropping a suitcase off in a secure area and leaving immediately, with no receipts and no counting. After those clients left, Silver staff then opened and emptied the suitcase onto the floor, arraying \$10,000 bricks of \$20 bills for counting and sorting.

The prosecution against Silver and others collapsed on November 22, 2018, when the Crown entered a stay of proceedings. As with most criminal prosecutions that fail, no public reason was provided. The Crown simply told the court there was no reasonable prospect of conviction, but there was clearly a structural problem with this case. In Canada, prosecutors have a constitutionally mandated duty of disclosure to the defence, and the quantum of that disclosure in a case like this is massive. It's almost hard to conceive of how much there is. There were upward of 300 law enforcement personnel working on that project at any given time.

The disclosure needs to be managed very carefully, both by the police and particularly by the Crown. For example, if there's information that might identify a confidential informant, or CI, it must be carefully redacted. Some of that information will be easy to redact, such as the notebook of the CI's handler, but sometimes it's very difficult. For example, there might be a passing reference in a police officer's notebook.

The need to protect confidential informants was affirmed on September 18, 2020, when shots rang out in the parking lot of an elegant but unassuming Japanese restaurant in Garden City, a neighbourhood in Richmond. The principal of Silver was murdered at that scene. Dead men tell no tales.

The Cullen commission determined that Silver was laundering at least \$220 million a year, and it was a small part of a larger money-laundering ecosystem in British Columbia. There is one redemptive glimmer in this case. A civil forfeiture case is still ongoing, so even though all the criminal charges have gone, there's still some justice being had in B.C.

I'll move on to my two comments.

Bill C-59 once again tinkers with the money-laundering offence provisions of section 462.31. I take no issue with this, but the amendments, to me, elide a more fundamental problem. There is no stand-alone money-laundering offence. The code still requires prosecutors to link the laundering activity to a specific predicate crime.

As far as we know, Silver International was a pure third party money-laundering service. It was a professional money launderer. Had the prosecution not failed, I'm absolutely certain that defence lawyers would have built a defence around the operators' lack of direct connection to the drug trade. I'm sure they would have argued that they were simply helping business people evade currency controls from the People's Republic of China, which is not a crime in Canada.

My second point is that civil forfeiture law is critical to the fight against money laundering. We have nine jurisdictions—provinces and territories—in Canada with a civil forfeiture law, and any plan, either legislative or operational, to address money laundering must include civil forfeiture. Provinces and territories need to be encouraged to build and strengthen their capacity in this regard.

• (1010)

I will observe to the committee that Canada's financial intelligence unit, FINTRAC, will not provide disclosures directly to a civil forfeiture unit. If a disclosure comes to the unit through the police, FINTRAC is perfectly fine with it being used, but it will not engage directly. The reason for this has never been clear to me, but I might urge this committee to consider an amendment to the Proceeds of Crime and Terrorist Financing Act to mandate and enable such information sharing.

Thank you.

**The Chair:** Thank you, Mr. Simser.

Now we'll go to the Forum for Leadership on Water.

Mr. Pentland, go ahead, please.

**Mr. Ralph Pentland (Member, Forum for Leadership on Water):** Thank you.

I am here on behalf of the Forum for Leadership on Water, or FLOW. I will be offering a few observations regarding the provisions related to the establishment of the Canada water agency.

FLOW has been working for over 15 years to help secure the health of Canada's fresh water by bringing together past political leaders, former senior officials from federal and provincial governments, and staff of respected research institutes and non-governmental organizations.

I will say up front that FLOW has been advocating for the agency for over five years. We are strong proponents of increased co-operation and collaboration across the Canadian water sector.

Individual FLOW members, sometimes while they're within government and sometimes from the outside, have been directly involved in either negotiating or administering virtually every major interjurisdictional water agreement in Canada over the past several decades.

Several of our members are also very active in building consensus between indigenous peoples and others across the sector.

Today the Canadian water sector is facing three major inflection points that make enhanced collaboration more important and more urgent than ever.

First, it's become clear that climate change is having and will continue to have much more significant economic, ecological and social impacts than were previously anticipated. At the same time, society is becoming much more aware of indigenous and other social rights.

As a result, transboundary water stewardship is becoming more complex than ever. We definitely need an entity to bring together the various federal, provincial, indigenous and local partners to set targets and take concrete action.

There are currently over 3,000 water employees scattered across more than 25 federal departments, and well over 100,000 more water employees in other governments, watershed organizations as well as municipal, agricultural and industrial groups. Meeting the emerging challenges facing the water sector will require unprecedented collaboration.

We believe the agency strikes an appropriate balance between supporting decision-makers at all levels and fully respecting all legal and constitutional mandates.

Other advantages of a mainly coordinating mandate within the federal system will include dealing more effectively with fragmentation, gaps and overlaps and minimizing unrealistic new program expectations.

FLOW, along with more than 50 other freshwater NGOs, was very active during three years of public consultation leading up to the proposed legislation. We believe those consultations identified most of the freshwater issues on which improved collaboration will yield significant societal benefits.

Regarding the bill itself, we believe the rationale spelled out in the whereas clauses appropriately defines the need. We also believe the rest of the content appropriately balances the requirement for clarity with leaving a sufficient flexibility for the agency to evolve in constructive ways over time.

I will be happy to respond to any questions any of you may have.

Thank you.

• (1015)

**The Chair:** Thank you, Mr. Pentland.

Now we'll hear from the Regroupement d'ordres professionnels en santé mentale du Québec.

Monsieur Soucis, go ahead.

[*Translation*]

**Mr. Félix-David Soucis (Psychoeducator, Grouping of Professional Mental Health Orders of Quebec):** Good morning, Mr. Chair and members of the committee.

Thank you for inviting us to appear before you on behalf of the Grouping of Professional Mental Health Orders of Québec.

My name is Félix-David Soucis and I am the president of the Ordre des psychoéducateurs et psychoéducatrices of Québec. With me is Josée Landry, president of the Ordre des conseillers et conseillères d'orientation du Québec. We also represent our colleagues in the Ordre professionnel des sexologues du Québec, the Ordre professionnel des criminologues du Québec, and the Ordre des travailleurs sociaux et des thérapeutes conjugaux et familiaux du Québec.

The primary mission of Quebec's professional orders is to protect the public. They carry out that mission through a range of mecha-

nisms that include professional inspection of their members, continuing education, and their respective syndics' handling of complaints from the public. In this way, the orders ensure the quality and rigour of their members' practice.

The orders represented by our grouping have a total membership of a little over 11,000 professionals who offer mental health services and care to the Quebec public and who are affected by this bill. Almost 2,500 of those professionals are in private practice. As is the case for other professionals in Quebec, they are currently required to charge their clients provincial and federal taxes. This interferes with access to services by people who are experiencing rising levels of need, particularly since the COVID-19 pandemic. During that period, in fact, the Quebec government formally designated professions in the field of mental health and human relations as essential because of the necessary help they provide the public in relation to psychosocial support and mental health care.

We are pleased with the measures announced in clause 137 of Bill C-59 that would eliminate the GST/HST for psychotherapy and counselling services. We believe that this measure will offer Canadians better access to mental health services and care. In Quebec, our professions have been included in the Professional Code of Quebec since 2012 as professions in the field of mental health and human relations. The legislature has thus reserved to our professions the practice of professional activities involving a high risk of harm to the public.

While some of these professionals hold permits as psychotherapists, the others hold permits issued to them by their professional order. They work in mental health and counselling in their respective field of practice, which is clearly defined in legislation, the Professional Code of Quebec. The care and services they provide, whether as psychoeducators, guidance counsellors, sexologists, criminologists or marriage and family therapists, undeniably fall within the field of mental health and apply to personal, professional and educational situations or to family- or couple-related situations.

If a person is facing difficulties relating to entry into the job market, a guidance counsellor will be able to mobilize the person's resources to enable them to achieve their career plans.

If an adolescent is having difficulties associated with going back home after time spent in a rehabilitation centre as a result of committing offences, a criminologist will be able to support them in rebuilding their social skills.

If a member of a family is in difficulty because of a mental health diagnosis, a psychoeducator will mobilize the adaptive capabilities of the entire family so the person is able to cope again.

If a person is questioning their gender identity, a sexologist will be able to support them in their personal journey.

If a couple is having relationship difficulties because of a conflict, a marriage and family therapist will offer them support to improve their methods of communication in order to foster a better relationship.

As you can see, the professionals who belong to these professions that are governed by the Professional Code of Quebec, and therefore by a professional order, are authorized to provide counselling therapy with the goal of supporting the public's mental health needs, in compliance with best practices in their field of practice.

However, the Canada Revenue Agency's notice 335 concerning the exemption for counselling therapy states that the professional services provided by a person could be exempted if the person "has the qualifications equivalent to those necessary to be so licensed or otherwise certified in another province."

Under this interpretation of the bill, it would be confusing and time-consuming, for all of the authorities that participate in such a process, for a professional to have to ask another Canadian authority to verify a qualification when it has already been attested to by the permit that authorizes the person to practise their profession. In its present form, the bill would require the members of Quebec's professional orders to verify with a regulatory agency that oversees the profession of counselling therapy in another province, as is the case in New Brunswick, Nova Scotia and Prince Edward Island, that they have qualifications equivalent to the qualifications of the professionals in the province in question.

We would point out that under the Professional Code, our professional orders have a mandate to be the regulatory and supervisory body for their profession in Quebec and that they are capable of doing that.

• (1020)

I would like to conclude by emphasizing that Quebec has a variety of professionals who are different from those in the other provinces. Quebecers should not be penalized by having to pay taxes because of that difference. For this reason, we believe that this bill must take into account the unique features of Quebec's system of professions. It needs to be amended so that the services offered by members of Quebec's professional orders are exempted on the same basis as the services offered elsewhere in Canada without professionals having to prove their qualifications to authorities in another province.

Thank you for your attention and we are available to anything further having to do with this bill.

My colleague and I are now prepared to answer your questions.

**The Chair:** Thank you, Mr. Soucis and Ms. Landry.

[English]

We will now get into members' questions. In the first round of questions, each party will have up to six minutes to ask the witnesses questions.

Members and witnesses, just looking at the time, we have an hour total for these witnesses, including the remarks. We'll have to see what happens in that second round, whether we have enough

time to get through a full second round or if we have to truncate that.

Right now, we're going to start with MP Hallan for six minutes.

**Mr. Jasraj Singh Hallan (Calgary Forest Lawn, CPC):** Chair, I want to quickly move two motions. I'm going to try to be as concise as possible, if that's good with you. Both motions are on notice already.

The first motion I want to move is:

That, the committee report to the House that it calls on the Prime Minister to convene a carbon tax emergency meeting with all of Canada's 14 first ministers, and that this meeting address:

1. the ongoing carbon tax crisis and the financial burden it places on Canadians;
2. the Prime Minister's recent 23% carbon tax increase;
3. plans for provinces to opt out of the federal carbon tax to pursue other ideas to lower emissions, given that under the government's current environmental plan, Canada now ranks 62 out of 67 countries on the climate change performance index; and

That this meeting be publicly televised and held within five weeks of this motion being adopted.

I'll give you a bit of background on this. The Prime Minister recently said that he met with the premiers in 2016. A lot has changed since 2016. His poll numbers have tanked. He gave a carve-out to Atlantic Canada and left out the rest of Canada. He was proven false on some of his claims about the carbon tax scam by the Parliamentary Budget Officer, whom he appointed, such that more Canadian families are worse off paying into this carbon tax than in what they get in the so-called rebates.

For example, in Alberta, a family will pay \$2,900 on average and, according to the PBO, will get back only \$2,000 in these phony so-called rebates. It's the same in Ontario. An average family will pay \$1,600 and get back only \$1,000, leaving families worse off.

What else is worse off is the environment. First of all, by an admission of the government's own environmental department, they don't even track if the emissions go down with this carbon tax scam. It's probably because they know that it's just like the Prime Minister and not worth the cost. That's why they're not tracking it. Emissions have not gone down either. There is that point. As well, since 2016, 70% of Canadians and premiers, including a Liberal premier, Andrew Furey, have asked the Prime Minister to spike the hike, just like our common-sense Conservative leader has been saying all along, and call for a carbon tax election.

Last, I'll say that he needs to stop hiding and meet with these premiers like they've been asking so they can tell him that we need to scrap this carbon tax scam and get some real policies that a common-sense Conservative government would bring forward.

Thank you.

**The Chair:** Thank you.

I see Ms. Dzerowicz.

Is it on this, Ms. Dzerowicz, or are we going right to the—

**Ms. Julie Dzerowicz (Davenport, Lib.):** It's on questions.

**The Chair:** MP Ste-Marie's hand is up and Ms. Dzerowicz's hand is up.

**Ms. Julie Dzerowicz:** I'll wait until after Mr. Ste-Marie.

**The Chair:** MP Ste-Marie.

[*Translation*]

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

Hello everyone.

Regarding our position, we are not opposed to there being discussions between the federal government and the provinces to establish policies that meet each of their needs. However, what the opposition motion is calling for today is that the meeting be used to establish

(c) plans for provinces to opt-out of the federal carbon tax to pursue other responsible ideas to lower emissions...

However, those plans already exist. The federal carbon pricing system includes a right to withdraw that is available to all provinces. A province needs only bring its carbon pricing mechanism into force in order for federal pricing not to apply there. In Quebec, for example, we have had our own system for ten years. Quebec is therefore completely exempted from the federal system.

That is our position. I will therefore not be able to support the motion.

• (1025)

[*English*]

**The Chair:** Thank you.

We'll go to MP Dzerowicz and then MP Baker.

**Ms. Julie Dzerowicz:** Mr. Chair, I wonder whether this motion is actually in scope given the mandate of the finance committee. I know that we tend to have a fairly wide berth, but it seems fairly out of scope. This might be more in scope for our environment and climate change committee, but I don't think it's one for a finance committee meeting.

If we look at our mandate, it reads:

The mandate of the House of Commons Standing Committee on Finance, which is established under Standing Order 108 of the Standing Orders of the House of Commons, is to examine and enquire into all matters referred to it by the House of Commons, to report from time to time and, except when the House otherwise orders, to send for persons, papers and records, as it operates in accordance with its mandate.

Certain standing committees, including the Standing Committee on Finance, are empowered to study and report on all matters relating to the mandate, management and operation of the department or departments of government that are assigned to them from time to time by the House. For the Standing Committee on Finance, these departments include the Department of Finance and the Canada Revenue Agency.

This motion seems out of scope to me. Could we ask whether it is in scope?

**The Chair:** Thank you, MP Dzerowicz.

We do have a very broad mandate here at finance. I will have an opportunity to confer with the clerk and the analyst, and I will try to inform the committee as best I can.

On that question, I have MP Baker, MP Davies and MP Morantz.

**Mr. Yvan Baker (Etobicoke Centre, Lib.):** Thanks, Chair.

I apologize to our witnesses. This is the kind of motion that is taking us away from the important business and the wonderful witnesses we have here today. It's a shame that it's being brought forward at this time. This is the kind of thing that could be done in committee business or something like that, when we don't have witnesses sitting in front of us, and people at home watching and waiting to hear what our witnesses have to say.

I will attempt to be very concise in responding to what Mr. Hallan has proposed.

The first concern I have with this motion is that it calls on the Prime Minister to do something. This motion is, first of all, non-binding, so no matter how the committee decides to deal with this particular motion, the Prime Minister will make the decision that he believes is appropriate.

The second point I would make is, if you read the motion, one of the lines—after a series of lines that, I would argue, misrepresent what carbon pricing is about—reads, “That this meeting be publicly televised and held within five weeks of this motion being adopted.”

I want to bring to the attention of members and those watching that this committee is just starting conversations with witnesses about Bill C-59, which is the fall economic statement. Presumably, there will be a budget brought to this committee. We have a packed agenda. We have already extended the sittings of this committee to accommodate that packed agenda. This would inevitably have the effect, if passed and brought to this committee—if that's what I understand this to mean—of delaying the work of this committee.

The third thing I would say is that if the premiers of the provinces want to meet or speak with the Prime Minister, they can do that. They do that all the time. They have phone conversations. They have meetings in person. To the folks watching at home, if you wanted to, you could simply go to the Prime Minister's Instagram or Twitter feed and check it out. Those conversations happen all the time.

I'm not sure why the finance committee would get involved in micromanaging the Prime Minister's and premiers' schedules. They are capable adults who can get together to meet and talk when they need to, and they do it all the time in various forms.

The other thing I would say is what the Prime Minister has said from the very beginning, and this has been the case for years.... In fact, I was a member of the provincial parliament for Ontario when the federal government was in the process of bringing in carbon pricing. At the time, the Government of Ontario, under the Liberal government of the time, had put in place a cap-and-trade system, which the subsequent and current Ford Conservative government decided to cancel.

The way the carbon pricing works federally is it only has an effect in those provinces that don't have their own approaches to fighting climate change. What's happened here is, since the beginning of carbon pricing, when the Prime Minister brought it in, every province has had the option of doing as it sees fit to fight climate change. That would allow them to not have the carbon pricing plan that is in place today. If they object to that, they have the option of bringing in other forms of carbon pricing. They've chosen not to do that.

We heard testimony from Premier Moe at OGGO, one of our other committees. He basically said they looked at other schemes to fight climate change, and the current federal carbon pricing was actually the least costly.

I suppose the Conservatives' opposition to carbon pricing and their desire to have premiers meet with the Prime Minister is a sign that they want, number one, to take us away from the important business of this committee in reviewing the legislation that the people want and that these witnesses have come to speak to.

I would point out that this legislation has a tremendous number of important things in place for businesses and for workers. I'm sure we will hear that from our witnesses throughout the day today. These types of motions that have been put forward today are meant as delay tactics to take us away from that business.

• (1030)

The second thing I would say is that the—

• (1035)

**Mr. Adam Chambers (Simcoe North, CPC):** We're only on number two?

**Mr. Yvan Baker:** I'm sorry, Mr. Chambers. Do you have something you want to say?

Chair, I believe I have the floor. Is that correct? I just want to be sure.

The other thing I would say is that with the carbon pricing scheme that's been put in place, provinces can choose to do something else if they want to. They can pick up the phone to call the Prime Minister if they so choose, so I don't know why the finance committee would get into micromanaging the Prime Minister's and premiers' schedules.

I would also point out that what's in the Conservative motion on this is not accurate. It says here under number three that in the meeting they address “plans for provinces to opt out of the federal carbon tax to pursue other ideas to lower emissions”. The provinces have had that option from the very beginning. The Conservatives are calling on something the Prime Minister put in place years ago when I was still in provincial office. That's how long ago that was. If the provinces want to have a different form of fighting climate change, they can do that. If they don't want to fight climate change, that's a problem for all of us and for future generations, and that's why it's so important that we have some sort of plan to fight climate change.

It sounds to me as though the Conservatives don't believe in fighting climate change, because even some of the premiers who have come forward to the OGGO committee, who the Conserva-

tives invited to the OGGO committee, have said the current carbon pricing we have in place is the least costly approach. It sounds as though Conservatives are saying we shouldn't fight climate change. I think that's particularly insulting given some of the folks we have before us here today.

The last thing I would say is that I don't know what's happened to the Conservative Party of Canada. Even in the past these gentlemen who are here today—members of the Conservative caucus who are here at this committee—ran on a platform to put in place carbon pricing. The former Conservative prime minister, Stephen Harper, has even spoken about the value of carbon pricing. The former Conservative prime minister—our last Conservative prime minister—spoke about that. I don't know what's happened to the Conservative Party of Canada. They've completely parted ways with even the policies and the ideology of former prime minister Mr. Stephen Harper.

A recent example of that is how they've consistently voted against supporting Ukraine. They've consistently voted against free trade, against funding for military aid to Ukraine, against the funding required to support the Ukrainians who are here in Canada and who need our support, and the list goes on. We know why this is. There's a far-right MAGA movement, a pro-Putin wing of the Conservative Party.

Now we see them taking every possible action to delay actions that are good for businesses and for workers and to delay action on fighting climate change.

What has happened to the Conservative Party of Canada, Mr. Chair?

We'll be opposing this motion.

**The Chair:** Thank you for that, MP Baker.

I'm going to MP Davies.

We have a diverse group of witnesses here who made compelling opening remarks. I'm sure we want to get to questions, and time is ticking.

Also, I want to welcome our newly minted permanent member of the finance committee, MP Don Davies.

**Some hon. members:** Hear, hear!

**The Chair:** You know, we wanted to bring you in in a different way, when you were going to open up your questions for the members, not on a motion like this, but right into the FES.

Welcome, MP Davies of the great riding of Vancouver Kingsway. I know you will enrich and bring a lot to this committee.

MP Davies, go ahead on this motion.

**Mr. Don Davies (Vancouver Kingsway, NDP):** Thank you, Mr. Chair.



Well, that may be the last applause I get at this committee. I'm going to enjoy it while I can.

It's a real pleasure to join all of you, all of my colleagues at this esteemed committee.

I'm going to go on the record briefly because all the other parties have, and I would feel left out if I didn't make a few remarks.

What strikes me is that this motion is aspirational. It is non-binding, as Mr. Baker pointed out. It calls on the government to do something, and that's not outside the parameters of what committees have done in other ways. The committees often speak. We are the masters of our own business, so if we do want to give advice to government, whether it's binding or not, even though it may not be wise in some cases, I think it's certainly within the ambit of our business.

I also would point out that this motion before us is similar, if not identical, to a motion that's being moved in the House today, I understand, so in some ways it's a little bit redundant. On the other hand, you could say that it's consistent with what is being done in the House. I think that should be noted.

What strikes me is that, at the heart of it, this motion does point out that Canadians are facing two crises. One crisis is a climate crisis, and the second crisis is an economic one. We do live in a federation, and that requires, I think, a full-court press from all jurisdictions and levels of government, particularly if we're going to make progress on those two very important crises. We're going to need the feds and the provinces working together.

The motion is a little bit loaded. I think we can all acknowledge that. We all have our own positions on the proper way to deal with the climate crisis or, frankly, how serious or not it might be.

At the heart of it, I think this motion calls for a meeting to address those two crises. The three main elements are to address the carbon tax, to address its economic implications and to address options, if there are any, to lower emissions. While the motion does sort of lean in terms of what the authors would prefer that way, I think there are...calling on the government to have a meeting to discuss these issues, where there is a full-throated examination and defence.

As I said, this motion illustrates and foreshadows a little bit of its position. It seems to indicate that the carbon tax is not working as intended or has implications or impacts that are deleterious. There's an equal and opposite argument to be made against that. Mr. Baker made a number of arguments.

I have to point out that the first carbon tax that ever was brought in in British Columbia was brought in by a small "c" conservative government. They were called Liberals, the Liberal government of Gordon Campbell, but they were notionally a centre right government that brought in the carbon tax.

I could also point out that I think the carbon tax has not been as effective as we would like it to be in reducing emissions.

I think there is a little bit of truth on all sides of this. I think calling on the government to have a discussion where we can, in public, debate these important issues in a federated manner is not.... I

think it could have some benefits, so we're going to support this motion in the committee here, as we will support the similar motion in the House today.

**Mr. Adam Chambers:** That's very reasonable. I'll clap for that.

• (1040)

**The Chair:** Thank you, MP Davies.

**Mr. Don Davies:** It's all downhill after that.

**The Chair:** We're going to suspend at this time, so that I can confer again with the clerk and the analyst.

• (1040)

(Pause)

• (1040)

• (1050)

**The Chair:** We're back after speaking with the clerk and the analyst.

One thing I want to bring to everybody's attention is that this motion is identical to a motion that's before the House today. Depending on what happens at the House, if this motion were to pass here and then go to the House, it could be ruled out of order by the Speaker because it has already been dealt with. That's what would happen because it's identical to what is before the House today.

We are going to continue with the motion. I do have a speaking list. I just wanted to make sure that everybody is aware of where we stand right now. Hopefully we can get through this quickly and get to our, as I said, excellent witnesses who are before us so that we can get to some of the members' questions.

Members, if you do have questions—and we don't have a lot of time—maybe you could pose those to the witnesses, and the witnesses could send answers in writing to our clerk and to our committee.

I have MP Morantz, MP Lawrence and MP Dzerowicz on the list.

**Mr. Marty Morantz (Charleswood—St. James—Assiniboia—Headingley, CPC):** Thank you, Mr. Chair.

I think this motion is eminently reasonable. Seventy per cent of Canadians are opposed to the carbon tax. Seven out of 10 premiers have spoken about axing the tax and spiking the hike. Even in Manitoba, Premier Kinew, an NDP premier, has expressed misgivings about the carbon tax and wants to work on a made-in-Manitoba program.

I think it's very reasonable when you have premiers asking to come to a parliamentary committee—it should really be a no-brainer—particularly the finance committee where we consider things like taxes. We're just simply not doing our job—ignoring our responsibilities, in fact—if we don't allow these premiers to come here to speak.

Aside from that, this particular motion talks about convening a meeting with the premiers of Canada. Again, it's a very reasonable issue. Canadians are suffering under the constant increases in taxes that this government keeps bringing in, most recently on April 1, despite all of our strenuous efforts to ask the Prime Minister to not go forward with continually increasing taxes on Canadians at the very time they can least afford it. However, he continued to do it despite their will.

By the way, with respect to Premier Kinew, do you know the first thing Premier Kinew did after he was elected in October? He put a pause on the provincial gas tax of 14¢ per litre. If you go to Manitoba now, gas is 14¢ per litre cheaper. He did it because, like many other premiers—in fact, like many other world leaders—he understands that Canadians are having a hard time affording things right now.

I think it's incumbent on this committee to listen to the will of Canadians through their elected provincial representatives and to have a meeting of Canada's 14 first ministers in order to address this issue.

Thank you, Mr. Chair.

**The Chair:** Thank you, MP Morantz.

I have MP Lawrence and MP Dzerowicz. Then whatever remaining time we have I'm going to divide up by the parties, but there's not going to be much.

MP Lawrence.

**Mr. Philip Lawrence (Northumberland—Peterborough South, CPC):** I'll be brief because I want to hear from the witnesses, Mr. Chair.

I think this debate in many ways is validation that we need to have this national dialogue between our premiers and our Prime Minister, so let's just get to a vote.

**The Chair:** Thank you.

I have MP Dzerowicz next.

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

I want to put a couple of things on the record, and I also want to address one comment that Mr. Davies made.

First, I think it is really important that, when you look at this motion, there's confusion between the affordability crisis we have here in Canada and the price on pollution, or the carbon tax. Unfortunately, the Conservatives have not been honest with Canadians.

The carbon tax has not caused the affordability crisis in this country. Food and housing prices have gone up because we have had inflation. It's not just in Canada; it is around the world. There has been a huge increase in inflation. The carbon tax has not contributed to the reasons Canadians are lining up at food banks. It is not at all the case. It is because we have had inflation and it is because we have had a huge increase in food and rental costs.

Second, paragraph 2 of this motion talks about the recent increase in the carbon tax, or the price on pollution. It doesn't mention the rebates that more than cover this and make eight out of 10 Canadians whole.

Finally, as my colleague Yvan very eloquently said about paragraph 3, which reads, “plans for provinces to opt out of the federal carbon tax”, all provinces are invited to come up with their own plans for reducing their emissions, so we don't need a motion to say that. That has been on the table forever.

What I would love to see, and this is a personal thing, is all of the first ministers come together with our Prime Minister to talk about their fully costed and independently analyzed plans for how their provinces are going to reduce emissions to meet the national target. I would love to see that, but that's not what this motion says at all, Mr. Hallan. That would be a very positive development.

Just so you know, we don't need this motion right now. All provincial premiers have already been invited to create their own plans for how they can reduce emissions and meet our national emissions target.

That's it for me. If there is no one else after me, I would suggest we go to a vote, Mr. Chair.

• (1055)

**The Chair:** Thank you, MP Dzerowicz.

I don't see any other hands. Clerk, you can call the vote.

(Motion negated: nays 6; yeas 5)

**The Chair:** The motion is defeated.

Now we will get to our witnesses.

Members, we have not done this before, but because we have seven minutes left for these witnesses, I'm going to give each of you a minute or two to ask some questions, and I'm going to ask the witnesses, if they have the time, to take a back seat. We're going to let the next panel of witnesses come forward, but if members of our committee have questions for those of you on this panel, they will call upon you and you will come to the table to answer those questions.

Witnesses, if you are okay with that, it means you would be here for the next hour.

Thank you.

MP Chambers, please go ahead.

**Mr. Adam Chambers (Simcoe North, CPC):** I would provide UC to allow a full round, if that was okay with the rest of the committee.

**The Chair:** That would be unfair to the other panels because of this motion that we have been debating, which has pushed us back by almost an hour, MP Chambers. That's why we can't do that. It would be great if we could just make up time, but that's not possible.

We will start with MP Morantz.

You have two minutes.

**Mr. Marty Morantz:** Mr. Simser, thank you for your patience.

Two minutes isn't nearly enough time to cover the kind of ground I think we should be covering with someone like you.

The best question I can ask is this: What can the federal government do to strengthen our money-laundering laws? I know you mentioned that there is no individual stand-alone charge for money laundering, and in the past you have talked about the unexplained wealth orders and things like that.

Could you give us a minute or so on what this government should be doing to strengthen our laws so we can get more convictions and get this problem under control?

**Mr. Jeffrey Simser:** Thank you. That's a really good question. I'll be really brief in my response.

I think it's not so much about the laws and the statutes. Canada's reputation has consistently been as a country with strong laws and poor implementation. For me, the key thing to do is to improve implementation. There's a financial crime agency. Hopefully, that comes in in the right way. There needs to be a lot of co-operation federally, provincially and municipally, particularly in law enforcement and the police. We need to pull all these things together.

There are some gaps in the civil forfeiture system. There are two provinces with unexplained wealth orders. That's a fantastic tool. There are some incredible cases happening right now in B.C. Those kinds of things need to be expanded.

It's really about resourcing and implementation. I think that's the key to your question.

• (1100)

**Mr. Marty Morantz:** You did mention, though, that you would like to see a stand-alone offence. That would be a legislative change, would it not?

**Mr. Jeffrey Simser:** Absolutely. Yes. Right now what has to happen is that a prosecutor has to prove not only money laundering but also a second crime and link the two together. What I'm suggesting is that where you have a professional money launderer, they can be simply prosecuted for what they're doing even though they're divorced from the crime itself.

**Mr. Marty Morantz:** Is it not—

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

MP Weiler, go ahead, please.

**Mr. Patrick Weiler (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.):** Thank you, Chair.

I want to thank our witnesses for being here today and for their patience as well.

Mr. Simser, you mentioned something very briefly that I wanted to touch on. It's about the ability of FINTRAC to communicate directly with law enforcement. I was hoping you might be able to expand on that a little bit.

**Mr. Jeffrey Simser:** Sure. FINTRAC does have the ability to speak to police and to prosecutors, but they do not, for whatever reason, speak directly to civil forfeiture authorities. What happens is that if a case comes into civil forfeiture, they may have a police

brief that may include a FINTRAC disclosure, but it will be dated. There's no real-time sharing of information, which in this world is critically important.

The other thing that happens in the same space is that if financial institutions identify a money launderer and kick them out of the bank, they can't tell other banks. All they can do is tell FINTRAC, unless there's fraud. They can literally watch the money launderer just walk across the street from the Bank of Montreal to the Royal Bank and start all over again. They don't have any legal ability to warn the chief anti-money laundering officer at the Royal Bank that there's a problem.

There's another issue in the same space, which is private-to-private information.

**Mr. Patrick Weiler:** Thank you.

In your response to Mr. Morantz and in your opening, you mentioned the need for a stand-alone money-laundering offence and the reason why. Obviously, in the legislation that we're talking about today, Bill C-59, there are a number of changes made to the money-laundering offence, particularly around recklessness, as well as layering on changes that were brought in in the budget last year on structuring transactions.

I was hoping you might be able to speak to the impact this may be able to have on making it more effective in tackling money laundering.

**Mr. Jeffrey Simser:** Yes. I think both changes are excellent.

On the structuring offence, I think it will be very, very difficult to prosecute. You'll have to prove that someone knew there was a FINTRAC reporting requirement and they were deliberately evading it. But this has happened. There have been lots of prosecutions in the United States since 1986. I think what it really comes down to in that instance is the training of police officers particularly so that they know what kind of evidence the prosecutor will need to make the case.

It's the same with the substantive money-laundering offence. You need those specialized investigators who really understand what kind of evidentiary record needs to be adduced to get to a successful prosecution.

**The Chair:** Thank you.

Now we'll go to MP Ste-Marie, please.

[*Translation*]

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

First, I find it unfortunate that we have spent the last hour debating what the House is considering today instead of asking questions about extremely important topics relating to Bill C-59.

My question is for Mr. Soucis.

Thank you for being with us today, Mr. Soucis and Ms. Landry.

Mr. Soucis, under clause 137 of Bill C-59, the GST would be eliminated for psychotherapy and counselling therapy services.

You said that in Quebec, because of the professional orders, there is a lack of clarity and a fear that this provision would not apply in Quebec.

The Canada Revenue Agency has published notice 335 which provides that this will apply if a person has the qualifications equivalent to those that would enable them to practise in another province. However, it makes no sense for every professional in Quebec to have to go to New Brunswick to have their qualifications recognized.

You are suggesting that the committee adopt an amendment providing that the spirit of the section should be preserved and ensuring that the GST not apply to those services in Quebec unless what the Canada Revenue Agency is proposing has been done.

Is that correct?

**Ms. Josée Landry (Guidance councillor, Grouping of Professional Mental Health Orders of Quebec):** Thank you for the question. I am going to answer it on behalf of the Grouping.

That is correct, Mr. Ste-Marie. We want Quebec's professionals to be recognized automatically as having qualifications equivalent to those that would enable them to practise their profession in another province, so that the services they provide to the public in Quebec would be exempt from the GST and then from the QST.

• (1105)

**Mr. Gabriel Ste-Marie:** The simplest way to do it would be to adopt an amendment, rather than let the Department of Finance send the ball back to the Canada Revenue Agency, which sends it back to Revenu Québec. The provision would then end up not applying.

Is that right?

**Ms. Josée Landry:** Yes, you are entirely correct.

**Mr. Gabriel Ste-Marie:** Thank you.

Thank you, Mr. Chair.

[English]

**The Chair:** Now we're going to MP Davies.

**Mr. Don Davies:** Thank you, Mr. Chair.

Mr. Pentland, the Department of the Environment Act presently identifies Environment and Climate Change Canada as the lead federal department on all matters relating to water. It is not assigned to any other department. Bill C-59 enacts the Canada water agency act which would establish the Canada water agency as a stand-alone entity on this matter.

In what ways would the Canada water agency be more effective as the lead on fresh water in comparison to the current situation?

**Mr. Ralph Pentland:** The Minister of the Environment would also be the minister responsible for the Canada water agency. Right now, as I said before, there are 3,000 or more employees across the federal government in the water field. About a thousand of those are in Environment Canada, and they're all meeting their own legitimate responsibilities. The other 2,000 in other departments are all meeting their responsibilities. However, they're not meeting them together in the most effective way.

The main thing the agency would do would be to bring everybody together in the federal government with common policies, eliminating gaps and overlaps and fragmentation. By bringing everybody together, they would work better with everybody else in the water sector, namely, other governments, the private sector, farmers and municipalities.

We need all hands on deck to deal with climate change, indigenous rights and other emerging issues which are critically important right now.

[Translation]

**Mr. Don Davies:** Mr. Soucis, my French is not very good, so I am going to ask my question in English.

[English]

On average, how much do clients currently pay out of pocket for psychotherapy and counselling therapy? How impactful would the removal of GST/HST be on clients in helping them access services?

[Translation]

Ms. Landry can also answer my questions.

**Ms. Josée Landry:** Thank you, Mr. Chair.

On average, a one-hour consultation costs about \$100 per person. If there are four consultations a month, or one consultation a week, that amounts to about 5,000 hours of consultations a week, if we count only the professionals we represent today. The total of 5,000 hours a week is equivalent to 20 hours of consultation per week, per professional.

[English]

**The Chair:** Thank you, MP Davies.

Members, we are going to suspend as we transition to our second panel of witnesses.

We're going to ask this first panel of witnesses to stick around, because members still may have questions for them.

MP Thompson, before I suspend, do you have something?

**Ms. Joanne Thompson (St. John's East, Lib.):** Yes. I'd like to ask for unanimous consent, Chair, from my colleagues, that we all agree that the second panel be given the full hour for witnesses to answer questions.

**The Chair:** If we have unanimous consent not to disturb the panel and allow the witnesses and the members to ask the panel questions, then we will not be able to disturb and allow for the witnesses to receive questions.

**An hon. member:** I'm not consenting.

**The Chair:** There is no consent.

We will suspend.

• (1105) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (1110)

**The Chair:** Members, we're back. I know it's a little rushed, but we have to get back on track here and make up some time.

We do have all of our witnesses here. The witnesses from our previous panel are still with us, and we thank them for that. If you have questions for them, we'll ask them to come to the table and you can pose your question to one of those witnesses.

Right now, we have before us, from the Canadian Credit Union Association, Mr. Michael Hatch, vice president, government relations,

From the Quebec environmental law centre, we have competition law researcher Julien Beaulieu.

From Pathways Alliance, we have the vice president of government relations and public policy, Mr. Mark Cameron.

Welcome.

We're going to hear some opening remarks.

We'll start with Mr. Hatch, please.

• (1115)

**Mr. Michael Hatch (Vice-President, Government Relations, Canadian Credit Union Association):** Thank you so much, Mr. Chair and honourable members, for inviting me to speak at this committee today.

My name is Michael Hatch. I am the vice president of government relations with the Canadian Credit Union Association.

Our members manage assets worth almost \$600 billion, and we serve nearly 11 million Canadians. There are over 2,000 credit union locations. We are, as many of you will know, the only financial institution with a physical presence in nearly 400 communities across Canada, many of which are represented here today.

Credit unions and regional centrals employ over 30,000 Canadians and provide full-service financial services while being fully Canadian owned.

We are pleased to appear today to comment on Bill C-59, which contains many measures of importance to our sector and to Canadians.

First of all, we were extremely pleased to see in last year's budget an update to the definition of "credit union" in the Income Tax Act. The current definition—too often enforced by CRA—dates from the early 1970s, so that makes it older than a lot of people in this room. It's no longer remotely relevant for today's world and has had negative tax consequences for co-operatively owned financial institutions in recent years. Last year's budget proposed language that will solve this problem, and we urge Parliament to pass this as soon as possible.

We were also pleased to see in last year's budget bill expanded membership options for credit unions in Payments Canada.

Furthermore, this bill also contains significant reforms to competition law in Canada, and I gather we'll hear more from my colleagues on that. These are largely necessary, should enhance competition and consumer protection and are part of a broader global shift towards enhanced competition law. However, in our sector, there is an important nuance that must be pointed out.

Credit unions, as many of you will know, provide some of the only real competition that exists in financial services in this country. Bill C-59 contains, among other things, significant reforms to the merger review process. Normally, mergers and consolidation are associated with decreased competition. In our sector, the opposite is true, and I can't underline this enough. Credit unions have been consolidating for decades, and this trend will continue.

Far from reducing competition, consolidation has allowed the sector to continue to provide the only competition that exists for the large banks. The recent acquisition of HSBC by RBC will negatively impact the competitive landscape for financial services in Canada, as these are two massive entities. The partnership of two or more small co-operatively owned financial institutions that come together to share costs and increase scale allows them to continue competing with the RBCs and HSBCs of this world. It is our hope, therefore, that a more robust merger review process will not hinder the further consolidation that will be required in the years to come in the credit union sector.

We urge members of this committee and all parliamentarians to pursue a legislative regime that allows credit union consolidation to continue, as this is consistent with enhanced competition in Canadian financial services. As federal policy-makers, the members on this committee have a key role to play in ensuring a regulatory and legislative environment that fosters the competition the Canadian financial services sector so desperately needs.

Far too often, policy coming out of Ottawa towards our sector takes into account the needs, scale and structure of the large banks. This has had very negative impacts on the credit union sector over the years. By working towards a federal legislative regime that allows credit unions to grow and thrive, we can be part of the solution to the ongoing cost of living pressures faced by millions of Canadians. Passing this bill at the earliest opportunity will help a great deal in this.

Thank you so much again for your attention.

I look forward to the testimony of my fellow panellists and to your questions, Mr. Chair.

**The Chair:** Thank you, Mr. Hatch.

Now we'll hear from Monsieur Beaulieu and the Quebec environmental law centre.

[Translation]

**Mr. Julien Beaulieu (Competition Law Researcher, Québec Environmental Law Centre):** Hello everyone.

Thank you for having me here at the committee. I am very grateful.

My remarks today will address the topic of greenwashing, and more specifically clause 236 of Bill C-59.

Those who are not familiar with greenwashing should know that it happens when an organization makes false or misleading representations about the environmental characteristics of a product, a brand, an activity, or the organization itself. Greenwashing can involve several environmental characteristics, such as recyclability, greenhouse gas emissions, and impacts on biodiversity.

We see several forms of greenwashing in the market across Canada. They include flatly false representations, vague or generic representations such as the use of fuzzy words like "green" and "sustainable" that no one really knows the meaning of, cherry picking by making selective representations that highlight positive environmental characteristics without mentioning their negative aspects, representations that are not supported by sufficient evidence, and prospective representations that are not based on a concrete action plan.

This greenwashing has harmful consequences for the public and the Canadian economy. For example, it prevents consumers from making informed choices, it gives the offending businesses an unfair competitive advantage, and it denies the real environmental leaders recognition. Greenwashing also erodes consumer confidence and reduces incentives for businesses to innovate so they can offer products that are less harmful for the environment.

Paragraph 236(1)(b.1) of Bill C-59 proposes to tackle greenwashing by requiring that businesses that make representations regarding "a product's benefits for...

• (1120)

[English]

**The Chair:** Mr. Beaulieu, if you could, for the interpreters, just move back from the microphone a little, because there is some popping and stuff.

*Merci.*

• (1125)

[Translation]

**Mr. Julien Beaulieu:** Right. I'm sorry.

As I was saying, paragraph 236(1)(b.1) of Bill C-59 proposes to tackle greenwashing by requiring that businesses that make representations regarding "a product's benefits for protecting the envi-

ronment or mitigating the environmental and ecological effects of climate change" do adequate tests prior to making their representation. In the English version of the bill, the word "*épreuve*" is translated as "test". In other words, businesses that voluntarily decide to advertise their good environmental performance are to be required to have proof of what they are asserting.

While this provision is a very important step forward, it has four major limitations and it will miss its target if it is not improved.

First, paragraph 236(1)(b.1) would apply only to representations regarding products, so it excludes representations regarding a brand, an activity or an organization. However, as the Commissioner of Competition acknowledged in a letter sent to all members of the committee, many greenwashing cases, such as those regarding the carbon neutrality targets adopted by businesses, do not relate to specific products. We are therefore recommending that the scope of paragraph 236(1)(b.1) be extended to cover all environmental representations by businesses, regardless of their subject.

Second, paragraph 236(1)(b.1) does not require that businesses disclose the tests on which their representations are based unless there is a prosecution in the courts. However, without disclosure, it will be difficult for consumers to quickly ascertain, for example by reading a grocery product's packaging, whether a business really has proof of what it is asserting or what it means when it says a product is "green" or "sustainable". Other countries or states, like France and California, already impose disclosure obligations on businesses that make environmental representations. We suggest that Canada adopt the same type of obligation.

Third, paragraph 236(1)(b.1) relates only to representations regarding "protecting the environment or mitigating the environmental and ecological effects of climate change". That wording, which we believe to be too restrictive, could exempt some environmental representations from paragraph 236(1)(b.1), like representations relating to "restoring", as opposed to "protecting", the environment, or to mitigating the "causes", as opposed to "effects", of climate change. To correct the situation, we propose that the scope of paragraph 236(1)(b.1) be extended so that it is more inclusive in order to cover all representations about environmental performance.

Fourth, paragraph 236(1)(b.1) does not specifically prohibit cherry picking, which is when a business tries to boast about the positive aspects of its environmental performance without also disclosing its less glowing aspects. For example, a business might advertise its reductions of greenhouse gas emissions but fail to point out that they were achieved by destroying ecosystems. Something good is being done on the one hand, but on the other hand, nothing is said about what is less positive.

It should be noted that businesses are not obliged to advertise their environmental performance. However, the decision to do so comes with a duty to provide a complete picture of the situation and not choose the facts that put us in a good light while concealing those that make us look bad. We are therefore proposing that paragraph 236(1)(b.1) be amended to expressly prohibit cherry picking.

In conclusion, I will say that we believe these four proposals would definitely make Bill C-59 more enforceable and better able to achieve its objectives in relation to combatting greenwashing, a business practice that we are seeing or that could arise in all sectors of the Canadian economy. Sometimes it is difficult to detect this practice. However, we believe that Parliament's jurisdiction in this regard is clear and settled.

Thank you for your attention.

**The Chair:** Thank you, Mr. Beaulieu.

[*English*]

Now we'll hear from Pathways Alliance.

Mr. Cameron, go ahead, please.

**Mr. Mark Cameron (Vice President, Government Relations and Public Policy, Pathways Alliance):** Thank you, Mr. Chairman and honourable members.

I am pleased to be speaking to you today on behalf of Pathways Alliance.

Pathways Alliance represents Canada's six largest oil sands producers: Canadian Natural, Cenovus, ConocoPhillips Canada, Imperial, MEG Energy and Suncor. Together, our six companies operate 95% of Canada's oil sands production. The oil sands sector accounts for about 3% of Canada's total GDP and supports 255,000 direct and indirect jobs. Last year, the sector contributed over \$20 billion in taxes and royalties to all levels of government in Canada.

We are proud of our contribution to the Canadian economy, but we also acknowledge that we are significant greenhouse gas emitters. That's why, in 2021, our six companies came together to make a joint commitment to achieve net zero in our operations by 2050. Our industry has made significant progress in reducing emissions already. We reduced our emissions intensity, or emissions per barrel, by 23% between 2009 and 2022.

To go further in reducing emissions in order to achieve the kinds of ambitious reduction goals Canada has set for 2030 and the ultimate goal of net zero by 2050, we will need not simply incremental improvements but also step changes in new technology. That's why our six companies are not only committed to long-term emissions reduction but also collaborating on what would be one of the world's largest carbon capture and storage networks in northern Alberta. The Pathways project would involve installing carbon capture units on 14 different oil sands projects, building a 400-kilometre-long pipeline from Fort McMurray to south of Cold Lake, and storing the carbon dioxide from those 14 sites deep underground in saline aquifers.

Carbon capture is the only currently available technology to reduce emissions from oil sands operations in absolute terms between now and 2030. Other technologies, whether small modular reactors,

increased use of solvents in oil sands extraction or use of hydrogen for steam generation, may be possible in the longer term, but they are not commercially available today.

Unfortunately, carbon capture is extremely expensive and is, frankly, not economical without partnerships between industry and the federal and provincial governments. That is why we are strong supporters of the concept of the investment tax credits for CCS and other clean technologies. We were pleased when the government first announced their intent to move forward with the ITCs in budget 2021 and have followed this proposal closely, until it was ultimately tabled as part of Bill C-59.

We would strongly urge the committee and the House to pass this legislation this spring and allow CCS projects to start not only in our sector but also in other sectors across Canada. However, we need to be clear that the proposed legislation still presents significant challenges.

We have proposed a number of important changes, which we have submitted both to Finance Canada and to this committee. I can't go into all of the issues now, but let me mention a few of the matters that we see as being most critical.

First, in our view, the rate reduction after 2030, effectively reducing the ITCs in half, is too steep and too fast. There are significant schedule risks in being able to get a 400-kilometre-long pipeline and 14 capture projects costing over \$16 billion from the drawing board to in-service within six years. If there are delays for any reason—regulatory or legal challenges, labour shortages, supply chain challenges—companies may miss the 2030 deadline and therefore lose half of the available ITC. At a minimum, we think the projects that are under construction before 2030 should be able to receive the full ITC rate until the project is complete.

Second, Bill C-59 states that the ITCs would only become available when equipment is acquired, not when expenses are incurred. Again, given supply chain and other challenges, we think this is a difficult requirement. Companies cannot make hundreds of millions of dollars in expenditure decisions without knowing when those expenditures will be eligible for the ITC and whether they will get the full rate at that time.

Third, we are concerned about the provisions that allow ITCs to be clawed back if the ownership of carbon capture infrastructure changes hands, even if the infrastructure is still being used for its intended purposes. This could pose challenges if oil sands facilities change ownership, or even if we were to bring in indigenous partners as equity owners of CCS infrastructure. We think it should be clear that ITCs will not be clawed back as long as CCS infrastructure is still used for carbon capture.

There are a number of other important issues that we have raised, which are outlined more fully in our brief, such as the definition of “refurbishment expenses” versus “development expenses” and the role of the Minister of Natural Resources versus the Minister of National Revenue in looking at future clawbacks and several other important issues.

I want to make clear that we believe this legislation should still move forward, even if we can't address these issues right now. We believe that, for the ITCs to achieve their intended effect, we will have to deal with these questions, either now or in the future, before projects are able to achieve final investment decisions.

With that, I thank you for your time and look forward to hearing your questions.

● (1130)

**The Chair:** Thank you, Mr. Cameron.

Now we are going to move to members' question time.

In this first round, each party will have up to six minutes to ask questions of these witnesses and also of the former panel's witnesses, if you have them.

We're starting with the Conservatives, and I believe it's MP Lawrence.

MP Lawrence, you have six minutes.

**Mr. Philip Lawrence:** Thank you.

It was interesting testimony by all parties here.

My questions will focus around Mr. Hatch.

There were a number of proposals included in the fall economic statement regarding financial services. Conservatives, of course, believe that competition is key in the economy in order to deliver better, more efficient and effective services for the consumer and end user.

A couple of the proposals that Conservatives have been making for many years have been real-time rail, increased membership to Payments Canada, as well as open banking.

In the fall economic statement, the actual framework for open banking did not come into place, despite many promises before. That's supposed to be in the budget coming up on April 16.

With that in mind, does the credit union have any thoughts with respect to what the open banking framework should look like?

**Mr. Michael Hatch:** That's a multipronged question, but I appreciate it. I'll do my best to be efficient.

On open banking, we've been working on this since at least 2018 under the previous minister, Bill Morneau, who launched the first process on this. We've been working and waiting since then for some kind of federally regulated and legislated framework on open banking.

Our most important objective as a credit union sector has been that credit unions should have the ability and opportunity, but not the obligation, to participate in an open banking framework. That's recognizing the different needs of 200 smaller, co-operatively

owned financial institutions. That has been reflected in most of the work that we have seen come out of finance and the government so far. We obviously eagerly await next week's budget to see what that's going to look like from a legislative point of view.

As we know, budgets are legislated over a long time horizon. Here we are in April 2024 talking about budget 2023. If the open banking components of this year's budget are in the second budget bill in the fall, then there's a good chance that goes into next year. That gets into the opportunity of being disrupted by an election. Obviously, we have no control over the timing of that.

It depends on what happens in the next 12 to 15 months legislatively with open banking, whether it indeed passes into law, and the framework that the minister is set to propose next week. We would hope that if there was an election or if there was any delay related to that, then whoever is successful in that election and in running the country after the fact would take that into account and not impose any further delays. We've been waiting since 2018. Obviously, there's been a pandemic and lots of other issues in the interim that the government's had to deal with. We would hope that it would be a priority for whoever comes into power.

**Mr. Philip Lawrence:** I would agree wholeheartedly. I think you said relatively clearly—I look across to our government members here—that the hope is it's implemented quickly.

I believe we're falling behind many of our other OECD peer nations with respect to open banking legislation. I believe that the U.K. has it in place, as well as many others.

Maybe you could comment on that briefly.

**Mr. Michael Hatch:** Other jurisdictions have implemented open banking. Our reality is different in Canada with how our federation works, of course. Not every national government out there has the same federal and provincial dynamics that are an ever-present reality in Canada. Financial institutions are provincially regulated, for the most part. That does impose a certain layer of complexity to it.

Yes, it's been since 2018. We've done our work and consulted heavily with the Department of Finance, the minister and her team. It's been very productive, but it's time to get it over the goal line now, I would say.

● (1135)

**Mr. Philip Lawrence:** This is related, but different.

We talk about membership to Payments Canada and the advent of real-time rail.

Could you briefly comment on the advantage that would have for your credit union members?



**Mr. Michael Hatch:** Yes, absolutely. We're supportive of the expanded membership options, as I mentioned in my opening remarks, for Payments Canada for credit unions. That's not necessarily going to be a realistic option for all provincially regulated financial institutions, but it will give a certain segment of our membership more options with regard to access to Bank of Canada liquidity facilities and other things.

Real-time rail is another important process for the sector. Like open banking, it's dragged its feet a little bit over the last number of years, and there are concerns with regard to the uncertainty of the timing of when that will be implemented. We're hoping for some further clarity next week on that in the budget and perhaps some further direction from the government on where they see that rolling out over the next couple of years.

**Mr. Philip Lawrence:** Thank you, Mr. Hatch.

I have about 40 seconds left.

If there are any other irritants or barriers that are preventing you from competing against the banks and providing additional choice to consumers, maybe you could provide us—

**Mr. Michael Hatch:** I'll be quick.

I'll just repeat what I said earlier about the nuance with regard to consolidation and mergers in the credit union sector. We need to be able to continue to consolidate to provide competition. It's a little bit counterintuitive. Usually, consolidation equals less competition, and that's what people assume. In our sector, again, the opposite is true, because we need to be able to continue to consolidate in order to provide competition to the large banks in the future.

Thank you.

**The Chair:** Thank you, MP Lawrence.

We now go to MP Dzerowicz.

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

I want to thank all the witnesses for being with us today.

I particularly want to thank you for asking our committee to move with haste to implement Bill C-59. I think it's a very important message. I think we are trying to move as quickly as we can.

Following that theme, my first question is for Mr. Cameron.

The U.S. Inflation Reduction Act was passed into law within two months of the introduction of the bill. Our bill has been in our House for twice as long.

How important is the quick passage of this bill in your decarbonization efforts as well as investments, and how important is it for Canada to remain competitive in the global market?

**Mr. Mark Cameron:** I think that's a good point. The U.S. Inflation Reduction Act was not only passed within two months, but the ITC was first talked about in budget 2021. Then it was talked about again in budget 2022. There were two rounds of draft legislation. It's been a three-year process to get this to the state it's at now.

We think it is important that it be passed this year. We have timelines to achieve emission reduction targets by 2030, and it will, frankly, be impossible if we don't have all the fiscal pieces in place.

I should say that the ITC is not the only fiscal piece that has to be in place. There are contracts for differences. There are provincial programs such as the Alberta carbon capture incentive program. We need to have that fiscal package in place this year if these projects are going to meet their 2030 timelines.

In terms of global competitiveness, this is an important piece of the puzzle. I would say that the Inflation Reduction Act and some of the incentives available in the European Union or countries such as the U.K. and Norway are much more generous than Canada's are. Even with these investment tax credits, we're still not fully competitive with our international peer jurisdictions.

This is an important piece of the puzzle, but it is not everything we need. That's not only for our sector, but I think that, if there were people here from steel or cement and others, they would say the same thing.

**Ms. Julie Dzerowicz:** I appreciate that.

I'm hearing urgency, and I'm also hearing predictability. I think we've laid out on pages 51 and 52 our delivery timeline as well as implementation. I think we need to stay on track on that.

How do you feel about the generosity of the federal government's ITCs or credit rate compared to other provincial jurisdictions?

**Mr. Mark Cameron:** The headline rates are 50% ITC for carbon capture, 37.5% for carbon capture pipelines and, I think, 60% for direct air capture, and they are generous. They compare with what's available in other jurisdictions.

The challenge is that there are a lot of details in the legislation that may make it hard to achieve those headline rates. If projects were delayed beyond 2030, or if we can't get equipment installed and we buy it at one rate and install it at another rate, etc., then there's development versus refurbishment. You can only claim 10% of refurbishment expenses compared to development expenses. There are a lot of details that may make it hard to achieve that 50% rate on the capital deployed.

• (1140)

**Ms. Julie Dzerowicz:** I appreciate that.

Carbon capture is still a relatively new technology. Irrespective of all the points you were mentioning, we're almost inventing this whole new technology, and I think the world is going to be watching. I appreciate your comment.

Along those lines, how do you see the value of the ITC in making Canadian oil competitive on the international stage, since it lowers our emissions?

**Mr. Mark Cameron:** This is very important. Canadian oil sands really have one of the best track records on environmental performance, indigenous relations and many other fronts compared to anywhere else in the world, except on one key issue, which is emissions intensity. Canadian oil sands are highly emissions-intense, because the process is highly intense. You're not simply putting a pump in the ground and extracting oil. You have to use huge amounts of power to generate huge amounts of steam to separate the oil from the sand. That's what essentially creates the high-emissions intensity.

There are a limited number of paths to solving that. CCS is the most available one right now. However, if we want to be competitive on an emissions basis, then we have to deploy these technologies so that our Canadian crew can be....

We think oil sands could ultimately be the lowest emission source of heavy crude, not light crude, in the world with these kinds of technologies.

**Ms. Julie Dzerowicz:** Along those lines—and I think the conversation is great with what I was hoping to ask you—how do you plan on lowering emissions through these tax credits? What is the anticipated expected emissions reduction?

**Mr. Mark Cameron:** Our current plan is we would achieve about 10 to 12 megatonnes of reductions through carbon capture. We have other emissions reduction technologies we're working on; however, through carbon capture we would achieve up to about 16 megatonnes by 2032. This would be a very significant portion of the oil and gas emissions reductions and of Canada's emissions reductions in the next 10 years.

**Ms. Julie Dzerowicz:** We want to see the oil sands industry succeed on this, so I agree we have to get to passing this legislation as fast as possible.

Thank you.

**The Chair:** Thank you, MP Dzerowicz.

Now we'll go to MP Ste-Marie, please.

[*Translation*]

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

I want to let you know that for this round I will be questioning Mr. Beaulieu from the Québec Environmental Law Centre. In the next round I will be questioning Mr. Soucis and Ms. Landry from the first panel, so they will be able to rejoin us at that time.

Thank you for being with us today, Mr. Beaulieu, and thank you as well for your presentation.

From what I understood, paragraph 236(1)(b.1) makes some positive improvements, but that provision is really incomplete. You gave a good explanation of the four limitations.

If we had more time, I would have liked to hear what you have to say about Pathways Alliance and the oil sands industry. I would have liked to know whether you believe that sector of the economy engages in greenwashing.

That being said, since I have only a little time, I would instead like to know whether you were able to hear the testimony of the of-

ficials from the Department of Innovation, Science and Economic Development who came here to answer committee members' questions, and whether you have any comments to make in that regard. You may also address other matters.

**Mr. Julien Beaulieu:** Thank you for the question.

Yes, I heard the testimony given by the officials from Innovation, Science and Economic Development Canada, or ISED. A few points were raised. They said there may be constraints associated with the division of powers that might limit Parliament's ability to regulate greenwashing. After a brief review of the case law and the various sources in the literature, I do not think there seems to be any problem associated with Parliament's jurisdiction. From the perspective of both jurisdiction and freedom of expression, there is really no problem in going further and regulating environmental representations by businesses well. There have been a number of decisions that confirm this.

The officials also suggested that greenwashing rules were a sectoral scheme that would go somewhat against the spirit of the Competition Act, which is a comprehensive act covering all sectors of the Canadian economy. My answer is that greenwashing is a practice that could arise in all sectors of the Canadian economy. Today, all businesses are having to adopt carbon neutrality targets and improve their products' environmental performances. To my mind, therefore, greenwashing is a deceptive marketing practice that could emerge in all sectors, and the Competition Act, as a law that applies to all sectors, is ideal for tackling this problem.

Another point that was raised by the officials relates to the government's announcement last fall that it might be going to impose disclosure obligations relating to climate risks on private enterprises. They said this would enable them to tackle the greenwashing engaged in by organizations. Climate risk disclosure obligations are a step forward, but that relates only to climate risks and environmental performance. It therefore would not address environmental effects and it would not affect generic representations by businesses. There are all sorts of claims that can amount to greenwashing that would not be covered by this kind of regulatory scheme.

Moreover, it may take a lot of time for this scheme to come into force. We have not heard many details from the government about this. I would therefore tend to say that we have a very important opportunity to strike while the iron is hot and adopt a very broad provision regarding greenwashing that takes in all environmental claims.

Contrary to what we see in relation to somewhat more controversial issues, in this case there are a number of businesses that support greater predictability and a clearer regulatory framework, precisely to avoid greenwashing accusations. Businesses want to know what they are entitled to say, what they are not entitled to say, and how to be transparent in order to avoid accusations and risks, so they are able to enjoy the fruits of their investments in innovation. It is as good for business as it is for consumers. According to a survey done by Protégez-vous, 85% of Canadians support more stringent regulations on greenwashing, so there appears to be some consensus on the subject.

Do I still have a bit of time to answer the question?

• (1145)

**Mr. Gabriel Ste-Marie:** Yes, you have two minutes.

**Mr. Julien Beaulieu:** Perfect.

The officials also talked about the fact that certain types of claims were not covered by the present version of clause 236.

Clause 236 requires that when a business makes certain environmental claims it do tests. For example, if a business wants to say that an apple is carbon neutral, it has to do tests. People at the grocery store will then be able to rely on the fact that the business did a test to prove that the apple was carbon neutral.

However, the officials told us that if the business says the apple is green, that is, that it is environmentally friendly, regardless of what colour it is, or if it says that the apple is sustainable, there are no standards in the industry that regulate that claim. There is no standard that regulates the use of words like "green" or "sustainable". In fact, the commissioner of competition said, in the letter that was sent to committee members, that generic representations, like ones that use words like "green", "responsible", "sustainable", and other catch-all words, are not precise enough for people to know what they mean. Clause 236 in its present version would not apply to representations of that nature.

We believe this is a huge problem and that is why we are proposing to compel the disclosure of the tests on which environmental claims, including generic claims, are based. In practice, this means that if it says at the grocery store that an apple is responsible or sustainable, the business will have to explain how it arrived at that conclusion, by way of a label, a QR code or a link to a website. It must therefore explain how it defines the word "green" or the word "sustainable". If it cites an industry standard, it will have to name it.

That approach would therefore give consumers access to information and they would be able to understand what someone is trying to tell them when they say something is "green" or "sustainable" at the grocery store, for example. Requiring disclosure of tests or of the proof to support environmental claims would very significantly improve Bill C-59.

Essentially, what I would like you to take from my presentation is that clause 236 is a step in the right direction, but we want to make it genuinely possible for consumers to recognize greenwashing and have a good understanding of what they are being told. Businesses have to be given a clear regulatory framework. The

amendments I proposed in my presentation would be essential to achieving that objective.

I think everyone here is in favour of environmental transparency, regardless of how extensive the environmental policies someone wants to propose might be. No one opposes transparency and truth, and that is essentially what we are asking for by proposing these amendments.

**The Chair:** Thank you, Mr. Beaulieu.

Thank you, Mr. Ste-Marie.

**Mr. Gabriel Ste-Marie:** That is very clear, Mr. Beaulieu.

Thank you.

[English]

**The Chair:** Now we'll go to MP Davies, please.

**Mr. Don Davies:** Thank you, Mr. Chair.

Mr. Hatch, I will declare my bias from the outset. I have been a proud member of the credit union movement for over 30 years. I will situate myself there.

Bill C-59 amends the Canadian Payments Act to, among other things, expand membership in the Canadian payments association to credit union locals that are members of a credit union central.

Could you outline how this measure will impact credit unions and their members?

**Mr. Michael Hatch:** Yes.

Thanks for declaring your bias and your support of the sector. I appreciate that.

Historically, individual credit unions have not been able to be direct members of Payments Canada just through its centrals, of which there are five across Canada. This bill will amend the governing legislation of Payments Canada to allow credit unions to have direct membership. There's a cost associated with that. Not all credit unions will likely choose to bear that cost and become members of Payments Canada, but the bill allows those that choose to do that to have access to all of the services associated with membership, and, as I said earlier—subject to the discretion of the Bank of Canada, ultimately, of course—access to the Bank of Canada's standing terms on liquidity facilities and other emergency lending facilities at the Bank of Canada.

• (1150)

**Mr. Don Davies:** Bill C-59 also eliminates the requirement that credit unions derive no more than 10% of their revenue from sources other than certain specified sources, such as interest income from lending activities.

Mr. Hatch, how does the removal of the revenue test benefit credit unions and their members?

**Mr. Michael Hatch:** That's a huge issue. That's the tax issue that I mentioned in my opening remarks, which is effectively an update of the definition of "credit union" in the Income Tax Act from the 53-year-old definition that's currently on the books. That effectively, today—until, one hopes, this bill passes—limits what CRA considers to be so-called credit union income to a very narrow band of what may have represented the majority of the credit unions sector's revenues in 1971. I wasn't around then. I imagine the world was different. Our business model was certainly different. It's had to evolve in the last half century.

Credit unions have had to diversify their sources of income in order to continue to exist, frankly. The 1971 business model would not allow you to exist today. That's just a reality of the market. The Income Tax Act has not kept up with that. CRA continues to, in some cases, enforce a 53 year old definition, which disallows all sorts of revenues that credit unions earn, apart from just plain vanilla deposit and loan revenue from members, which is of course the historical and traditional way in which financial institutions earn revenue. If you want to exist today, you need to earn revenue in all sorts of different ways.

Eliminating that revenue test acknowledges that credit unions earn revenue in other ways, and will presumably, we hope, eliminate the negative tax consequences that have come with CRA interpreting and enforcing a 53-year-old definition in recent years.

**Mr. Don Davies:** My second confession is that I do remember 1971, but it's very hazy, very hazy.

Mr. Beaulieu, clause 236 of Bill C-59 adds a new provision, as you've pointed out, to the deceptive marketing provisions of the Competition Act to help address certain types of false or misleading environmental claims. It specifies that claims about a product's benefit for protecting the environment or mitigating the environmental and ecological effects of climate change must be based on an adequate and proper test, and that the burden of proof would fall on the person making the representation, thereby making it a type of reverse-onus provision. However, Canada's commissioner of competition, Matthew Boswell, in a letter to this committee in March, said this:

The reality is that a significant portion of the greenwashing complaints the Bureau receives do not involve claims about products, but rather more general or forward-looking environmental claims about a business or brand [such as] being "net-zero"...by 2030.... These claims are not reverse onus, and it can be challenging for the Bureau to prove that they are false or misleading in a material respect.

Do you agree that more general or forward-looking environmental claims about a business or brand should also be subject to the reverse-onus test?

**Mr. Julien Beaulieu:** Yes. I entirely agree with Mr. Boswell's comments and recommendations.

I think as soon as you're making an environmental claim about a company, a brand, an activity or a scientific fact more generally in order to promote a business interest, irrespective of where it is, there should be a substantiation requirement. You should be required by law to do a test to come up with evidence. Then, in addition to that, ideally you should also be required to disclose this evidence to the public, thereby ensuring that, in that type of environ-

ment, you're not just making environmental claims out of the blue without proper evidence.

**Mr. Don Davies:** The EU recently adopted a directive banning the use of general environmental claims, such as environmentally friendly, natural, biodegradable, climate neutral, or eco without proof. The use of sustainability labels will now also be regulated in the EU, and the directive bans claims that a product has a neutral, reduced or positive impact on the environment because of emissions-offsetting schemes.

In your view, should Canada adopt a similar approach?

● (1155)

**Mr. Julien Beaulieu:** Ideally it should. However, an interim step would be to require the disclosure of substantiation evidence. In that way you would not be prohibiting general claims, but you'd be requiring firms to explain what they meant. Firms would be required to define what they meant when they used these words. But, yes, I agree with you. In an ideal world, nobody would use words such as "green" or "sustainable" or "responsible" because nobody knows what they mean. So, tell me that you're going to achieve an emissions reduction, but tell me when, how much money you are investing, what your target is and what you are including in this pledge in terms of scope 1, scope 2 and scope 3 emissions. Right now it's the Wild West. Ideally, yes, but there should be no generic claims but rather specific standards and the law. There is room to make very small amendments to this bill to address part of this situation.

**Mr. Don Davies:** Thank you.

Thank you, Mr. Chair.

**The Chair:** Thank you, Mr. Davies.

Witnesses and members, we're moving into our second round. What we do when we don't have enough time to do a full round is we truncate it, so we'll be doing four to five minutes for each party in this round.

We are starting with MP Hallan.

MP Hallan, the floor is yours.

**Mr. Jasraj Singh Hallan:** Thanks, Chair.

As I said at the beginning of the committee, I want to move my second motion. This has already been put on notice.

Given that four premiers have written to this committee requesting to appear in relation to the April 1st carbon tax hike, and seven out of ten premiers, representing 70% of Canadians, have voiced their opposition to the carbon tax, the committee invite premiers Furey, King, Houston, Ford, and Kinew to appear at the Standing Committee on Finance within two weeks of the adoption of this motion; and

Furthermore, the committee prioritize hearings with the premiers above all other business.

I am hoping we can get to a vote quickly on this, but as a brief background, these premiers wrote to the finance committee to appear the week of March 25. They wanted to call on the Prime Minister to spike that April 1 hike, as our common-sense Conservative leader has been calling for as well.

I will note that one of those premiers was a Liberal premier, Andrew Furey. Premiers Houston, Higgs, Moe and Smith wanted to speak at this committee, and our chair ignored that request on April 1.

The Prime Minister ignored those premiers and 70% of Canadians and he did not freeze the carbon tax scam. He ended up increasing it 23%, making the cost of gas, groceries and home heating even more expensive, as we see.

This is just on the pathway for them to quadruple this carbon tax. As we know, it's causing so much pain. We see too many Canadians going to food banks in a single month, and a million more are projected to. It's only going to make things even worse.

I would just note that the chair does have the ability to call a meeting unilaterally. On page 1095 of *House of Commons Procedure and Practice*, third edition, it states:

Committee members are convened, that is, called together for the purpose of meeting, by the Chair, acting either on a decision made by the committee or on his or her own authority.

These premiers were calling on our chair. Our chair ignored those requests.

The OGGO chair stepped up and listened to the calls of the premiers and called three of them, including the Parliamentary Budget Officer, who I will note also confirmed in that committee that the carbon tax scam leaves a majority of families worse off. Once again he said that in that committee, so thanks to him for showing up on the committee's request.

We believe it's important that the premiers, whose provinces have the federal carbon tax, have an opportunity to appear and voice their concerns about the carbon tax.

I'll leave it there. Thank you.

**The Chair:** Thank you, MP Hallan.

I do need to speak to this because the MP has called out the chair. Just for members' information, one MP, MP Hallan, reached out to—

**Mr. Philip Lawrence:** I have a point of order.

**The Chair:** What is the point of order?

**Mr. Philip Lawrence:** I don't think the camera is picking you up.

**The Chair:** That's fine, MP Lawrence.

MP Hallan was the only MP from this committee to reach out to me, informally, in a text. To MP Hallan I said, "Have you reached out to the other members?" I did not hear back at all from MP Hallan after that, so I did not see that the members would like a meeting. That is the decision I took, always looking to the members because it is at the will of this committee.

I did not receive any emails, texts, calls from other Conservative MPs or NDP MPs or Liberal MPs, nobody, except from MP Hallan in an informal text.

Yes, MP Hallan.

• (1200)

**Mr. Jasraj Singh Hallan:** Chair, you did get emails from Conservatives. There were Conservative premiers.

I think it's important that—

**The Chair:** I'm going to interject here, MP Hallan.

**Mr. Jasraj Singh Hallan:** I don't think that's allowed.

**The Chair:** I'll just say that what the committee received.... You reached out to me as a member of the committee and I asked you to reach out to the members of this committee. I don't know if you did or not, but I did not hear from any other members.

The decision was made the way I've made decisions in the past, which is to listen to the members because it is the will of this committee on how we move forward.

Yes, MP Hallan.

**Mr. Jasraj Singh Hallan:** You have interjected and I've never had that happen to me before, but if you'll allow me to respond to you, as I quoted from *House of Commons Procedure and Practice*, it does say that you also have the authority.

I think it's important that when the premiers themselves, the heads of their own provinces, who represent millions of Canadians, reached out to you in order to call this meeting, it would be important at least to respond to them, which you did not.

I am grateful that the OGGO chair, the great Kelly McCauley from Edmonton West, stepped up and we got to hear from the premiers and the PBO.

I will leave it at that. I am just saying that when the premiers are calling, we should at least respond to them, out of respect. They do represent millions of Canadians.

Thank you.

**The Chair:** Thank you, MP Hallan.

Out of respect to all the members on this committee and out of the way we have worked together, I was not going to make a unilateral decision to do that. I will respect the will of the committee, the will of the members, and that is how I will conduct these meetings and move forward.

On what you've proposed here, MP Hallan, I do have a speaking order. I have MP Dzerowicz, MP Ste-Marie and then MP Davies.

MP Dzerowicz.

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

I just want to say that I'm very, very disappointed that this motion has been moved, for the following reasons. At the very end of this motion, it basically says that we should be entertaining this motion at the expense of moving forward with Bill C-59 business, which is the fall economic statement. We have listened to six excellent witnesses so far. They have been very clear that they're asking for fast passage of Bill C-59. We heard from industry today, who indicated that it's very important for them to have clear timelines and predictability or else we will be at risk from a competition perspective, from an economic perspective and from a competitive perspective. I'm very disappointed that the Conservatives are moving this forward.

Also, Mr. Chair, just from a technical perspective, the premiers listed in this motion have not written to this committee. Other premiers wrote to this committee, but not the premiers who are listed here. I wanted to point that out.

I'm really glad that Mr. Hallan mentioned OGGO. I happened to be watching some of the commentary on national news about that testimony from the premiers at OGGO. I'll be quoting a couple of them, because I think their summary of what took place at OGGO after the testimony around the carbon pricing was very accurate.

Andrew Coyne, referring to the testimony of the premiers at OGGO committee, now a couple of weeks ago, said, "What you saw on display...with each of them was [actually a] parade of nonsense. You saw how completely dishonest they were about the costs of the carbon tax and...basically...ignoring the [Canada carbon] rebates that are available, that for 80% of households, as the Parliamentary Budget Officer has found, makes [most Canadians] more than whole. But also, when they were asked for their alternatives, it was just fantasy. It was...maybe we could amend the Paris Accord, or maybe we [can] get China to reduce [their] consumption of coal, or maybe we could get other countries to give [Canada] the credit for the carbon reduction" that our companies are making or the provinces are making "by using our liquefied natural gas rather than claiming the credit themselves."

In terms of what the provinces would do alternatively, they have no suggestions. Mr. Coyne mentioned his favourite, which has been mentioned a couple of times today in other debates. When Premier Scott Moe was asked what he would do, he said he looked at the alternatives, but all of them "cost more than the carbon price".

Chantal Hébert said that the Premier of Alberta had mentioned that the carbon tax is immoral and inhumane, but then in her budget that was unveiled just a few days before her testimony, she raised the tax on gas in her own province, so it seems like the price on pollution or carbon tax is immoral and inhumane because it's federal, but when the Province of Alberta raises the price on gas, it is not inhumane and immoral.

It is ridiculous. This is a colossal waste of time. This is bad strategy. It is stopping us from continuing to move expeditiously on Bill C-59, which is what we need to do right now.

I will not be voting in favour of this motion.

Thank you, Mr. Chair.

• (1205)

**The Chair:** Thank you, MP Dzerowicz.

I do have MP Ste-Marie, then MP Davies and then MP Chambers.

MP Ste-Marie, go ahead, please.

[*Translation*]

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

First, I have some more questions I would like to ask Mr. Soucis and Ms. Landry. Bill C-59 presents a major problem for all the professions they represent. I hope to have time to question them on this subject.

Second, I would not support the idea of a House of Commons committee inviting the provincial premiers to appear, which is an unusual process. However, I would support that idea in the event that the provincial premiers wrote to the committee to ask to appear at a meeting, as in the really unusual case we have seen. In that case, it is the least we could do is to give them a respectful hearing. Four premiers have already made that request: Mr. Moe, Mr. Houston, Ms. Smith and Mr. Higgs. If there are motions proposing to invite them to testify, I will support those motions.

Regarding the premiers who have not asked to appear at the committee, I will not support such motions. Obviously, if the other provincial premiers wrote to the committee, then I would be in favour of having the great pleasure of hearing them. I am sure we can arrange our schedule to have them appear quickly, while continuing our study of Bill C-59. I think that is possible.

Regarding the present motion, if I am not mistaken, only Mr. Houston of Nova Scotia is named. For that reason, I will not support the present motion. I will only support motions that propose to invite the premiers who have asked to appear at the committee.

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

[*English*]

Now I have MP Davies and then MP Chambers.

**Mr. Don Davies:** Thank you, Mr. Chair.

I can't support this motion. I'm not sure that this is the appropriate place to hear from premiers about carbon tax alternatives. To me, it would be more appropriate for the environment committee.

I would just point out that premiers have had years to develop their carbon position. In fact, they were officially invited by this government. It gave them several years' warning that if they didn't want the federal carbon tax to apply, they could develop their own carbon reduction measures, leaving provinces either choosing to ignore the climate crisis if they didn't bring one in, or frankly, being deleterious in their responsibility to their citizens.

Let's face it. Premiers have a huge platform to express their positions, and they have. Does anybody not know what any premier's position is on the carbon tax in this country? They have a huge platform.

I'll tell you who doesn't have a platform. It's these people here and the people before this committee: stakeholders, citizens' groups and citizens. They are the people who do not have that kind of megaphone and platform. They are whom I believe this committee must make it a priority to hear from, so that we get the input of real Canadians who are really working on the ground in order to help inform the finance committee in setting appropriate economic policy.

My problem with this motion is that it would call for this committee to prioritize hearings with the premiers above all other business. That's the business before our committee today, and we've already lost valuable time to hear from knowledgeable people about Bill C-59.

I understand there is a housing report that has been done, or we've had hearings but we haven't finished the report. If you want to know something that's important to my constituents in Vancouver—this is a foundational need—it's how people can't find affordable housing.

Are we supposed to provide a platform for premiers to come and tell us that they do or do not oppose the carbon tax? I'm sorry. I just can't support that. As a matter of priority, I'll tell you who I'll prioritize. I'll prioritize hearing from these people over the premiers.

Finally, just as a matter of procedure, I've had the privilege of serving in this House for 16 years. I've been through Conservative minority governments, Conservative majority governments, Liberal minority governments and Liberal majority governments, and I have never, ever seen a chair call meetings and set the agenda.

I think what my colleague Mr. Hallan is referring to is how chairs have the ability to unilaterally call a meeting, but they don't have the power to unilaterally set an agenda. There's a crucial difference. We're a democracy, not an autocracy.

By the way, that sounds like it's setting up a gatekeeper to me. If you want to talk about a gatekeeper—and I really hope this doesn't presage how a Conservative government will run its committees—whereby one person, a committee chair, will call a meeting, call the witnesses and thrust that decision on the committee members....

In my 16 years, we have always set the committee business through discussion, through debate and, ultimately, through a vote. That's called democracy, and the last I checked, committees, which are creatures of the chamber, operate democratically, not autocratically.

• (1210)

I just want to say, Mr. Chair, I very much support your decision. I would say the same thing to a Conservative chair, to a New Democratic chair and to a Bloc Québécois chair. The chair's job is to facilitate the business of the committee, not create it. I just want to be clear on that, lest this issue come up again in setting the committee's agenda.

Thank you.

**The Chair:** Thank you, MP Davies.

MP Davies, that is how we have conducted our business here at this committee. That's how I've chaired these meetings, and that's how I will continue to chair these meetings, as long as the members agree to that.

I will now go to MP Chambers.

**Mr. Adam Chambers:** Thank you very much, Mr. Chair.

I'd like to move to a vote very quickly, although I was persuaded to make a comment.

I find the comments from my new NDP colleague on the committee quite persuasive. We know the results of the vote.

However, I'd like to make an offer to the government members, since they're so concerned about moving this bill very expeditiously, which was introduced prior to Christmas. We'll be here until 7 p.m., and I'd be prepared to move a unanimous consent motion to send this bill immediately back to the House unamended.

You can call me at any time to do that. I don't think I'll get a phone call, because we all know there are very substantive amendments coming to this bill in two areas that haven't been tabled, which is why the bill has been delayed.

The bill has not been delayed because of Conservatives. The bill has been delayed because there are problems with the legislation, and everybody knows that.

The problem with this town is that everybody talks. We know there are substantive amendments coming to the bill, and if you would like to move it unamended, you could take me up on my offer at any point between now and 7 p.m.

Thank you very much.

**The Chair:** Thank you, MP Chambers.

Very sincerely, I apologize to the witnesses that you have had to experience this and have gone through this exercise we have had here. Unfortunately, you were not able to answer many of the questions that I'm sure many of the members have for you.

Because we did not have the time with this panel as well as the panel before, members will submit their questions for the witnesses. The answers will be sent to the clerk, and they will be incorporated into our report. We thank you very much.

At this time, we are going to transition to our third panel.

I'm sorry. There's the vote.

**Mr. Philip Lawrence:** On a point of order, this is a democracy, Mr. Chair. Your authoritarian regime—

**The Chair:** I'm trying to stay on time here.

Clerk, please call the vote.

(Motion negatived: nays 7; yeas 5)

**The Chair:** The motion is defeated.

We'll suspend.

- (1210) \_\_\_\_\_ (Pause) \_\_\_\_\_
- (1220)

**The Chair:** Members, we are back.

We have some excellent witnesses with us. From Alaphia Financial Wellness Inc., we have financial planner Natasha Knox. She is joining us via the web. From Canada's Building Trades Unions, we have the executive director, Mr. Sean Strickland, who is with us. From the National Council of Unemployed Workers, we have their spokesperson, Pierre Céré.

Welcome.

We are going to start with opening remarks by Natasha Knox, please.

- (1225) **Ms. Natasha Knox (Financial Planner, Alaphia Financial Wellness Inc.):** Thank you, Mr. Chair and committee members, for allowing me to speak with you today.

I have four main points I'd like to address that concern planning for people with disabilities that I have encountered in my private practices. I think if these issues were addressed, it would be greatly helpful to people with disabilities and their families. It would be a ray of hope for a more inclusive and supportive future.

The first thing I'd like to talk about is with respect to the inclusion of siblings as successor holders of RDSPs, which is part of Bill C-59. This change, which I am very heartened by, addresses a very real need and concern for parents of children with disabilities. It makes their planning process more streamlined, more flexible, and it gives certainty and comfort around knowing their children's savings will be seamlessly managed when they're gone. This is a major worry for people who have children with disabilities.

However, this measure is still temporary, and it expires at the end of 2026. I believe this excellent measure should actually be made permanent. I would hope that whatever negotiations or mechanisms need to be implemented to make this change permanent can be done.

The second point that I would like to talk about today concerns specified disability savings plans. These are for beneficiaries who have shortened lifespans. Regular RDSPs can be designated as specified disability savings plans when a doctor or a nurse practitioner provides a written opinion that the beneficiary is unlikely to live more than five years. At a really high level, the current provisions allow for a withdrawal of up to \$10,000 of the taxable disability assistance payments or the LDAP formula, whichever is greater, without having to repay the grants and bonds.

The issue here is that with older plans that were funded early on, the taxable portion of those plans could be well in excess of \$50,000—so \$10,000 times five years. With a beneficiary with a significantly decreased life expectancy, this current structure ends

up creating estate value, which is not the purpose of these plans. These plans are intended to help the lives of people with disabilities while they're living. What would be more helpful instead would be perhaps a percentage withdrawal, rather than a specific dollar value limit that would allow those people with disabilities, who also have a shortened life expectancy, to properly access their savings, to make their lives easier and more comfortable in their final years.

My third point today concerns *inter vivos* Henson trusts. It would be helpful if those could regain access to the principal residence tax exemption. The loss of the principal residence exemption for these types of trusts happened in 2016. It has had unintended consequences for people with disabilities, who have a property that they live in in this type of trust that was set up for them prior to 2016. The particular issue here is that the 21-year rule causes a deemed disposition and causes capital gains to be paid on all trust assets. Without the principal residence exemption, these trusts have to pay capital gains based on the increase in the value of the property since 2017. This is unjust since these properties are in fact the principal residence of the person with disabilities living in them. Further, it's problematic, because it imposes hardship on the beneficiary if the trust assets don't have sufficient money to pay the capital gains.

The final piece I will mention today is around expanding access to the disability tax credit itself for people who have a diagnosis of a degenerative illness or an episodic disability. The disability tax credit is the key that unlocks access to lots of programs, including the ability to establish a RDSP, which is the aspect that I personally encounter in my work. When we're talking about RDSPs, the time value of money is significant. The earlier on that a person can start saving, the more meaningful those savings become.

- (1230)

It's a real shame that someone who has a diagnosis of something degenerative in nature like MS, for example, that progresses over time, is unable to start saving. They could get the grants and bonds and all of the sheltered growth on those savings when they first get the diagnosis versus the situation now, which is that they have to wait a number of years for their condition to get bad enough to qualify for the DTC in order to even open up an RDSP.

Recently there were some provisions made, which was a really great step in the right direction for people with type 1 diabetes to automatically qualify for the DTC. What I would love to see is if we could make even more strides in that direction and continue expanding access.

Thank you very much for giving me the opportunity to speak with you today.

**The Chair:** Thank you, Ms. Knox.

We'll now hear from Canada's Building Trades Unions.

Mr. Strickland, please go ahead.



**Mr. Sean Strickland (Executive Director, Canada's Building Trades Unions):** Thank you, Mr. Chairman and committee members.

My name is Sean Strickland, and I serve as the executive director of Canada's Building Trades Unions, the national voice for over 600,000 skilled tradespeople in Canada who belong to 14 international unions and work in more than 60 different trades and occupations.

I am pleased to be here today to talk about the positive impacts that the skilled trades anticipate from the investment tax credits and the substantial benefits to the broader construction industry from the measures in this bill.

I want to be clear with members of the committee that the investment tax credits are a game-changer for all construction workers, union and non-union. We urge Parliament to move forward as quickly as possible. That's because, for the first time, government incentives in the tax code that encourage investment in priority projects are being directly tied to delivering benefits for skilled trades workers. The investment tax credits are a true win-win for skilled trades workers, businesses investing in clean technology and for all Canadians.

Bill C-59 will require that companies that are claiming ITCs and investing in projects involving clean technology, clean hydrogen, clean electricity, nuclear and carbon capture that want to receive the maximum benefit must pay good wages—union wages and benefits—to the skilled trades workers who are building these projects.

The prevailing wage requirement in the investment tax credit is, without a doubt, the best definition of prevailing wage in Canadian labour history. Regardless of whether a skilled trades worker is one of our members or not, they will be paid the robust wages and benefits we've negotiated through multi-employer collective agreements.

This bill is also a monumental win for developing our Canadian skilled trades workforce. The provisions of the investment tax credit require companies to hire apprentices. This is important. Developing the skilled trades workforce for the future requires high-quality, well-paid apprenticeship opportunities. It is critical that companies receive incentives to invest in training of the next generation clean economy workforce, and the 10% apprenticeship requirement is an outstanding measure to help ensure that we're doing what we need to do to build the clean economy workforce of the future.

Moreover, because of the strong prevailing wage requirements, many more Canadian workers will be attracted to the skilled trades to the benefit of them and their families. Beyond benefits to the workforce as another critical reason to advance this bill, there is regulatory certainty. You've heard that from other delegations today. There are tens of billions of dollars in final investment decisions—and I don't say that lightly—awaiting the certainty that the passage of this bill will bring.

From new net-zero petrochemical production facilities in Alberta and carbon sequestration to small modular nuclear projects in Ontario and New Brunswick and hydrogen projects in Atlantic Canada, there are billions of dollars on hold that can start flowing

into our economy, including wages into the jeans of Canadian workers.

We know that these measures do work. We've seen it in the United States under the Inflation Reduction Act and the CHIPS act. On behalf of the members of Canada's Building Trades Unions, we have one overriding message to this committee: We can't wait.

To the benefit of Canadian construction workers, our environment and the Canadian economy, we look forward to the passing of this bill. Let's get to work.

Thank you, Mr. Chairman.

• (1235)

**The Chair:** Thank you, Mr. Strickland.

Now we will hear from Pierre Céré of the National Council of Unemployed Workers, please.

[*Translation*]

**Mr. Pierre Céré (Spokesperson, National Council of Unemployed Workers):** Thank you, Mr. Chair.

Ladies and gentlemen, members of the House of Commons Standing Committee on Finance, thank you for inviting me to appear before the committee.

I represent the National Council of Unemployed Workers. You will understand that the word "unemployment" is not a word or a fact we are afraid of. In our economy, unemployment is a fact of life in the labour market.

Today is my birthday. I am 65 years old, and I have been involved in the unemployed workers movement for 45 years, since 1979, in fact. In appearing before you today, I have only one wish: that at the end of this discussion period, you keep in mind the importance of a social measure like employment insurance, which is an important part of the social edifice of Canada itself, a social program that falls squarely within the political and constitutional powers of Canada.

In the 45 years I have been involved, I have seen and understood what has been done to this program, how it has been damaged, starting in the 1990s, how entire segments of the existing social protections were dropped, how it has been downgraded. Its name was even changed in 1996 by replacing the word "unemployment" with "employment". We are no longer insured against unemployment, we are insured for finding a job—which is just a figure of speech.

There are some who see this program as just a column of figures. We see human beings, working men and women. As I speak, there are more than a million active employment insurance claimants from coast to coast. In the last year, starting on April 1, 2023, over 3 million claims were processed and 2.5 million people received benefits under the scheme. Canada's labour force consists of about 21 million people. These unemployment rates, despite the fluctuations, nonetheless remain low. In Quebec, we have become the Canadian champions when it comes to low unemployment rates. In fact, we account for only 17% of the benefits paid to active Canadian claimants.

I am not here to ask or beg for anything. I am here to try to show you a vision, a vision of a social program that is important in the lives of hundreds of thousands of Canadian families, a program that is important for hundreds of thousands if not millions of working men and women who are going through periods of unemployment, whether short or long, depending on the job situation.

The present government formally committed to undertaking a comprehensive reform of the employment insurance scheme, to modernizing it and to bringing it into the 21st century. Between 2021 and 2022, we participated in countless consultation sessions. The reform was to take effect in the summer of 2022, before it was pushed back, more than once. We believed in it until last year's budget was announced. There was nothing in that budget, not one measure relating to the protections provided by employment insurance, a big fat nothing.

In the November 2023 economic statement, four additional weeks were added to the five already provided in a pilot project for seasonal workers in 13 administrative regions of Canada. That was it. That measure will end on September 7. Once again, it is just a temporary measure.

My message is this: We need meaningful or impactful measures to help working people during periods of unemployment. We need solutions to real problems, the problems of seasonal workers and of parents, especially women, who lose their jobs while on parental or maternity leave and find themselves with no protection. Family caregiver benefits for adults, which are only 15 weeks, have to be increased. General eligibility for the scheme has to be improved, for example by making the penalties for terminations of employment for reasons considered to be invalid more flexible. There is much to be done.

When I finish speaking, it will be up to you, the MPs on this committee, to go back to your respective caucuses in anticipation of the budget. It will be up to you to put the subject on the table. After all, you must know how important it is, since there are people going to your constituency offices to ask for help because of problems relating to employment insurance.

Don't wait until the next crisis. It will come, that is for sure. Always remember that we are talking about working people when we talk about columns of employment insurance figures, that we are talking about working men and women, about human beings.

Thank you for your attention.

• (1240)

[English]

**The Chair:** *Merci*, Monsieur Céré, for your opening remarks.

[Translation]

On behalf of the Standing Committee on Finance, I congratulate you and wish you a happy birthday.

[English]

Members and witnesses, we are moving to questions. In this first round, each party will have up to six minutes to ask the witnesses questions.

We are starting with MP Morantz for the first six minutes.

**Mr. Marty Morantz:** Thank you, Mr. Chair. I want to thank our witnesses for being here.

Mr. Strickland, I want to thank you for being here. I want to ask you about something.

Last year, just after Minister Champagne announced the deal to give \$15 billion to Stellantis and NextStar to build the Windsor plant, it came to light that NextStar was hiring at least 900 foreign workers to do that work. You were in the media quite a bit about this. Since you're before the committee now, I want to give you the opportunity to express your concerns around that issue. It goes without saying that \$15 billion is an awful lot of taxpayers' money. For the minister not to cut a deal to guarantee that the skilled trades in Ontario would do this work seems to me to be negligence, essentially.

You've been on the record as calling this a slap in the face to Ontario workers. You said that Ontario construction workers are fully able to construct the plant and install the specialized equipment required, and it's an insult—very strong language—to skilled trades to suggest they are unqualified. You said it's absolutely unconscionable.

I'm going to give you a platform here to tell my Liberal colleagues on the committee exactly what you think in person.

**Mr. Sean Strickland:** Thank you very much, Mr. Morantz.

I stand by my comments that I made back in November and December. I can say that right now in Windsor on the NextStar plant there are approximately 1,400 Canadian workers building the base building. That will peak at about 1,600.

We still have some concerns around the procurement methodology for the process equipment and install, and we have not satisfactorily resolved how many Canadian workers we're going to be able to provide jobs for to install that process equipment right now. We're continuing to work through that process with the federal government and also with NextStar, i.e., LG and Stellantis.

**Mr. Marty Morantz:** Okay.

The deputy governor of the Bank of Canada recently said that we are in the middle of a serious productivity problem in this country. I think she said something like, in case of emergency, break the glass. You talked about the tax credits but if you think about the demands for skilled workers in this country over the next eight to 10 years.... CMHC has said we need to build an additional three million homes. There are all the billions of dollars in projects that you talked about for small nuclear reactors and a number of other infrastructure projects in the energy sector that you touched on in your opening statement.

From your perspective, does Canada have the skilled trades or will it have the skilled trades it needs to meet its obligations to build these projects over the next time horizon?

**Mr. Sean Strickland:** That really is the secret sauce to determining how much labour we need for projects that aren't strictly defined. Many projects that would appear on a pipeline of projects await final investment decisions. One of the challenges that we have in the construction industry is providing enough skilled trades workers for the jobs that are actually going to happen.

I would say that in Canada, and I've said this previously, we lack a sophisticated labour market demand tool for construction. There are groups out there who do work around this, but the challenge really is in the methodology to determine how you plan to provide workers for projects that may or may not happen.

I would also say to you that the building trades have been around since 1908 and before that we've been around for hundreds of years, the guilds of Europe, etc. We've always found a way to train young people and bring apprentices into the industry to meet the labour force requirements of the future. Right now the current situation is that in Canada we bring in approximately 100,000 apprentices a year, union and non-union. That is enough to keep pace with our retirements. We have an aging demographic, so we're bringing enough in. We're marketing and bringing apprentices in and putting them to work enough to keep pace with the retirement.

When you overlay that with these future work opportunities, which still remain uncertain, we'll have a challenge. There are a lot of different ways in which we can address that challenge and I think the investment tax credits are a big part of that with mandatory apprenticeship requirements. I think we need to look at ways that we can leverage the immigration system to bring in more skilled trades workers into Canada, as well.

• (1245)

**Mr. Marty Morantz:** I just have a quick question.

I want to thank Ms. Knox for bringing up the RDSP. That policy was actually brought in by the last great finance minister of Canada—from the Conservative Party of Canada—Jim Flaherty. I can tell you that I used it myself. My son Nathan was diagnosed with autism when he was only two years old. I had a chance to thank former minister Flaherty personally—before he passed away, of course—for bringing in that program.

I want to thank you for your advocacy on that. If there is a way to make it better, I'm all for that.

Thank you.

**Ms. Natasha Knox:** Thank you.

**The Chair:** Thank you, MP Morantz.

Now we're going to MP Dzerowicz.

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

I'm going to be splitting my time with Mr. Baker since we might only have one round.

I want to thank all of the witnesses for their excellent presentations.

I only have time to ask questions of maybe one, and they will be directed to you, Mr. Strickland.

In my riding of Davenport, I have a lot of members of unions, particularly construction unions. Ever since I was elected just over eight years ago, I've been very focused on them, very focused on their issues.

I will say to you that I'm very proud of our government. Over the last eight years, we've made huge improvements in worker rights and in more supports for unions. We very much started out with actually repealing two pieces of what I would consider very anti-union, anti-worker legislation when we first came in: Bill C-525 and Bill C-377.

I want to thank you for your leadership, Mr. Strickland. You have really pushed us to do quite a few things. I want to thank you also.... You were very laudatory today about the labour requirements around ITCs, as well as the funding that we have and the importance that we have in the fall economic statement around apprenticeships. Both are game-changers.

What I want to talk to you about is this: There are also measures in here around breaking down barriers to the internal labour mobility in our country and also around prioritizing construction workers for permanent residency. I would love it if you could comment on both of those. We have already introduced a new labour mobility tax deduction. Again, it's something that you very much championed, but now we're moving to the next phase to remove more barriers to internal labour mobility.

The second part is that we are actually, in our express entry immigration system, prioritizing construction workers. Can you talk about how important both of these elements are to our moving forward on the construction that we need, particularly in housing, across this country?

**Mr. Sean Strickland:** With regard to the labour mobility tax deduction, that was a very progressive measure that was passed in the previous budget, in 2022, I believe. That is something that Canada's Building Trades Unions has been working on for decades in terms of providing incentives for construction workers to leave their home provinces, their home communities, to go to work.

Previously, if you were to do that, the tax act was such that you weren't able to deduct any of those expenses related to that travel to work. That was an impediment for workers to go to where the work is. Putting that into place has provided an incentive, a benefit, for workers to relocate and now deduct some of those expenses from their income. It's not a credit but a tax deduction, which I think is critically important.

The second piece in terms of interprovincial labour mobility is that the unionized construction industry has a lot of mobility across provinces. That's the way we work. We work mostly on large projects. For example, at LNG Canada right now, I would say that we have 2,000 workers from all over Canada there in British Columbia.

With the provinces being responsible for labour, the challenge we have is with regard to the recognition of trades. In some cases, a Red Seal trade in one province isn't recognized as a Red Seal trade in another province, and this is vexing to our industry. It's something that should be solved, but it's been hanging around, in the nature of federal-provincial relationships, for over 25 years. That could be fixed, and that would help with labour mobility as well.

As for the third piece around express entry, we support that. With regard to express entry for immigration, our position is that the union should be allowed to act as the sponsor of the immigrant when and where a union is interested in doing so, because it's not homogeneous across the country. Some unions would like to do this; some wouldn't. However, where they would like to do it and where there's a need, we think it would be very beneficial to the industry and also to the new Canadian, because now they're in the union hall, and they receive the requisite training, English as a second language.... They're protected from exploitation. We're able to build our workforce in a more sustainable manner than with temporary foreign workers, for example.

• (1250)

**Ms. Julie Dzerowicz:** Yvan.

**Mr. Yvan Baker:** How much time do I have, Mr. Chair?

**The Chair:** You have just under two minutes.

**Mr. Yvan Baker:** Thank you very much.

Thank you, Mr. Strickland, for being here and for your advocacy.

I noted during your presentation that you talked about the investment tax credits, the ITCs, being a game-changer for workers and for businesses.

Could you share with the committee and for the folks in Etobicoke Centre or across Canada who might be watching this what you think is the biggest impact of this legislation for workers? How will it impact the everyday folks, especially the skilled workers you're representing?

**Mr. Sean Strickland:** Thank you for that question, MP Baker.

I think this is a real game-changer in terms of levelling the playing field so that all construction workers....

To me, if the people of Canada are going to forgo, according to the Parliamentary Budget Officer, up to \$22 billion in lost revenue to fund these credits, the quid pro quo for that has to be requiring

these large companies, many of them very capitalized, affluent companies, to pay workers the best wages they possibly can. That will be a win. I think there's an expectation from the Canadian public that, if we're going to forgo the \$22 billion, there had better be some good-paying jobs for Canadians. This legislation provides for that ability, and it will lift all construction workers up to the union wages that have been successfully negotiated with thousands of contractors across the country.

The other thing it will provide, of course, is work opportunities. There are tens of billions of dollars in work opportunities. I listed some of those in my opening comments. That's important for a construction worker too, because construction workers go to work on the first day to put ourselves out of a job. We know that eventually the job is going to be completed. Where will we go next? Well, this will help with a long-term pipeline of large industrial projects across Canada, which will provide more certainty to construction workers and attract young people to the industry.

On all levels, then, this is a game-changer for the construction worker in Canada.

**Mr. Yvan Baker:** Thank you.

**The Chair:** Thank you, MP Baker.

Now I have MP Ste-Marie.

[*Translation*]

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

I would like to welcome the three witnesses, whose presentations gave us much to think about.

Mr. Céré, I too wish you a happy 65th birthday. I want to congratulate you on the fullness, in every sense, of your 45 years in the struggle to protect the rights of unemployed men and women. I have the feeling that the historical perspective is too often lost when policy is made, because short-term action is what is wanted.

I certainly understood that you had expectations of the last budget. Bill C-59 is about implementing that budget. Commitments were made and consultations were held. I recall that when you came to testify before the committee you were enthusiastic about that commitment, but there is nothing about that in the last budget. The last economic statement talks about temporary measures, which, as you said, are to end on September 7, and the pilot project, which will be ending in a few weeks.

You gave a quick listing of the requests that need to be filled if we are to have a good scheme, a scheme that functions. As you said, the economy is a cyclical thing and the crises will return.

Can you repeat what has to be done if we are to be sure this is a good reform?

• (1255)

**Mr. Pierre Céré:** Thank you for your question, Mr. Ste-Marie.

The employment insurance scheme was essentially torn down in the 1990s and we are still living with that; we are stuck with it. The scheme was locked down.

One of the first things that must be fixed is eligibility. This is about the number of hours that must be accumulated in order to be eligible for employment insurance. Whether it is 420 or 700 or 900 or 1,200 hours, it is not a problem for someone who works full-time and has a permanent job. However, it is a problem for the third of the working population, the 7 million working men and women, who have part-time, contract, on-call, seasonal or split-shift jobs. They include professors and nurses who work on call, who are not yet permanent and are having trouble accumulating the time worked that they need in order to be eligible for employment insurance when periods of unemployment occur. The eligibility question must be resolved.

When we talk about eligibility, we are also talking about the penalties provided that relate to the reasons for termination of employment. Since 1993–1996, a succession of governments have imposed the extreme penalty: that for the reference period, the year preceding an employment insurance claim, there will be an analysis, an investigation, of all records of employment. In that period, if there is a voluntary departure that is defined as unjustified or a dismissal defined as attributable to misconduct, that record of employment—and everything that went before it—goes into the trash can.

I will give you an example. We recently defended an actuary who was working full-time and lost his employment as a result of a reorganization. In addition to that work, he had a little part-time job on Saturdays from which he had been dismissed two months earlier. He was found to have been dismissed for misconduct and so, from that date forward, everything was thrown out. All he was left with was two months of work, so he was not eligible for employment insurance. There is something messed up about the employment insurance scheme, something that is not working and is extremely punitive.

There are other specific subjects that are in need of intervention. For seasonal workers, the problem exists both upstream and downstream. Upstream, the problem lies in the difficulty of accumulating enough hours of work to be eligible. In some regions of Quebec and the rest of Canada, and in certain areas and administrative regions, the dominant type of employment is seasonal employment. It can be hard to manage to accumulate the working time needed in order to obtain benefit periods, which are much too short. Do you know how many weeks of benefits someone who has accumulated 900 hours of work is given? They are given 16 weeks, which is not even four months.

Downstream, the problem is how to get through the winter. Seasonal workers often work in the spring, summer and fall, and they have to be able to get through the winter. When February comes, they no longer receive employment insurance. This is what we call the black hole.

There are parents, especially women, who lose their jobs during maternity or parental leave, and this accounts for several thousand

people across Canada. They find themselves with nothing, because they have exhausted their benefits bank. They may not exceed their bank of special leave, sick leave, and so on.

This scheme includes a host of measures where a bit more justice needs to be restored; I would simply say a bit more balance. In so doing, we will get a scheme that provides working men and women with more protection. We understand that a period of unemployment may be shorter or longer, depending on the job market. Right now, there are jobs, and so benefit periods are shorter. They go together. Unemployment and jobs are two sides of the same coin, and that is one of the facts of life in the labour market.

I would conclude with this image: that an unemployed person is first and foremost a worker, someone who was working and will start working again. That is how it has to be understood. That is why we need structuring measures in the employment insurance scheme to help people when they find themselves between jobs.

**Mr. Gabriel Ste-Marie:** Thank you.

[English]

**The Chair:** *Merci*, MP Ste-Marie.

Now we'll go to MP Davies, please.

**Mr. Don Davies:** Thank you.

I was lucky enough to serve in Parliament when late Conservative finance minister Flaherty brought in the RDSP. I want to second my colleague Mr. Morantz's comments about it being an excellent and groundbreaking program that helps members of Canada's special needs community who can't work to accumulate CPP benefits like other people can. This provides a really important way to accumulate savings. I want to add my kudos to that.

Ms. Knox, it sounds like you deal with this program a lot. What advice would you give this committee on how we could improve access to the RDSP, or make it easier to administer to the people you help?

• (1300)

**Ms. Natasha Knox:** I think I would just go back to my original point, which is that with Bill C-59, the measure that allows siblings to become successor holders is temporary. It would be great if that were a permanent provision, because that just makes the administration simpler, more flexible and more streamlined for families. Access to the RDSP is contingent on the disability tax credit. Expanding access to the disability tax credit is something that I think could potentially happen over time and that I would like to see.

Disabilities that are episodic in nature are particularly tricky. The impacts on people are devastating. I will give one example to help illustrate my point. I have a client who has a severe migraine disorder. She has maybe five good days a month, but she doesn't know when those good days are going to be.

Thanks to the expanded access for mental health issues, which was very recent, she was able to get access to the disability tax credit, which has enabled her to open up an RDSP. That has been fantastic. If she gets even a little better, she may lose access to that disability tax credit, so she is caught in a loophole. If she gets even a little better, she may no longer meet the threshold even though this is an absolutely devastating disability in which she spends most of her days feeling like her head is in a vise. She needs help.

**Mr. Don Davies:** Thank you, Ms. Knox.

Mr. Strickland, can you outline why the inclusion of the apprenticeship requirements is important for the new investment tax credits in carbon capture utilization and storage, as you have itemized?

**Mr. Sean Strickland:** Absolutely. We need to provide opportunities to young people and to Canadians.

I say “young people”, but the average age of apprentices across Canada is approximately 27, which would surprise people. Younger people tend to come to the construction trades after a journey of post-secondary and service sector jobs and they realize there is some decent money to be made in the construction industry. We'd like to get at them younger. We'd like to have them come into our industry at a younger age.

I also think that the mandatory minimums in the investment tax credits are going to drive industry proponents to make sure that contractors, unions and labour providers maximize the apprenticeship opportunities within their own organizations.

**Mr. Don Davies:** I think you have anticipated where I'm going next, because under the requirements in Bill C-59, the incentive claimants must make “reasonable efforts to ensure that apprentices registered in a Red Seal trade work at least 10% of the total hours worked during” an installation tax year at the “designated work site”.

I'm curious as to how that compares with the current situation. Currently, do most work sites have 10% of the hours worked being performed by apprentices or not?

**Mr. Sean Strickland:** That's a really good question. We quite frankly would like to see that number a bit higher.

In the U.S., in the Inflation Reduction Act, it's 15%. We had advocated originally when the bill was in its infancy for a higher percentage. We want to make sure that we find the right number so that it's not an impediment to collect the tax and it's an incentive to hire apprentices. Ten per cent is good number. Fifteen per cent would be better.

**Mr. Don Davies:** We'll keep an eye on that number and monitor it.

Mr. Céré, in your view, should the federal government increase the 55% income replacement rate and raise the ceiling on insurable earnings?

• (1305)

[*Translation*]

**Mr. Pierre Céré:** Certainly, but that is not the priority.

The priority really is eligibility. Too many people do not have access to employment insurance. However, the aspect that can be

worked on to raise the benefits received is the maximum insurable, whether it is the maximum wage—

[*English*]

**The Chair:** I'm sorry for the interruption. We're not getting translation, or I'm not getting translation.

We'll try again.

It's okay now.

[*Translation*]

Mr. Céré, you have the floor.

**Mr. Pierre Céré:** Okay, I will start over.

I was asked a question about the replacement rate, which is 55%. I would note that the rate was revised downward during the reforms in the 1990s we are all familiar with. That percentage definitely has to be increased.

To my mind, the priority is the maximum insurable earnings, which has not seen a very pronounced upward curve.

I will give you an example. When the reform was brought in, in 1996, or the counter-reform that was called the Axworthy reform, the insurable earnings maximum was reduced from \$42,000 to \$39,000, and frozen for ten years. The curve has never gone back up. Today, the maximum insurable earnings should be around \$90,000. That would benefit the middle class and working men and women. At present, the insurable maximum is stuck at \$63,000, and the government is losing revenue. We have to consider the replacement rate, but we also have to look at eligibility.

The real problem is that people are not able to meet the eligibility requirements or are not eligible because of penalties associated with the reasons for termination of their employment. One claimant out of four is ejected from the system because of those penalties. It does not matter how it was done, but that is what was wanted in the 1990s. We have been stuck with this problem for 30 years.

**The Chair:** Thank you, Mr. Céré.

**Mr. Don Davies:** Mr. Chair, I forgot to mention one thing.

[*English*]

Happy birthday.

**Mr. Pierre Céré:** Wow. *Merci*.

**The Chair:** Thank you, MP Davies.

Listen, members. We have excellent witnesses here. This is our third panel. We got backed up a bit here today, so we're going to do just a very rapid round here. Each party is going to have about one minute to ask a question or two, and then we'll conclude this panel.

We're starting with MP Chambers.

**Mr. Adam Chambers:** Thanks very much, Chair.

I'd love to ask about the auditing of the investment tax credits, but CRA officials haven't been here yet. I'm hoping they're on the docket soon, because I understand they will be doing the auditing of the investment tax credits for the labour requirements.

I'd like to ask a quick question of Ms. Knox.

My understanding is that the government's actually working on the Henson trust issue. I thought it was already resolved. If not, I'm happy to take this off-line and send you some information I received.

My question is on the RDSP account opening process. I understand it's very difficult to open.

Would you be in favour of finding a way to streamline that process, but also having a holder ask the government to pay a portion of the DTC or the child care benefit directly into an RDSP, so that it happens at the source? We'd make it easier for families to direct funds into those accounts.

**Ms. Natasha Knox:** Thank you for that question.

Number one, yes, I would be very interested in getting any information on the Henson trust issue. My understanding is there was some draft legislation, but it didn't go further than that. I would be very happy to be corrected on that.

With respect to the difficulty of opening the plans, yes, it is very difficult.

To your question on whether it would be helpful to have the child tax benefit paid directly into those plans, I'll be honest and say I haven't considered that particular mechanism. Would it be helpful to you if I thought it through a little more and got back to you, so I that I could think about the implications? I think it would depend on the case, though I could see any option to be able to do that—as long as it's optional—being tremendously beneficial in streamlining that process.

• (1310)

**Mr. Adam Chambers:** Thank you.

Thanks, Mr. Chair.

**The Chair:** Thank you, MP Chambers.

Now we'll go to MP Baker.

**Mr. Yvan Baker:** Mr. Strickland, I want to take a moment to ask you another question.

We've heard from, and I'm sure we will be hearing from, businesses that are eagerly awaiting the investment tax credits that are part of this legislation.

Could you explain for the folks who are listening at home how the investment tax credits translate into business opportunities or investments, and how they translate into benefits for workers?

**Mr. Sean Strickland:** Absolutely. Thank you for the question, MP Baker.

In my travels across the country, and in working with my colleagues on provincial trades councils and working with owners and developers of projects, the list of projects that are being reviewed right now is unprecedented in Canadian history. They are waiting

on this investment tax credit to help them get over the line in terms of financing these projects.

In Newfoundland and Labrador, there are five hydrogen projects going through a review. In Cape Breton, there are two hydrogen projects. One is pretty well close to a final investment decision, and another one is a little bit further behind. There's a clean energy project in Nova Scotia. There are clean energy projects in Quebec.

You heard from Pathways Alliance earlier that its carbon sequestration project, capping at around \$25 billion at peak, will employ approximately 20,000 workers. Smaller modular reactors in New Brunswick and possibly in Alberta will employ 300 to 500 workers.

Thousands and thousands of jobs will be created through this investment tax credit once those companies have that certainty that they're going to be able to deduct that 30% from their capital expenditures. That's going to put them over the edge. It's also going to keep us competitive with the United States of America, which, by the way, has already put into place these investment tax credits. They are much richer than ours, and they have created over 200,000 jobs within 12 months.

When I say game-changer for construction workers, prevailing wages, more money in the jeans of Canadian construction workers, more opportunities, a great economic future and the path to net zero, this is winning legislation on multiple fronts.

I encourage you to get it done as quickly as possible.

**Mr. Yvan Baker:** Thank you very much.

**The Chair:** Thank you, Mr. Strickland, and MP Baker.

Next we have MP Ste-Marie, please.

[*Translation*]

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

Mr. Céré, I would like to take the remaining minute to ask you another question.

Why do you believe it is important for the government to present its reform now, that is, in the budget that will be announced next week?

**Mr. Pierre Céré:** It is because too many expectations have been created across Canada, particularly among the seasonal workers in eastern Canada. A lot of people have been waiting since 2021-22. There have been too many statements, too many speeches, too many throne speeches and ministers' mandate letters. There have been too many expectations and workers have too often been disappointed. That disappointment is going to produce reactions.

If I have one piece of advice to give the government, it is to stop postponing and promising things. Now is the time to act.

As well, you have the parliamentary majority you need to make these changes. If you are not certain that a permanent law should be enacted, put a pilot project in place for five years, the time it takes to ascertain whether it is working.

This scheme has to be simplified and made more balanced, and more justice has to be incorporated into it. This is important and there are a lot of people waiting for it.

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

[English]

We'll go to MP Davies for the last question for this panel.

**Mr. Don Davies:** Thank you, Mr. Chair.

Mr. Strickland, in November, in response to the fall economic statement, you said, "We welcome the announcement of a new Department of Housing, Infrastructure, and Communities." Bill C-59 enacts the department of housing, infrastructure and communities act which will transfer part of the federal housing portfolio to the office of Infrastructure Canada.

Can you outline why Canada's Building Trades Unions supports that provision?

**Mr. Sean Strickland:** As we all know, housing is a particular challenge for Canadians. We think that the more focus that can be brought on housing will help bring more housing to the market. We also know that it's not typically a federal area of responsibility. Regarding municipal, provincial, federal and multiple layers of government, we need to cut through that to get these houses built. That will provide more work opportunities for Canadians and, more importantly, help drive down the cost of housing to make it more affordable. We support any initiative that streamlines the government process to encourage housing in this country.

• (1315)

**The Chair:** Thank you, Mr. Strickland.

Thank you to all the witnesses on this panel today.

Thank you, MP Davies, for that final question.

Members and witnesses, we're going to transition now, so we are going to suspend as the fourth panel comes up to the table.

• (1315)

(Pause)

• (1315)

**The Chair:** This is our fourth panel today. I sincerely apologize that we are starting a little bit late. Things got backed up.

With us today, we have Lucas Cleveland, mayor of Cobourg, Ontario.

From the Canadian Counselling and Psychotherapy Association, we have Lindsey Thomson, director and registered psychotherapist, public affairs; and Mr. George Maringapasi, president-elect and registered counselling therapist.

From Dow Canada, we have W. Scott Thurlow, senior adviser, government affairs.

From Option consommateurs, we have Carlos Castiblanco, economist and analyst; and Ms. Sara Eve Levac, lawyer.

With that, we are going to start with the mayor of Cobourg, Lucas Cleveland, please.

• (1320)

**Mr. Lucas Cleveland (Mayor of Cobourg, Ontario, As an Individual):**

Thank you.

I'm Lucas Cleveland, as you said.

**The Chair:** I apologize for interrupting, Mayor Cleveland. I know that you did not submit opening remarks for our interpreters. I would ask that the pace of your remarks not be too quick so that they can do their proper interpretation. Thank you.

**Mr. Lucas Cleveland:**

will do my best. Thank you very much, sir.

As introduced, I am Lucas Cleveland, the mayor of Cobourg.

For those who are unaware, Cobourg is the largest municipality in the county of Northumberland in Ontario. It's an idyllic, beach-side, heritage-rich community with over 200 years of history. It's truly the hidden gem in southeastern Ontario, located just one hour east of Toronto along the beautiful coast of Lake Ontario. We find ourselves just south of Peterborough on the traditional treaty territory of the Mississauga Anishinabe.

I am here today to share my community's frustrations regarding the issues that are affecting them which have been left out of Bill C-59. I'm here to get your attention on behalf of my residents.

I want to ask, as an individual, why this bill continues to completely ignore our world-renowned natural gas sector and why we continue to miss opportunities surrounding LNG. I want to ask those questions as a journeyman, someone who spent 10 years in the oil and gas sector working on the rigs. You see, I'm one of those people who lost everything—my career, home and retirement savings—due to the decisions of this level of government. I'd like to ask why Bill C-59 doesn't address the \$82-million-a-day opportunity of the LNG market, but that's not why I'm here today.

I'd like to address why this bill doesn't help small business owners, of which I am one. You see, after returning home from Alberta, I built a business with my partner within eight years. Yet, every year it gets harder to break even. I'm curious about why Bill C-59 continues the legacy of not standing with the small business community in this country. Again, however, that is not germane to why I'm here.



No. Today, I am here to speak for the citizens of Cobourg. I'm here because I desperately need this level of government to listen to their concerns, the ones they share with me every single day. I need you to listen, because they keep coming to me to fix the problems that only this level of government can actually fix.

You see, I'm the first person in Cobourg to ever be elected from the public straight to the mayor's office with zero public experience. I did it because I moved to this community just seven years ago. In the last seven years, as I built this business, I've watched our community drift into total chaos. I was happy just running my business, but our community is completely under siege. I needed to try to do something.

Here I stand 18 months later as a first-time mayor, proud of the drastic and immediate changes we made in Cobourg and at the county level. I am proud of the work and attention our local community and county are getting, both provincially and internationally, for the work we're doing. However, I need to get this level of government's attention, because, when I hear from my constituents, 99.5% of the issues they complain about day in and day out, the fears, concerns and things they want fixed and are asking me to fix, are issues that are up to this level of government to address.

When is this government going to seriously look at bail reform? Why isn't this part of Bill C-59? How many people need to be assaulted during their lunch breaks in my community, in front of their children, for just being in our community? How many more women need to feel attacked and threatened? How many times does the Cobourg Police Service need to arrest the same person for the same crime before we actually put them away so they stop terrorizing our community?

Why is there nothing in this bill addressing the failed drug strategy that is destroying my community? When will this government listen to the thousands of seniors, women and families in our communities and those from across this country who tell us they are afraid to come out of their homes due to the lawlessness, erratic behaviour and changing face of poverty and mental illness on our streets?

Why isn't Bill C-59 creating more treatment options for our most vulnerable? Let's talk about it, ladies and gentlemen. Why is there nothing in this bill about doing something for our most vulnerable to improve their lives? Why are we focused on protecting the rights of encampments, yet failing to do anything to address the systemic issues in our continuum of care? Why is it falling to us, the lowest tier of government agency, to enact bylaws in our community and set standards of care for our most vulnerable? We would love this bill to start focusing on delivering the mental health services we desperately need in our community, not on more dental health.

● (1325)

Ladies and gentlemen, it's not cavities that are destroying my community. Why doesn't this bill address any of the three major concerns of our community?

I realize that I'm out of time. I want to say thank you for allowing me the opportunity to speak. I am here to advocate for the most vulnerable in our community who need all levels of government to work together.

Most importantly, I am here to speak on behalf of the silent majority in our community. These are the people who are tired of watching beautiful towns like Cobourg fall into chaos and disrepair and who are tired of having the vocal minority in our communities influence the decisions of this government.

**The Chair:** Thank you.

You are going to have to—

**Mr. Lucas Claveland:**

Thank you. I appreciate it and I hope I got your attention.

Thank you for giving me an opportunity to address this group of decision-makers. It has been an honour and a pleasure.

I look forward to your questions.

**The Chair:** Thank you.

There will be a lot of opportunity for questions.

Now we're going to get to the Canadian Counselling and Psychotherapy Association and president-elect George Maringapasi.

Welcome.

**Mr. George Maringapasi (President-Elect and Registered Counselling Therapist, Canadian Counselling and Psychotherapy Association):** Thank you, Mr. Chair.

My name is George Maringapasi. I'm a registered counselling therapist in private practice in New Glasgow, Nova Scotia. My practice is inspired and informed by the central issue of accessibility to quality mental health services for everyone seeking care. To be here advocating for improved access through the removal of the financial barrier of GST/HST on counselling therapy and psychotherapy services is the greatest honour of my career so far.

I am before you today in my capacity as the president-elect of the Canadian Counselling and Psychotherapy Association to discuss a crucial topic that affects us all: mental health.

Mental health is an essential aspect of our well-being, yet it is often overlooked or stigmatized, and in our case, taxed. The CCPA has long advocated for a solution that could make a significant difference in the lives of many—tax-free therapy.

I represent the voices of close to 15,000 counsellors, counselling therapists and psychotherapists across the country who are encouraged, indeed enthusiastic, that we have been invited to this discussion. It is a sign that we are aligned in our assessment of the importance of providing quality, accessible and affordable mental health services to the people of Canada.

We applaud the proposed exemption of counselling therapy and psychotherapy services from GST and HST as tabled by the Minister of Finance in the 2023 fall economic statement and outlined in Bill C-59. We thank the many members of Parliament from all political parties, who have supported this cause. I would like to expressly thank the member for Cumberland—Colchester and the member for London—Fanshawe for their private members' bills that called for this change.

Counselling therapists and psychotherapists are qualified, competent and available to meet Canada's skyrocketing mental health care needs, yet the additional cost of GST/HST on their services is limiting their capacity to serve their communities and those seeking care.

Our profession meets the threshold for tax exemptions in the Excise Tax Act, as it is regulated in five provinces; however, the profession is regulated under two different titles, a decision that falls under provincial jurisdiction.

Counselling therapists and psychotherapists are the same in all but name. Take me, for example. I'm a registered counselling therapist in Nova Scotia. My colleague joining me here today, Lindsey Thomson, who's also our director for public affairs, is a registered psychotherapist in Ontario. We, like all who hold these regulated titles, share a common scope of practice, abide by similar codes of ethics and standards of practice, and have an equivalent training and education profile and a commitment and obligation to ongoing education. In the absence of regulation of our profession throughout Canada, CCPA offers voluntary and non-statutory self-regulation of the profession via our Canadian certified counsellor designation, which is a national certification program with similar requirements to the regulatory colleges.

We were excited to learn from the Canada Revenue Agency's recent public notices that the proposed amendment may apply to providers in unregulated provinces with equivalent qualifications. This means that individuals seeking care in unregulated provinces will potentially benefit from the same tax exemption as those in regulated provinces, thereby contributing to consistency and equity in accessing services from coast to coast to coast.

It is also our hope that this amendment will advance regulatory efforts in the unregulated provinces. Imagine a world where seeking therapy is not only encouraged but also financially accessible to all. By making counselling therapy and psychotherapy services tax free, we could remove a significant barrier, especially for those with limited financial resources.

This exemption could mean that your child, partner or friend seeking mental health treatment on a biweekly basis would be able to access an additional three to four sessions a year, based on an average cost of \$100 to \$150 per session. In many clients' experience, an additional four sessions can significantly improve their ability to

fully adopt and integrate positive changes and habits for improved well-being.

Tax-free therapy is about investing in the well-being of our society. It's about acknowledging the importance of mental health and taking concrete steps to support those who are struggling. If the recent pandemic taught us anything, it is that Canadians do not have appropriate access to mental health care.

● (1330)

We humbly urge members of this committee to support this bill, to take action to implement tax-free therapy and to help see this proposal through to the finish line. We are almost there. Together we can create a more compassionate and mentally healthy society for all.

Thank you for this opportunity. We look forward to answering any of the committee's questions.

**The Chair:** Thank you, Mr. Maringapasi. We appreciate your remarks.

Now we'll move to Dow Canada.

We have W. Scott Thurlow with us.

**Mr. W. Scott Thurlow (Senior Advisor, Government Affairs, Dow Canada):** Good afternoon, Mr. Chair. Through you, I would like to extend my warmest regards to the other members of the committee.

I am proud to speak to the committee about Dow Canada. Dow operates two manufacturing sites in Alberta, located in Fort Saskatchewan and Lacombe County. The Alberta sites convert natural gas feedstock into ethane, ethylene and finally, polyethylene to be shipped to customers around the world. Our main product in Alberta, polyethylene, is sold to customers worldwide to make durable industrial goods as well as packaging and consumer products.

In Ontario, we have two manufacturing sites, one in West Hill in Scarborough and one near Sarnia. These facilities produce emulsions and speciality plastic resin, respectively.

On November 29, Dow's board of directors approved a final investment decision for the world's first net-zero scope 1 and scope 2 emissions ethylene and derivatives complex in Fort Saskatchewan, Alberta. Economically speaking, this brownfield investment enables Dow to deliver two million metric tons per annum, effectively tripling our current domestic production. At its peak, we expect 7,000 new construction jobs will be created.

Environmentally speaking, this investment will eliminate one million tonnes of CO<sub>2</sub> even with our added growth. We will do this by converting hydrogen from cracker off-gas as a clean fuel while capturing and storing the remaining CO<sub>2</sub>. This investment paves the way for growth in Dow's entire packing and specialty plastics portfolio. This first-mover advantage gives us the ability to lead in capturing the growing demand for low-carbon solutions for Dow. It puts Dow out in front in delivering the first world-scale, fully integrated site with net-zero scope 1 and scope 2 emissions.

Dow's investment will leverage approximately \$3 billion of additional investment from third party companies for circular hydrogen, CO<sub>2</sub> capture and other infrastructure assets critical to the project expansion. Dow has announced that Linde was selected as the industrial gas partner for the supply of clean hydrogen and nitrogen for the site. Fluor was selected for the front-end engineering and design. Dow is partnering with Wolf Midstream, which will provide CO<sub>2</sub> transportation along the Alberta trunk line.

Last month, Dow CEO Jim Fitterling joined Premier Smith at the CERA conference in Houston to talk about this investment. He noted that reducing carbon emissions in an energy-intensive industry takes the right investments, the right policies and the right partners.

Our Fort Saskatchewan Path2Zero project will serve as a leading example that industrial decarbonization not only is possible but also can be profitable when we work together. Fort Saskatchewan is strategic and advantaged because we have access to low-cost ethane. There is existing rail and export infrastructure that will be expanded to support these new global sales. We have government support, including subsidies that are offsetting a portion of the cost of our investment. It is also one of the few places in the world where existing infrastructure for carbon transportation and storage exists. This is a key reason why we have a first-mover advantage in low-carbon solutions.

Certainty in the investment environment we are operating in is certainly a key essential advantage. Therefore, I am here today to offer Dow Canada's support for Bill C-59 and the carbon capture, utilization and storage tax credit that it creates. These were first announced in budget 2021. It is high time we adopt them.

Similar measures were introduced, debated, adopted, implemented and deployed under the United States Inflation Reduction Act in less than two months.

I also offer our hearty support for the creation of a similar tax credit for the deployment of hydrogen technology. Similar to the CCUS tax credit, this was first mentioned in the previous budget. We are anxiously waiting to see it in next week's budget implementation act in association with next week's budget.

We urge Parliament to pass this bill expeditiously so that the certainty required to rely on these investment tax credits can be built directly into our investment models. These tax credits will help support the decarbonization of our operations in Fort Saskatchewan and our return to operation by 2030.

I want to repeat a key point. These credits will lead to absolute emissions reductions. In order for Canada to meet our emissions reduction goals, we need to see transformative investments like the

one being made by our company. It is through advents in the chemistry sector that these deep emissions reductions will occur.

I welcome any questions the committee may have.

• (1335)

**The Chair:** Thank you, Mr. Thurlow. I'm sure they will have many questions for you.

Now we go to Option consommateurs, and I believe the time is going to be shared by Monsieur Castiblanco and Madame Levac.

Monsieur Castiblanco, go ahead, please.

**Mr. Carlos Castiblanco (Economist and Analyst, Option consommateurs):** Thank you so much.

[Translation]

Good afternoon, Mr. Chair.

Good afternoon, members of the committee.

Thank you for offering us the opportunity to present our comments today.

My name is Carlos Castiblanco and I am an economist and analyst at Option consommateurs. With me is my colleague Sara Eve Levac, who is a lawyer.

Option consommateurs was created in 1983 and is a non-profit association whose mission is to help consumers defend their rights. Option consommateurs is directly involved in issues relating to competition, housing, and measures that affect consumers.

We are therefore in a good position to provide you with our comments on Bill C-59.

Option consommateurs welcomes the bill and sees it as a step forward for protecting Canadian consumers. Our remarks will focus on three areas that the bill addresses: adoption of the tax recommendations made by the Organisation for Economic Co-operation and Development or OECD, initiatives to stimulate access to housing, and measures to strengthen competition.

I would also note that we have submitted a brief setting out the details of our position on the bill.

Bill C-59 proposes that certain recommendations that came out of the OECD project to combat erosion of the tax base be adopted. The goal of one such measure is to limit unreasonable tax deductions for interest expenses and other financing costs.

That initiative, which is intended to prevent corporate profit shifting by multinational corporations, is worded too broadly, however. It could extend to Canadian corporations in the energy sector, which might see their indebtedness rise at the same pace as the investments needed for the energy transition.

That could have a negative effect on rates, by potentially increasing the financing costs for new projects. For that reason, we are seeking an exemption from the measures relating to section 18.1 of the Income Tax Act for Canadian projects that provide regulated utilities.

On the subject of housing, we support the elimination of the GST on new purpose-built rental units constructed by cooperative housing corporations. We also welcome the incorporation of the housing policy into the Department of Housing, Infrastructure and Communities, provided that close collaboration is established and that it respects the jurisdictions of the other governments. This reflects the federal government's commitment to diversifying the housing stock and taking the lead on these initiatives.

Again, we emphasize the need to maintain careful coordination among the various levels of government. We also stress the need to increase the funding for programs associated with the National Housing Strategy and coordination of the programs by the Minister of Housing, Infrastructure and Communities.

I will now give the floor to my colleague Sara Eve Levac for our comments on the proposed amendments to the Competition Act.

**Ms. Sara Eve Levac (Lawyer, Option consommateurs):** Thank you.

Bill C-59 proposes a number of amendments to the Competition Act.

One of the amendments proposes to provide a form of entitlement to a remedy by allowing the Competition Tribunal to require that a business supply a means of diagnosis or repair for a product, if the means can be readily supplied.

Option consommateurs is doubtful that these amendments will be sufficiently robust to enable consumers to repair their defective devices.

Some devices require specialized tools or have components that are difficult to access. The effect of the design of the devices might therefore be to exempt the businesses from these new obligations because of the difficulty of supplying a means of diagnosis or repair. We believe that the requirement that the means of diagnosis or repair "can be readily supplied" should be removed.

The cost of repairs can also be very high. This prohibitive cost sometimes makes purchasing a new device more attractive than repairing it. The proposed amendments do not allow for counteracting this situation.

In our brief, we also propose certain additional measures. In particular, the Competition Tribunal should be able to make monetary awards in private applications dealing with deceptive marketing practices. The current amendments preclude that possibility, although they would allow it for private applications based on other violations of the act.

As well, the greenwashing provisions should be amended to cover general representations by a business relating to its environmental impact. The bill only prohibits representations relating to a product.

It will be our pleasure to answer your questions.

Thank you for your attention.

• (1340)

[English]

**The Chair:** *Merci.* We are going right now to members' questions.

I am looking at the time, members and witnesses, and again, we did get backed up early this morning with some of our earlier panels, so we are just going to have one round and each party will have approximately seven minutes to ask questions. If you want to share some of your time, you're free to share some of your time amongst members.

We will start with MP Lawrence.

**Mr. Philip Lawrence:** Thank you very much.

This was a great panel. We've had a bunch of great panels, Mr. Chair, but this may be the best of them so far.

I'll start with Mayor Cleveland from the great town of Cobourg.

Of course, we've heard testimony over the last year and a half or two years in this finance committee about the challenges of housing, opioid abuse and food bank usage being at over two million Canadians. I've seen it myself when out in the community. Folks who would ordinarily describe themselves as middle class are using food banks. You've already talked a little bit about that in your opening, and I was wondering if you might be willing to expand a bit more on that.

**Mr. Lucas Cleveland:** First of all, thank you very much for the question, Mr. Lawrence.

I understand why you're asking it. I'm sure that the constant phone calls to your constituency office are getting a little tiresome, so I appreciate the opportunity to speak to this group.

Yes, there's definitely an affordability crisis, and it's very much being felt in Cobourg. I speak from personal experience as a single father, as the mayor of the town of Cobourg and as a part owner in a grocery store. I can't live in Cobourg without a roommate, let alone afford a house in our community.

Where do you want to talk about affordability? Do you want to talk about infrastructure affordability and the downloading of infrastructure from this level of government to municipalities? I have a pier that was given to Cobourg in 2004 with a \$400,000 cheque. At present, we're sitting at a \$40-million to \$60-million renovation for our pier with 20,000 residents, yet this level of government found the money to put a brand new Coast Guard station on the end of that pier, and it's about to fall into the water. Where do you want to talk about affordability?

The constituents of Cobourg are using food banks. We are constantly being inundated by requests for more funding from a municipality of \$30 million to fund our food banks because our middle class can't afford it.

I appreciate the question, Mr. Lawrence. I guess I'm curious as to what part of our affordability crisis you are interested in.

**Mr. Philip Lawrence:** Maybe we'll start off with housing. Could you elaborate on the average cost of a house, if you know, and perhaps what the vacancy rate is for rentals in Cobourg?

**Mr. Lucas Claveland:** As a business owner, one of our biggest problems is retaining staff, because there are no available rentals in our community. A one-bedroom apartment in Cobourg currently rents for about \$1,950, and for two bedrooms, you're at \$2,500-plus. At present, our community has to bring in between five and eight school buses of workers, because we have such a booming industrial complex within our community. We have zero square feet of industrial space. Our entire downtown is full of businesses like it hasn't been in 45 years, yet we don't have anywhere for workers to live in our community.

I notice in Bill C-59 that there are a lot of initiatives being put forth. We know at the county level as a service provider that the way we work with the different levels of government matters. I have a variety of recommendations that I will submit to this committee afterwards regarding how we can implement some of these changes in a more meaningful way that will help those service providers, but, Mr. Lawrence, the reality is that when the mayor of the community he lives in, who owns a business, can't afford to live in that community, that's just the tip of an iceberg that clearly is a problem we need to start addressing.

• (1345)

**Mr. Philip Lawrence:** You also mentioned that you're the owner of a grocery store. Perhaps you could talk a little bit about the price of food. I also know that you personally donate on a regular basis, I believe, some of the food to the more vulnerable as well. Thank you for that. Maybe you could comment a little on the price of food.

**Mr. Lucas Claveland:** By all means, and thank you for the opportunity.

Yes, we are in the grocery business. We are a fresh food producer. We're the first of its kind, a zero waste producer. We have an eco-conscious business, because we realized eight years ago that this was what was going to happen with the cost of food, so we have a zero waste policy. In that business, we are barely able to break even, but we are a small grocer in a downtown market, and the way we stay in business is through that zero waste policy.

I speak to this because the cost of food in just the last five years from a wholesale perspective has literally tripled, so the cost to a business owner who's selling food has tripled. That goes across the line for all the restaurants we supply. That goes for everyone.

Yes, we are seeing the cost of food increase at such dramatic rates that the people in Cobourg can't even afford the quality of life they had five years ago.

**Mr. Philip Lawrence:** It's a sad story.

I'll finish up with the Canada water agency, which was announced in Bill C-59.

Cobourg Beach is an absolutely beautiful treasure. I think it is one of the prettiest places in all of Ontario, but the pier is in need of some repair. Perhaps you could talk a little bit about that.

**Mr. Lucas Claveland:** This is of particular interest to me. I am the regional chair of the Great Lakes and St. Lawrence cities initiative, an international agency involving our indigenous allies in Canada as well as U.S. and Canadian municipalities. In the last year, we've grown from 80 individuals to, I believe, 256.

We are unbelievably proud of and excited about the creation of the federal water agency and the funding that is going in that direction. However, we need to start looking at our Great Lakes as the resources they are. They are an opportunity to protect our environment, they are an opportunity for economic growth and they are an opportunity for true environmental stewardship.

When the U.S. government is beating us to the punch in environmental stewardship, I know it's time for us to actually make changes in our country. The reality is that Cobourg Beach is just one of thousands of communities along our Great Lakes coastlines that need help from this level of government in the form of dedicated infrastructure funding.

Thank you.

**The Chair:** Thank you.

Thank you, MP Lawrence.

Now we're going to hear questions from MP Thompson.

**Ms. Joanne Thompson:** Thank you.

Welcome to all the witnesses.

Mr. Thurlow, I'd like to start with you.

Without a climate plan, there is no economic plan. With that in mind, how does carbon pricing make the economics of your project work and turn your project into a revenue generator?

**Mr. W. Scott Thurlow:** In 2021, when the project was first announced, the CEO of Dow made a very public declaration about how important it was to have a market-based carbon trading regime. He used the opportunity to actually call on the United States to create a similar regime there.

For a net-zero facility, an escalating price on carbon is obviously another tangible asset we can sell to make the business more profitable.

In Alberta, there are going to be a lot of individual companies that will have an obligation either under the GGPPA or the Alberta TIER system. These carbon credits have a value, so as the price increases, that is more capital that can be generated to justify these very significant investments.

I will point out that, at this time, these investments don't exactly pencil, which means we are doing them because they are the right thing to do, but there is no intrinsic value in the product that we can see returning to our investors. Having the price in the federal backstop is something that we can build directly into our economic model.

● (1350)

**Ms. Joanne Thompson:** Thank you.

Could you tell the committee why the company chose Canada and not the U.S.?

**Mr. W. Scott Thurlow:** This is a very long and complicated discussion. We have made significant new investments in the United States as well. It is a very delicate negotiation.

The government support that we received is very important. Whether that's in the form of a tax credit or in the partnerships we have with the City of Fort Saskatchewan, the Province of Alberta and the federal government, it is all part and parcel of it.

However, as a government, when you are looking to make investments and see them come to your jurisdiction and you want to land a big fish, you need to use the right bait, and you don't go fishing for muskies with minnows. These tax credits are going to be incredibly important for what is ultimately going to be a total investment of \$13 billion to \$14 billion.

As I said before, at the peak of construction, that includes 7,000 jobs, and those 7,000 jobs put income taxes back into the federal reserve.

**Ms. Joanne Thompson:** Thank you. This is interesting.

I come from Newfoundland and Labrador on the east coast. The witness who was here from the trades council referenced the number of projects across the country, which includes a significant number in my province. The investment tax credits and the certainty around them is incredibly important right now.

Can you please link back to the significance of moving this bill forward? What will that do for market stability and the ability of businesses to be confident that they can invest in Canada?

**Mr. W. Scott Thurlow:** Like Mr. Strickland said before me, the sooner this bill passes, the easier it will be for those investments to come to the fore.

We have made a final investment decision, but we're a long way from putting our project back in operation. We want to put it back in operation by 2030, so the sooner this bill passes, the better.

We'd like to see the hydrogen tax credit that's going to be in the next one pass as quickly as possible as well.

**Ms. Joanne Thompson:** Do you have any final words on what you would see as the economic promise of Canada going forward?

I'm saying that as someone from the east coast, where I regularly speak about the opportunities for Newfoundland and Labrador in the climate crisis, for moving forward in greener technologies and what this means for the province in terms of economic growth.

In general across Canada, it's a difficult time. I know people are feeling quite uncertain, but at the same time, I feel that there is an economic opportunity happening.

I would appreciate your thoughts.

**Mr. W. Scott Thurlow:** I don't want to create a Canadian heritage moment, but you're right. There are many opportunities in Canada. With the advent of the new chemistries that are being developed and the solutions that are on the table, we can attract them to Canada.

If we don't have the right environment to attract those investments, we won't. It is that simple.

I would tell you that the more of these investments we can attract to Canada with a very strong regulatory environment and strong status of laws, this is better not only for the Canadian economy, but for the global environment on the whole.

**Ms. Joanne Thompson:** One final word is that we need to get this bill passed.

Thank you.

**The Chair:** You still have a lot of time left, Ms. Thompson.

**Ms. Joanne Thompson:** It's been said, so thank you so much.

**The Chair:** Now we'll go to MP Ste-Marie, please.

[*Translation*]

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

I would like to welcome the mayor and all the witnesses, whose presentations were interesting and provided much food for thought.

First, I have a comment for the representatives of the Canadian Counselling and Psychotherapy Association.

Thank you for being with us, Ms. Thomson and Mr. Maringapasi. I also want to thank you for your presentation and your suggestions for improving this bill. We are working hard on it.

Thank you for being with us, Mr. Castiblanco and Ms. Levac. I also want to thank you for your presentation and the brief you provided to us. That document is very useful.

Ms. Levac, regarding the part of the bill that deals with the Competition Act, can you explain again why the amendments you are suggesting are important?

● (1355)

**Ms. Sara Eve Levac:** In our opening remarks, we talked about the right to repair. We explained that in reality, it can be difficult to repair a lot of products, because you need specialized tools and the parts are difficult to obtain. Our fear is therefore that the provision requiring that a means of diagnosis and repair can be readily supplied might mean that a lot of products are exempted from this new obligation.

Consumers also have trouble getting their property repaired because repairs are very expensive. Sometimes it is better to buy a new product because the cost of repairing is very high and obtaining the parts needed can take several months. The bill does not address those problems for consumers. It might therefore be desirable to consider a provision that the time for obtaining parts and the cost of repairs must be reasonable.

We also talked about applications brought by private parties. Bill C-59 will expand the possibility of bringing private applications for violations of the Competition Act. We believe that is a positive improvement. The bill will also allow monetary awards to be requested for certain violations of the act, but not for deceptive marketing practices. We therefore recommend that this be made possible.

On the subject of greenwashing, the bill will prohibit false or misleading representations about a product. However, that proposed prohibition would not apply to general representations about the environmental impact of a business. For example, if a business says it is carbon neutral, that is not a representation about a product. We are therefore asking that the prohibition be extended to general representations made by businesses. That exists in the European Union, which has adopted a new greenwashing directive that specifically applies to general representations by a business.

If I may, I would like to talk about one last thing. The bill proposes a new system for the certification of agreements or arrangements related to protecting the environment. We have questions about that provision, however, primarily about the grounds provided by the bill for rescinding certificates. At present, the grounds for rescinding a certificate do not include circumstances in which an agreement no longer serves a purpose. For example, if two businesses agreed to change a chemical component of a product because it would be less harmful to the environment, and scientific discoveries subsequently proved that the component had negative effects, that would not be a circumstance that could justify a request to rescind the certificate, according to the terms currently provided in the bill.

**Mr. Gabriel Ste-Marie:** Thank you. That is very clear and very useful.

Mr. Castiblanco, this afternoon we will be hearing from representatives of Electricity Canada. They are going to talk to us about tax deductions for interest expenses. Obviously, it is important to do more to combat the use of tax havens and tax avoidance, and those deductions are one of the methods used. We welcome what Bill C-59 provides in that regard.

That said, I would like to understand better why the electricity sector should be excluded from that. What would Bill C-59 prevent by wanting to more effectively combat the use of tax havens?

**Mr. Carlos Castiblanco:** Thank you for the question.

The goal of the bill is to tackle this problem by targeting the multinational corporations that make extensive use of tax havens. Unfortunately, the definition now found in the bill is a bit too broad, and this means that electricity companies might also be affected, since they are very large corporations. Their debt structure is very large, and they carry out projects for the benefit of us all.

Small businesses that grow to a certain threshold and corporations that do most of their business in Canada are already excluded. So there is a degree of protection.

However, we are preparing to enter a period of investment in energy and in electrification of many services. In some provinces, certain corporations are regulated. There are corporations, especially in the public sector, to which this measure does not apply. That will create an asymmetry and a potential rate increase, since customers of the corporations affected by this new rule might see their rates rise, but not customers of the other corporations.

It is important to note that the OECD itself is proposing an exclusion for public benefit projects. Are electricity and electrification for the public benefit? I would say yes. In a context where we are seeing climate change and investment in new energy sources, this is very important. That is why we are requesting this exemption.

● (1400)

**Mr. Gabriel Ste-Marie:** That is very clear, thank you.

I see that time is marching on, so I will stop here, Mr. Chair.

Thank you.

[English]

**The Chair:** *Merci*, MP Ste-Marie.

Now we go to our final questioner, MP Davies. This will conclude, after that, our panel.

**Mr. Don Davies:** Thank you, Mr. Chair, and through you to the witnesses, thank you all for being here and for your excellent testimony.

Mayor Cleveland, you've commented on the state of housing in your community, and I take it the upshot is that affordable housing is in short supply in the community that you represent. Is that right?

**Mr. Lucas Claveland:** Sorry, actually, no, that's not. In the last 12 to 14 months, we've seen the community of Cobourg grow its housing stock by 5.7%. We've actually seen the largest growth in Northumberland County of affordable housing in, I believe, the 25 years that it's been recorded in just the last 18 months.

Northumberland County is hitting above its weight. It's why I'm now here at this level of government, because we are doing everything we can do with the budgets we have. Northumberland County has a 2,000 square kilometre radius with only 80,000 residents in it, and those residents are demanding the same quality of services as our neighbours in Peterborough and Ottawa get, yet we don't have the tax base.

**Mr. Don Davies:** I'm a little unclear about your jurisdiction. You're the mayor of Cobourg?

**Mr. Lucas Claveland:** Yes, sir.

**Mr. Don Davies:** That's your jurisdiction.

**Mr. Lucas Claveland:** As the mayor of Cobourg, I'm elevated to the level of Northumberland County. Northumberland County is made up of seven mayors of surrounding towns.

**Mr. Don Davies:** It's a regional jurisdiction. In Cobourg itself, you say there's a plentiful supply of affordable housing?

**Mr. Lucas Claveland:** Is there ever really enough affordable housing, sir?

**Mr. Don Davies:** I'm asking you, though.

**Mr. Lucas Claveland:** No, sir. We are always in need of affordable housing.

**Mr. Don Davies:** Would you say that red tape or bureaucracy in your municipality is the main barrier to building affordable housing?

**Mr. Lucas Claveland:** No, sir, I would not say that. Actually, I would say that the main barrier to building affordable housing is the interrelationship between the different levels of government. I would say that there is too much empire building and not enough collaboration between these different levels of government.

As a local councillor with very little political experience, I humbly suggest that we've done a lot of great work in Cobourg by focusing on our lane and only on our lane and avoiding the work that belongs to the upper level of county.

When I see this level of government getting involved in housing, much needed, I ask myself, who thinks that adding government to industry is going to fix the problem?

**Mr. Don Davies:** Well, maybe you don't, but lots of people do. It may not be the experience.... I come from Vancouver, which is very different and a far cry from Cobourg. I tell you, there's a big lack of affordable housing in Vancouver and we do need federal support there.

I'll turn my attention now to the psychotherapy association. It's good to see you again.

In your May 2022 written submission to the Standing Committee on Health, the Canadian Counselling and Psychotherapy Association wrote the following:

The profession of counselling therapy/psychotherapy meets the threshold for tax exemption in the Excise Tax Act because it is regulated in five provinces. However, because the profession does not regulate the same title in all five provinces, the Department of Finance does not accept that counselling therapists and psychotherapists are the same profession and meet the minimum threshold of regulation in five provinces.

I'm trying to understand what we're doing in Bill C-59. Am I correct that this bill would correct that problem and then eliminate the GST/HST in all provinces, whether they're regulated the same way or not? Do I have that correct?

**Ms. Lindsey Thomson (Registered Psychotherapist and Director, Public Affairs, Canadian Counselling and Psychotherapy Association):** Thank you, Mr. Davies. I appreciate that. It's good to see you as well.

That is part of the issue, absolutely. For our piece—the current private member's bill, Bill C-323, which is leading into Bill C-59—what we're looking at is a tax exemption for counselling and psychotherapy services. I could chat your ear off for an hour about a more systemic look at ensuring that the two different professions are seen as one and the same and not dealt with separately. For example, the CRA recently released proposed amendments. It had one document for counselling therapy and a separate document for psychotherapy, which indicates to us that there's still some work for us

to do in terms of bridging that gap of knowledge across all levels of the public and the government as well.

• (1405)

**Mr. Don Davies:** Can you tell us, if you know, which provinces currently regulate the profession of counselling therapy and psychotherapy?

**Mr. George Maringapasi:** Currently Nova Scotia does, as well as New Brunswick, Prince Edward Island, Quebec and Ontario.

**Mr. Don Davies:** What about the types of counselling therapies? Will all types of counselling therapy services be GST/HST exempt under this provision, according to your understanding?

**Ms. Lindsey Thomson:** Yes, that's the aim. We're looking at inclusion. Regardless of which title we're using, we want to be inclusive of all professionals who practise the act of counselling therapy and psychotherapy, whether that's in a regulated or an unregulated province. It is actually a very big piece of work the CCPA does, with the Canadian certified counsellor designation as a placeholder, until those other provinces seek regulation. The CCPA has a very active role in the individual provinces that are still on their way.

**Mr. Don Davies:** Humanize this for us. This bill passes. GST/HST is taken off counselling and psychotherapy services. What is the impact that has in the real world on the people you see?

**Mr. George Maringapasi:** Just sitting here, we're talking about food security. A lot of times it might not seem like a lot, but that extra \$15, \$20 or \$30 that GST puts on services might actually lead to somebody making a decision to deprioritize their mental health so they can feed their family. For a lot of people, even if you have third party coverage, ordinarily you have to pay up front and then be reimbursed by whatever your service is. This removes that huge number up front which, for a lot of people, is a huge barrier.

Mental health usually suffers because other things are of priority for most Canadians, so it is very exciting for us to remove that so that just going to seek services for physical and mental health—anything—is equal right across.

**Mr. Don Davies:** How am I doing for time, Mr. Chair?

**The Chair:** You have time for one more question, if you'd like, and then that will conclude this panel.

**Mr. Don Davies:** I'll get a quick one in, then, about capacity.

We heard there's a shortage of mental health professionals. Do we have sufficient counselling therapists and psychotherapists to meet the current unmet needs for mental health services across Canada?

**Mr. George Maringapasi:** Currently we don't, and this is even with the way things are right now. With the barriers that are making things even more difficult, we're in danger of getting further and further.... The CCPA stands ready with, like I said, almost 15,000 members, who could make a significant dent...and increase access for all Canadians. Of course, that would mean a healthy country for all of us.

**Mr. Don Davies:** That's a great place to end.



Thank you.

**Mr. George Maringapasi:** Thank you.

**The Chair:** Thank you, MP Davies.

I want to thank this excellent and diverse panel that we have before us.

Thank you for your testimony. Thank you for the many questions you answered. We wish you the best with the rest of the day.

We will be back at 3:30 p.m., but not in this room. We're going to be in room 025.

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