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Chair: Mr. Peter Fonseca



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• (1545)

[English]

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

Welcome to meeting number 155 of the Standing Committee on Finance.

Today's meeting is taking place in a hybrid format. All witnesses have completed the required connection tests in advance of the meeting.

I'd like to remind participants of the following points. Please wait until I recognize you by name before speaking. All comments should be addressed through the chair. Members, please raise your hand if you wish to speak, whether participating in person or via Zoom. The clerk and I will manage the speaking order as best we can.

Pursuant to Standing Order 83.1 and the motion adopted by the committee on Thursday, September 26, 2024, the committee is resuming its study on the pre-budget consultation in advance of the 2025 budget.

I'd now like to welcome our witnesses. With us here today, we have, from B'nai Brith Canada, the director of research and advocacy, Mr. Richard Robertson. From the Canadian Independent Screen Fund for Black and People of Colour Creators, we have Lalita Krishna, co-chair, and Sally Lee, executive director. From the Canadian Labour Congress, D.T. Cochrane, senior economist, is with us. As well, we have, from the Canadian Trucking Alliance, Geoffrey Wood, senior vice-president of policy. From the Climate Emergency Unit, Seth Klein, team lead, is joining us, as well as Bushra Asghar, youth climate corps organizer. From the Réseau FADOQ, we have Gisèle Tassé-Goodman, president, and Philippe Poirier-Monette, special adviser, government relations.

Each of the groups will have up to five minutes. I would like to ask the witnesses to deliver their opening remarks before we proceed to questions from the members.

We will be starting with Mr. Robertson from B'nai Brith, please, for five minutes.

Mr. Richard Robertson (Director, Research and Advocacy, B'nai Brith Canada): Thank you, Mr. Chair.

I'm here on behalf of B'nai Brith Canada, which is Canada's most senior human rights organization and the voice of Canada's grassroots Jewish community. Our organization, which was established

in 1875, is dedicated to eradicating anti-Semitism and hatred in all of its forms and championing the rights of the marginalized.

B'nai Brith's submission to this honourable committee comes at a time of immense uncertainty for Canada's Jewish community. Over the past year, Canadian Jewry have been left feeling progressively more vulnerable and marginalized. The present responses to the increasing hate and incitement have failed to stem the rising levels of anti-Semitism and growing number of threats facing Jewish Canadians.

The upcoming federal budget presents an ideal opportunity for the federal government to devote additional resources towards combatting this worsening predicament. The purpose of B'nai Brith's submission is to aid the committee in ensuring its final report contains recommendations that can be utilized by the federal government to ensure the well-being, security and continued vitality of Canada's Jewish communities from coast to coast.

Our first recommendation is that the Government of Canada review all federal grant programs to ensure that only projects that align with Canada's anti-racism strategy, which was recently renewed for another four years, receive federal funding. Such a recommendation is required to ensure that federal funds are granted to projects that align with Canada's anti-racism strategy.

Our second recommendation is that the Government of Canada dedicate funding to develop a five-year program to enhance the nation's literacy in relation to the International Holocaust Remembrance Alliance's working definition of anti-Semitism, particularly amongst Canadian secondary and post-secondary students.

This recommendation comes at a time when, in its audit of anti-Semitic incidents, my organization noted an over 109% rise in incidents of anti-Semitism from 2022 to 2024, and when, according to a recent Leger poll conducted this summer, "Canadians between the ages of 25 and 34 were most likely (31 per cent) to doubt the official death toll of the Holocaust, followed by 27 per cent for those between the ages of 18 and 24."

The recommendation would complement the upcoming release of the special envoy's IHRA handbook. It would also ensure that young Canadians are aware of what constitutes contemporary anti-Semitism by educating them on the examples the IHRA has provided as a guide. Enhanced IHRA literacy would also help to combat the increasing levels of misinformation surrounding the Holocaust.

Our third recommendation is that the Government of Canada make new investments to support and strengthen Canada's ability to monitor and prevent terrorism. Funding should be provided to enhance the capacity and expand the capabilities of Canada's integrated national security enforcement teams, or INSETs.

This recommendation comes in the wake of multiple thwarted terror plots in or emanating from Canada that targeted Jewish persons. Jewish communities across the country are bearing the brunt of the alarming rise in radicalism, with their safety and well-being increasingly threatened by radicalized individuals and extremist rhetoric.

This is an issue that must be confronted proactively. Funding must be allocated to ensure the expanded capacity of INSETs to confront these threats.

Our final recommendation is that the Government of Canada provide funding to create a publicly accessible digital archive of all government records related to the Holocaust and then have Library and Archives Canada release them in a non-redacted and accessible format to the public.

The time to act is now. The situation for Jewish Canadians has become untenable. That is why B'nai Brith is asking the Standing Committee on Finance to take action by adopting these recommendations in its forthcoming report.

Thank you.

• (1550)

The Chair: Thank you, Mr. Robertson.

Now we'll hear from the Canadian Independent Screen Fund for Black and People of Colour Creators. I believe Lalita Krishna will be delivering remarks.

Ms. Lalita Krishna (Co-Chair, Canadian Independent Screen Fund for Black and People of Colour Creators): Thank you, Mr. Chair and members of the committee. We are grateful for this opportunity to discuss our pre-budget submission further.

My name is Lalita Krishna, and I am co-chair of the Canadian Independent Screen Fund for Black and People of Colour Creators, also known as BPOC. I'm here today alongside Sally Lee, CISF's executive director.

As Canada's only national production fund dedicated to supporting creators and producers from Black and people of colour communities, CISF's mandate is to support emerging, mid-level and established filmmakers in the development and production of their screen-based projects.

Support of the Canadian film and television industry is critical for our shared prosperity and success. It is an important driver of economic output and tax revenue for the Government of Canada as well as all of the provinces, territories and countless municipal gov-

ernments. In 2022-23, the sector generated \$12.19 billion in production volume, contributed \$14.05 billion to the GDP and created over 239,000 jobs for Canadian creatives working in a wide range of roles.

Despite the substantial contribution that the creative industry makes to Canada's economy, opportunities are not equally distributed within the sector. Many BPOC producers and content creators struggle to secure adequate funding, which represents a missed opportunity for Canada. Black and racialized communities make up over 26% of the population. Talented filmmakers and artists from our communities have the potential to not only enrich our cultural landscape with their unique stories but to also drive further economic growth.

By investing in these sectors, Canada can tap into a wealth of untold narratives that would strengthen both its economy and its social fabric. A prime example is Nisha Pahuja's *To Kill a Tiger*, which was nominated for an Oscar this year. It showcases the calibre of talent that exists and the global recognition it can achieve.

These stories deserve to be told. From Edmonton to Saint John, from Toronto to Quebec City, BPOC content creators are telling Canadian stories, but the opportunities to tell these stories are limited, as BPOC filmmakers are often shut out of legacy funds. Even established filmmakers like Nisha find it challenging to secure funding in our current system for their next project, despite their successes and the honour they have brought to our country.

• (1555)

Ms. Sally Lee (Executive Director, Canadian Independent Screen Fund for Black and People of Colour Creators): Thank you, Lalita.

Mr. Chair and members of the committee, as you prepare your report in advance of budget 2025, we ask you to prioritize funding for the Canadian Independent Screen Fund for Black and People of Colour Creators. By allocating \$20 million, the government can support important new and existing projects by Canadian creators.

Our fund is designed by and for Black and racialized creators. CISF supports content reflective of and relevant to Black and racialized communities while also targeting a global audience. Streamers like Netflix have shown that there is a strong appetite for content from regions such as Asia, Mexico, the Middle East and Nigeria, with audiences worldwide tuning in. With the right investment, Canadian creators can produce hit shows and series that not only thrive domestically but also succeed on this global stage.

The CISF has a strong history and legacy as an independent fund in Canada. The fund takes pride in its regional reach, prioritizing support for creators from across the country, ensuring that talent from all regions, including Quebec, is given the opportunity to thrive and contribute to the industry.

According to a series of recent reports, Hollywood forfeits nearly \$30 billion annually due to racial inequity and its failure to fully capitalize on opportunities within Black, Asian and Latino markets. Canada, unfortunately, is not faring much better in this regard.

Our fund is designed to support filmmakers and content creators at every stage of their careers, whether emerging, mid-level or senior professionals, ensuring that talent across all experience levels has access to the resources they need to succeed.

We strongly urge you to seize this opportunity by providing stable funding for the CISF with \$20 million per year over the next three years. This investment will not only lead to the creation of award-winning films and TV series but will also foster a new generation of talent, ensuring that our industry remains dynamic and globally competitive.

We thank you again for the opportunity to present today, and we welcome your questions.

The Chair: Thank you.

We will have many questions, I'm sure, from the members.

Now we're going to hear from the Canadian Labour Congress and its senior economist, D.T. Cochrane, please.

Dr. D.T. Cochrane (Senior Economist, Canadian Labour Congress): My name is D.T. Cochrane. I'm the senior economist for the Canadian Labour Congress, which is Canada's largest central labour body, with over 50 national and international affiliate unions, representing three million working people.

Thank you for inviting me today.

Housing, health care, climate, inflation and jobs, these are just some of the issues making our lives more uncertain. The federal government can reduce that uncertainty by strengthening our social safety net as part of a comprehensive green industrial strategy.

During the pandemic, we collectively learned just how quickly our lives can be turned upside down. However, we also learned how prompt and substantial the federal response can be. As the pandemic shut down huge parts of the global economy, that response protected people's incomes, kept them employed and stabilized our industrial and financial systems. Although we got a glimpse of what the federal government can do, that glimpse also exposed the inadequacies of our safety net. Canada's inadequate safety net was on display as soaring prices created an affordability crisis and even more uncertainty. Median wages have finally recovered their purchasing power, but the recovery is uneven and undermined by rapidly rising unemployment.

Canada's labour market weakness is the result of inappropriate monetary policy and inadequate fiscal policy. Both failures are the result of policy-makers accepting the doctrine of economists preaching free markets and minimal government. Among the harmful consequences of this influence was the largely unchecked growth of corporate power, which is implicated in the affordability crisis. Recent high inflation was precipitated by supply chain disruptions, but it was propagated and amplified by dominant corporations using the pricing power they had gained over decades of economic mismanagement by governments espousing naive market ideals.

Market fundamentalists howl that the government has never delivered a truly free market economy. However, their utopia is incompatible with democracy, because markets require governance. That can be elite governance by dominant corporations and their owners, or it can be democratic governance by public institutions. Fair economies depend on democratic governments whether we like it or not. This fact and the uncertainty that we face is why the federal government should adopt an industrial strategy aimed at strengthening our social safety net.

One, invest in housing by building more affordable non-market options including co-operatives and subsidized units, which can be facilitated through the CMHC.

Two, invest in our public care institutions. They are the keystones of our safety net as well as being economically important. We need this budget to deliver and expand universal pharmacare. Tie health fund transfers to improvements in pay and work conditions for frontline health care workers. Increase the Canada disability benefit and introduce the overdue safe long-term care act with the funding needed to achieve its goals.

Three, invest in workers who are navigating the employment impacts of shifting technology and global demand. That means improvements to our EI system, including reinstatement of the 420-hour entrance requirement and greater support for workforce development, including restoration of the \$625 million top-up to the provincial and territorial labour market transfer.

Four, invest in a just and sustainable future economy by developing a green industrial strategy to transform our production systems. We need direction, coordination and financing at a scale that only the federal government can provide. A properly coordinated industrial strategy can guide our responses to the entangled sources of uncertainty, making sure they move us toward shared goals. For example, large-scale investment in building sustainable housing supports development and innovation in net-zero manufacturing and construction. Workforce development can be oriented toward the needs of Canada's emerging and developing post-carbon economies. Care work is low-emission work.

• (1600)

The final piece is to tax the ultrawealthy. The public investments we need have high upfront costs. The money spent to mobilize and coordinate resources will flow to workers and suppliers, whose spending will further stimulate the economy. It will also trickle up and concentrate with the ultrawealthy because of their ownership and power. This unearned wealth should be returned to public control through a higher corporate tax rate, an excess profit tax, additional top tax brackets and a wealth tax.

We cannot eliminate the darkness of the future, but we can make it less threatening by ensuring everyone trusts that, if calamity befalls them or a loved one—whether it's illness, job loss, disability or business failure—our shared safety net will be there to catch them.

Thank you.

The Chair: Thank you, Mr. Cochrane.

Now we go to the Canadian Trucking Alliance. Via video conference, we have Mr. Geoffrey Wood.

Mr. Geoffrey Wood (Senior Vice-President, Policy, Canadian Trucking Alliance): Thank you, Mr. Chair. It's a pleasure to be here. Thanks for having us on the committee today.

My name is Geoff Wood. I'm the senior vice-president of policy for the Canadian Trucking Alliance. The Canadian Trucking Alliance is a federation of the provincial trucking associations. It represents over 5,000 member companies across Canada. These employ approximately 250,000 individuals dedicated to supporting the national and international trucking supply chains.

We are pleased to speak with you today and highlight three key items from our pre-budget submission—which we submitted earlier this year—that we felt would be of interest to the committee. These include addressing the misclassification of workers in our industry, dealing with the underground economy and tax evasion, expanding and making permanent the accelerated investment incentive, and addressing the carbon tax. We believe that, with this pre-budget, we have an opportunity to take a serious look at the state of the trucking business in this country and take steps to better support Canadian businesses, the economy and the trucking industry.

The CTA is looking to bring back a tax system and business environment that incentivize growth and ensure fair competition. I'd like to stress the fair competition piece, which I'll get to in a bit. We have a crisis on our hands. It's only getting worse, and we need the government's help.

Now I'll cover my three points.

The first addresses the misclassification of workers and deals with the underground economy and tax evasion. For over five years—I said, “over five years”, but it's actually much longer than that—the Canadian Trucking Alliance has been calling on the federal government to combat gross non-compliance in the trucking sector, which includes widespread labour abuse and tax evasion. However, for many years, those pleas went unanswered and the abuse grew exponentially.

In 2022, in reaction to industry calls, ESDC launched an enforcement pilot project to investigate industry concerns in Ontario. As

expected, this enforcement pilot found gross non-compliance, with more than 60% of employers in contravention of labour laws. For context, we believe 60% represents a substantial non-compliance figure, one that ESDC has never seen before.

Likewise, the Canada Revenue Agency, at the request of industry, launched a similar study in 2023 on the use of personal services businesses, which are the instrument of choice for those participating in the underground economy and the trucking industry. Like ESDC, the CRA found widespread non-compliance and tax evasion. Additionally, the study confirmed that trucking is now the number one user of the PSB model in the entire economy.

In both cases, the federal government studied the misclassification issue known as “Driver Inc.” and has independently confirmed what industry has been saying for a long time: Canada's trucking industry will soon be lost to the underground economy if we do not act now. Non-compliance in these areas allows operators to significantly reduce their operating costs and distort market economics. It also strips workers of many of their rights, including overtime pay, vacation pay, paid sick days and workers' compensation. This is just plain wrong and we need to fix it.

To put the tax evasion in perspective, it's estimated to be in the billions of dollars annually. It's estimated that a third of the trucking industry is in the grips of the underground economy. This issue needs urgent attention, including the lifting of the T4A enforcement moratorium, a real enforcement strategy from the Canada Revenue Agency to deal with non-compliant PSBs, and more enforcement of Canada Labour Code's part III as it relates to trucking. From our perspective, we just want the law enforced. We aren't asking for anything other than the law to be enforced. Please help us.

With respect to the accelerated investment incentive, this was introduced in 2018. We like it. We'd like to see it expanded and made permanent. Specifically, we'd like to see first-year deductions of up to 80% on all trucks and trailers being acquired. This spurs investment in clean and newer technologies. On a more aggressive front, we'd like to see aggressive rates of up to 100% for natural gas, hydrogen fuel cells and electric trucks, in order to promote these alternative-fuel technologies. As I mentioned earlier, we would like to see this made permanent. It's a good thing. The trucking industry supports it. It incentivizes business.

With respect to the carbon tax, no wholly viable alternative currently exists, so the current tax serves no policy purpose in the trucking sector. Diesel is the primary fuel used to power long-haul trucks. The federal carbon tax is intended to encourage truck operators to switch to less carbon-intensive alternatives, which don't currently exist in the long-haul sector and won't for the foreseeable future. Therefore, this tax misses its intended purpose in trucking, as it cannot alter fuel-purchasing decisions and doesn't provide any benefit to the environment.

In 2024, carbon taxes will add just under \$2 billion to annual trucking costs in Canada. By 2030, the carbon tax will add more than \$4 billion. Over the 12-year phase-in, the total cost to the industry will be \$26 billion. Due to razor-thin margins in the trucking industry, these added costs cannot be absorbed and must be passed on to consumers.

• (1605)

As virtually every good purchased by Canadian families and businesses involves truck transportation, this means those families and those businesses are paying increasingly higher prices for those goods.

Mr. Chair, thank you for your time.

This concludes my remarks, and I'm happy to take any questions.

The Chair: Thank you, Mr. Wood. I'm sure there'll be many questions.

Now we'll hear from the Climate Emergency Unit, and I believe it is Seth Klein who will deliver remarks.

Mr. Seth Klein (Team Lead, Climate Emergency Unit): Thank you, Mr. Chair.

Good afternoon, honourable members.

Thank you so much for this invitation. We're delighted for this opportunity to share an exciting idea with you, which is a proposal for a new federal program: a youth climate corps.

I'm the team lead with the Climate Emergency Unit. I'm joined by my colleague Bushra Asghar, who is one of the lead organizers of the national campaign for the YCC.

I'm also the author of a book called *A Good War: Mobilizing Canada for the Climate Emergency*, a book that maps out how to confront the climate crisis and is structured around lessons from the Second World War. During the Second World War, Canada had a population of about 11 million people. Remarkably, over a million Canadians enlisted. It was a truly extraordinary mobilization. Of those, 64% were under the age of 21. These young people left their

farms, delayed their careers and deferred their studies because they understood the emergency to be in that moment, and they heeded the call to serve.

Today, in the face of a new defining generational challenge, there are, once again, thousands of young people who understand the severity of what we confront. They again want to serve, to enlist in this generational challenge, but this time, so far anyway, they have yet to be issued an invitation to do so by their government. I'm going to pass the mic to Bushra to outline our vision for what a youth climate corps could look like.

• (1610)

Ms. Bushra Asghar (Organizer, Youth Climate Corps, Climate Emergency Unit): We're calling for the federal government to create a national paid job training program where anyone 35 and under could apply and sign up for two years to do climate adaptation and mitigation work in their communities: a youth climate corps. This would be a barrier-free, government-funded program to train youth for careers in the well-paying green jobs of the future. Our vision of the training is in three areas of employment.

Stream one is emergency preparedness and response work: wild-fire fighting, flood responses and low-carbon care work involved in climate emergencies, such as checking on vulnerable community members during heat domes so that we don't lose our elders.

Stream two is jobs in strengthening our community and our environmental resilience to climate change: conservation positions, ecosystem restoration and shoring up community infrastructure and the like.

Stream three is training in jobs that we require immediately to drive our everyday greenhouse gas emissions down: retrofitting our homes and buildings, renewable energy projects and building out our public transit infrastructure.

Young people would, we hope, finish this two-year-long program with a certification like a Red Seal to set them on a path for a long-term career doing this vital work. Built into our vision is a focus on equity-deserving communities that have historically been left behind. This would be a program that turns no one away, federally funded but community-led.

Mr. Seth Klein: Polling that we have commissioned from Abacus Data shows strong public support for this YCC vision across the country. In short, this would be a very popular program with massive interest among young people.

Our call is for an initial federal investment in the YCC of \$1 billion a year, which would then grow to accommodate demand. Ideally, the YCC would be cost-matched by provincial governments, and the deployment of young people would be done jointly with provincial, municipal and indigenous governments so that the projects and the training would align with regional and local climate action priorities that maximize greenhouse gas reductions. With a \$1 billion-a-year investment and a commitment to pay the prevailing living wage of about \$25 an hour, the YCC would create nearly 20,000 full-time jobs each year.

Ms. Bushra Asghar: In the wake of record world temperatures, escalating extreme climate-induced weather events and the recent launch of the American Climate Corps, this is a program whose time has come.

The youth climate corps would directly tackle the fight of our lives: the climate crisis. It would also address a number of other government priorities and crises that my generation is facing on the front lines: a national unemployment rate more than double the overall rate, affordability issues, housing, mental health, labour and skill shortages, equity and accessibility initiatives, and reconciliation with indigenous peoples.

My generation needs a youth climate corps because we are working multiple jobs and are still unable to pay our rents while living in an economy and in a country that are not prioritizing our future. This is the labour and climate solution young people direly need.

Thank you so much. We look forward to answering your questions.

The Chair: That's great. Thank you, Ms. Asghar and Mr. Klein.

Now we'll go to Réseau FADOQ and its president, Gisèle Tassé-Goodman, for five-minute opening remarks.

[*Translation*]

Ms. Gisèle Tassé-Goodman (President, Réseau FADOQ): Mr. Chair, thank you.

Ladies and gentlemen of the committee, my name is Gisèle Tassé-Goodman, and I am the president of Réseau FADOQ. With me is Mr. Philippe Poirier-Monette, special advisor on government relations.

I would like to thank the members of the Standing Committee on Finance for the invitation to participate in pre-budget consultations in advance of the 2025 budget.

Réseau FADOQ is a group of people aged 50 years and up, with over 580,000 members. Through our various initiatives, we seek to raise awareness among elected officials and members of civil society about seniors' reality. The goal is to improve seniors' quality of life.

Within the framework of the next federal budget, deploying efforts to improve the quality of life of a significant segment of the population will be important. It's no surprise that, at the outset, we

wish to emphasize a measure that Réseau FADOQ cares about, which is the 10% top-up to Old Age Security for people aged 75 years and up.

Increasing this benefit was and remains necessary. Nevertheless, people aged 65 to 74 years old have yet to understand why they are not entitled to the top-up. Currently, the annual income of a person under 75 years old who receives only the Old Age Security pension and the Guaranteed Income Supplement is less than \$22,000. In this situation, a senior's income does not even reach Canada's official poverty line. This threshold is based on the market basket measure.

Keep in mind that this index sets out the cost of a basket of goods representing a basic standard of living. A person at this income level is still experiencing economic insecurity.

Since financial hardship is ageless, it is equally important for those aged 65 to 74 years old to access the 10% top-up of the Guaranteed Income Supplement.

Furthermore, it is necessary to include some measures left out of the previous budget and the most recent economic update.

During the 2021 election campaign, the government committed to increasing the Guaranteed Income Supplement by \$500 a year for people aged 65 years and up living alone, and by \$750 per year for couples. Three years later, seniors are still waiting.

Keep in mind that Guaranteed Income Supplement recipients are among the least fortunate in our society. Therefore, Réseau FADOQ hopes this promise will be kept.

In 2021, the government of Canada also committed to setting up a tax credit for experienced workers. In the context of a labour shortage, this measure would be welcome, since it encourages people to stay on the market or return to it. On that subject, we wish to highlight that the government of Quebec set up a similar tax measure and it led to compelling results.

If the government of Canada does not want to implement this measure, it could at least look into the possibility of increasing the employment income earnings exemption for Guaranteed Income Supplement recipients.

Over the last few years, the government of Canada increased the earnings exemption a few times. Each time, Réseau FADOQ welcomed the decision. This measure could reduce the impact of a tax trap discouraging Guaranteed Income Supplement recipients from staying on the labour market.

Another promise slow in being honoured since the last election campaign is broadening the Canada caregiver credit to make it a refundable tax-free benefit. Such a change would make the tax measure accessible to those less fortunate. It would also target more caregivers, whose involvement is essential.

I want to thank the members of the committee for listening to us.

We are now ready to answer your questions.

• (1615)

The Chair: Thank you, Ms. Tassé-Goodman.

[*English*]

To all our witnesses, thank you for your opening remarks.

Now we're moving to members' questions. In the first round, each party will have up to six minutes to ask questions.

We are starting with MP Kelly for the first six minutes, please.

Mr. Pat Kelly (Calgary Rocky Ridge, CPC): Thanks.

To the trucking association, how much does the carbon tax cost your industry?

Mr. Geoffrey Wood: Thank you for the question.

Our estimates are that, at least in the 2024 year, it will add an additional \$2 billion to the cost of trucking services. That's approximate. If I were to break it down for you on a per-truck basis, that's adding an additional \$15,000 to \$20,000 per year per truck in fuel costs.

Mr. Pat Kelly: Okay. It's \$15,000 to \$20,000 per truck. That's the projection for this year, 2024.

• (1620)

Mr. Geoffrey Wood: That's correct.

Mr. Pat Kelly: Okay. The government currently plans to increase this in the years to come.

Mr. Geoffrey Wood: That is correct. On the tax, the per-litre charge for the carbon tax increases, I'm not exactly sure on the schedule, but I think that by 2030 those costs will increase to approximately \$4 billion annually.

Mr. Pat Kelly: Four billion—

Mr. Geoffrey Wood: It has an escalator in it. We projected that out to 2030.

Mr. Pat Kelly: What does this do to investment in your industry?

Mr. Geoffrey Wood: I'm not sure what it does to investment in the industry, other than from a competitive or a supply chain standpoint. It's grossly inflating the cost of the supply chain.

Mr. Pat Kelly: Can your customers afford to just pay more for your services?

Mr. Geoffrey Wood: In our world, typically those costs are passed along to our customers, which in turn are passed along to Canadians and in turn make our economy less productive and less competitive.

In some instances, those costs can be passed along with the increasing use of a spot market—what we call the spot market—ver-

sus contract rates or contract costing. It's becoming more difficult for fleets to absorb this or to pass it along. They end up absorbing it.

It's certainly a challenge that we would like to see addressed in the short term.

Mr. Pat Kelly: You mentioned the razor-thin margins. There really isn't anything that can be done other than passing this on and making life more expensive for Canadians. Is that fair to say?

Mr. Geoffrey Wood: Margins are extremely thin. It's an extremely competitive business: high volume, low margins. It is a challenge.

Mr. Pat Kelly: All right. Do you recommend that this tax be scrapped?

Mr. Geoffrey Wood: At a minimum, pause it for four years until we can get a handle on whether or not we have alternative fuel sources or propulsion power sources in the long term, but, ideally, the tax goes away.

Mr. Pat Kelly: You've mentioned that no such propulsion systems exist for long-haul trucking. Is that correct?

Mr. Geoffrey Wood: Diesel is king right now. There is a host of propulsion systems being looked at, but by no means is this anywhere close to being ready for the road or ready to replace diesel. Again, we are doing everything we can from an industry perspective in supporting that research and trying everything.

There's no silver bullet in alternative propulsion right now, but again, we're supportive of that. As good corporate citizens, we want to do the right thing for the environment and lower our carbon footprint, our GHG emissions, but right now the technology just isn't there. We're going to need more time to figure this out, hence our concern with the rationale for the carbon tax.

Mr. Pat Kelly: Thanks for pointing that part out. I guess it's fair to say that you don't burn diesel in trucks just because you like the smell. It's the lack of an alternative.

You have a tremendous incentive in your industry to discover new, more efficient and less emitting sources of propulsion, but until then, they don't exist. In the meantime, you have a cost that's being piled onto a low-margin business and being passed on to consumers who are increasingly unable to pay the cost. Is that a fair summary?

Mr. Geoffrey Wood: That's correct.

Mr. Pat Kelly: Now, the federal government has two carbon taxes. They call the second one a "clean fuel standard", but it really is another tax. How does that affect your your business and your industry?

Mr. Geoffrey Wood: I'm not the expert in that area, sir, but it certainly would have an impact. We've been having a number of discussions with Environment and Climate Change Canada on that. I can get you some more info as follow-up, sir.

Mr. Pat Kelly: I think that would be helpful, because this is another tax that paints you into a corner, where there are no alternatives for long-haul delivery, so you don't have a choice. You just have to pay it and pass it on to everybody in the supply chain to the point that it reaches consumers.

Tell us about the end-users in your industry. Food and groceries would be a huge one. Are there a number of them? Can you list some of the consumer impacts of the cost of trucking?

• (1625)

Mr. Geoffrey Wood: Trucking touches everything. With everything you have, eat, touch and buy, trucking is integral to the Canadian supply chain in bringing Canadians and their businesses everything they need. It's critical. It's integral.

Hopefully that answers the question. It's everything.

Mr. Pat Kelly: Thank you.

The Chair: Thank you, MP Kelly.

Now we'll go to MP Dzerowicz, please.

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

I want to thank all the presenters for all the excellent presentations. This is our first meeting on pre-budget consultations for 2025. You guys are inaugurating us into these discussions, so thank you for that.

My first question is for the Canadian Independent Screen Fund for Black and People of Colour Creators.

No one wants to talk about the pandemic anymore, but I think that for many years to come we're going to be evaluating the psychological impact of the pandemic on our lives. I will tell you, though, it is largely understood that if we hadn't had our arts and cultural activities, we would not have survived the pandemic.

In my riding of Davenport, I feel very blessed to have a very strong arts and cultural community, a lot of innovators and a lot of creators. I feel very blessed to be interacting with them.

I appreciated your pointing out the economic importance of the sector. I think we often don't hear enough of that.

I also want to reinforce the social aspects. We're in a big country. Arts and culture help us understand each other. They bring us together and share our stories. They help us understand the world around us. There's so much tremendous change that's happening, and I think it's hard to absorb or even understand. I think through our visual arts, our movies and our music, we better understand what is happening in the world, and we can better articulate it.

Having said all of that, we spent a lot of money coming through the pandemic. We've come through really hard times. Inflation is now finally coming down. Now we're trying to make decisions for budget 2025.

At a time of limited resources, why do you believe it's important for us to prioritize funding the Canadian Independent Screen Fund and other arts and culture initiatives at this time?

Ms. Sally Lee: In the case of the CISF, I would say the power of screen-based storytelling is truly profound. I feel the government, at this point, has a historic opportunity to be a driving force in transforming racial equity in the Canadian screen-based sector and to shape Canadian culture.

As you said, now, more urgently than ever, we really need stories that challenge stereotypes, foster understanding and bring people together. It's our hope to see the CISF being funded as a strategic investment to build an inclusive future for all Canadian creators, whose work will influence our national voice and positively impact communities across the country.

You mentioned the economic impact. I would say we really need to capitalize on what I consider to be a competitive advantage in terms of tapping into our diasporic communities to reach global audiences and global markets and bring what we believe to be truly Canadian stories out to the world.

Ms. Julie Dzerowicz: Thank you so much.

[*Translation*]

I also have a question for Réseau FADOQ.

Thank you for your presentation.

[*English*]

I've been to many doors in my riding. People talk about the GIS and they talk about the OAS, and they ask the same thing you mentioned: "Why did you raise it over 75, but not 65 to 75?" Often, what I say to them is that the truth is that, when we looked at compartmentalizing, we saw the greater health needs and greater costs for those 75 and older. However, I will let you know I formally support increasing the OAS by 10% between 65 and 75.

The thing people raise with me is housing for seniors. Many seniors in my riding own their homes. They want to move out. They want to move to something more manageable, or they want different options for housing for seniors. I don't know whether you have a recommendation around that.

They feel trapped in the homes they've spent their lives paying off but now can't really afford to live in. I think they also feel trapped because if they get very sick, long-term care isn't of the quality they would like to see. I wonder if you could comment on that and make a recommendation for us.

• (1630)

[*Translation*]

Ms. Gisèle Tassé-Goodman: Thank you for your question.

Several organizations met today around the Centennial Flame to tell elected officials here in Ottawa about the pressing needs among seniors aged 65 to 74. They have been forgotten. Remember, those who receive the Old Age Security pension and the Guaranteed Income Supplement live on an income of \$22,000 a year. That is below the poverty line, based on the market basket measure. That amount is based on a minimal basket of goods, which excludes medication and rent.

Furthermore, many seniors consult us about rent. They tell us that, at the end of the month, they cannot pay it all. They hold back part of the rent to buy groceries. That's how important it is for seniors to access the 10% top-up to Old Age Security.

Seniors also want to live at home. We hear it daily: They do not want to leave their residence. Some rent rooms to students. Others transform their dwelling into an intergenerational home. People therefore do not necessarily want to move and change where they live.

As for the 10% increase to Old-Age Security granted to people aged 75 and up, seniors aged 65 to 74 have been waiting for it for quite some time. They hoped that MPs, who certainly hear complaints from people in their riding—

Ms. Julie Dzerowicz: Thank you, madam.

[*English*]

Unfortunately, my time is over, but thank you.

The Chair: Thank you, MP Dzerowicz.

Now we're going to MP Ste-Marie, please.

[*Translation*]

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

Ms. Tassé-Goodman, I will come back to you in a moment.

I will start with a point of order. During testimony provided to the committee by Canada Revenue Agency representatives on June 3, 2024, questions were asked of them. On July 4, the committee received their written answer. I therefore request my colleagues' concurrence so that the information sent to the committee may be used publicly.

Ms. Rachel Bendayan: With pleasure.

Mr. Gabriel Ste-Marie: We agree. Thank you very much.

Mr. Chair, I welcome all the witnesses. I thank them for being here and for the very useful amount of information they are giving us. Unfortunately, time being limited, I will not be able to ask them all the questions I would have liked.

I will start with questions for Réseau FADOQ. Ms. Tassé-Goodman, you just reminded us that seniors living with an annual income of \$22,000 find themselves below the poverty line. In 1970, the Old Age Security pension represented 20% of the average industrial wage. Today, it represents only 12%. One after the other, governments stopped pegging the pension to the level it should have been indexed. Furthermore, the economics reporter, Gérard Fillion, reminded us some time ago that Canada is at the back of the pack among industrialized countries in terms of rate of income re-

placement, meaning the relationship between income when one is on the labour market and when one is retired.

What are your comments on the subject?

Ms. Gisèle Tassé-Goodman: Let's take the case of people who have to retire at 60 years old. If they start collecting from the Quebec pension plan at that age, they are penalized. Furthermore, some benefits and tax credits are available at 65 years old, and others at 70 years old. It reduces seniors' quality of life.

That said, when it comes to housing, we know it is very expensive. As I said to your colleague, seniors tell us they are unable to pay all their rent at the end of the month. They keep part of it—\$200, for example—to pay for their groceries. Then they tell their landlord they will pay the rest next month. It has a domino effect.

Seniors also tell us about how hard it is for them to pay for their medication, buy their glasses and go to the dentist. Those services are not free.

The 10% increase for Old Age Security represents about \$70 a month. If seniors aged 65 to 74 years old could access that amount, it would be highly appreciated.

• (1635)

Mr. Gabriel Ste-Marie: Thank you. It's unbelievable to know that seniors have to make those kinds of sacrifices. It's heartbreaking, really.

You also requested an increase for Guaranteed Income Supplement benefits for seniors with the fewest resources.

Could you give us some details? What increase are you suggesting for the Guaranteed Income Supplement?

Ms. Gisèle Tassé-Goodman: We are asking for a \$500 increase to the Guaranteed Income Supplement.

I will ask my colleague to elaborate.

Mr. Philippe Poirier-Monette (Special Advisor, Government Relations, Réseau FADOQ): Recall that during the 2021 election campaign, the government promised a \$500 increase for people living alone, and \$750 for couples. That is the absolute minimum.

I'd like to come back to indexing the Old Age Security pension, which you mentioned. The problem is that indexation is based on the Consumer Price Index, whereas average wage growth is a percentage point higher. Generally speaking, this means federal benefits will play a less important role in the income replacement rate for retirements in the future. That's where the problem lies.

As an example, the Canada Pension Plan and the Quebec Pension Plan change based on wages, because they depend on contributions. Maximum pensionable earnings change based on average wage growth. To put it simply, the average wage replacement rate by Old Age Security will be much lower in 2065 than it is currently.

Our ask is not complicated. We ask that indexation of Old Age Security also take wage growth into account. At least people wouldn't become impoverished. That's the foundation of retirement in Canada.

Mr. Gabriel Ste-Marie: Pension payments, as varied as they are, should therefore be indexed to the average wage. That was originally the case for Old Age Security. The government wanted to save money on the backs of seniors and retirees. However, you are saying that if we maintain the current calculation method, the gap between the Old Age Security pension and rate of replacement will increase. If nothing is done now, today's youth will have even less money when they retire. That supports your request to index the pension to average wages and not the Consumer Price Index, as well as applying the increase as of 65 years old.

Mr. Philippe Poirier-Monette: Exactly.

Furthermore, you must remember that the Canada Pension Plan and the Quebec Pension Plan were topped up. They went from a 25% replacement rate to about 33%. That is a good thing, but the problem is that people contribute more. They therefore earn less on their paycheque. Now, because of the fact that Old Age Security is indexed to the Consumer Price Index, the federal government's share of benefits for the income replacement rate is going down. Generally speaking, future workers will therefore contribute more to have basically the same income replacement rate. That means a replacement rate of about 40% for both payments combined.

Mr. Gabriel Ste-Marie: Thank you very much.

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

[English]

We'll now go to MP Davies.

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

Thank you to all the witnesses for being here today.

Mr. Klein and Ms. Asghar, I'd like to start with you.

The youth climate corps is an intriguing idea. Could you explain to us, briefly, how that differs from youth employment programs or training programs that currently exist?

• (1640)

Ms. Bushra Asghar: The biggest difference is that we are proposing a two-year-long program. We're not just teaching young people how to install a solar panel. Many current government programs are four months long or maybe a year long, but they are not as substantial as what we are proposing, which would be two years in length.

It would also be paid at a thriving decent wage...as well as the linkage to a long-term career pathway for young people. That is what's distinguishing us from what currently exists in terms of the basket of different measures for youth.

Mr. Don Davies: Thank you.

What do you see as the key steps involved in implementing the YCC? Can you outline how the \$1-billion-per-year investment should be allocated?

Mr. Seth Klein: Our hope is that we could get a program stood up fairly quickly and that would begin with an initial investment in the budget.

There's a logic to this program being cost shared with provincial governments or territorial governments. I think there's a reasonable expectation that a number of provincial governments would be keen to cost match with the federal government.

I'm in British Columbia. I think the B.C. government might well be interested in that, as well as the Manitoba government, very possibly the Quebec government and the P.E.I. government. I'm thinking about governments with very active climate plans. I think there's a place here for partnership with post-secondary institutes and with the labour movement for the apprenticeship piece of this.

You can sort of see a trajectory, looking south of the border. It was a year ago in September that the Biden administration announced an American Climate Corps. It invited input from young people and community organizations about the nature of what those jobs could be. It rolled out the program early this calendar year. The first 10,000 young people were employed this past summer.

It can happen when the will is there. It can happen very quickly.

Mr. Don Davies: Thank you.

I read recently that the true youth unemployment rate is actually quite disturbingly high—somewhere approaching 15% or 16%. A lot of young people are despondent not only about their economic future, but about the future of the planet.

What do you see as the anticipated economic benefits of the YCC for Canadian youth and Canadian society?

Mr. Seth Klein: I can take a first stab at that if you would like. We're not in the same place, so it's not clear which of us should answer.

I think there would be a huge payback. First of all, just to take the example of apprenticeships, we know that when somebody has apprenticeship training, their income is about \$15,000 to \$16,000 higher than if they just have a high school education. You can anticipate rolling benefits in terms of earnings and in terms of tax returns back to the federal government.

Bushra spoke about the fact that many industries are wrestling with skill shortages. There are, in fact, climate infrastructure projects across the country that are looking for funding particularly to train up enough people. We've partnered with Sacred Earth Solar in this campaign and with some indigenous groups. There are all kinds of projects that could be scaled up at a much faster rate with sufficient funding for the training.

There are those clear economic benefits, but as you also alluded to, there are mental health benefits. We know from research from about a year ago, from Lakehead University's survey of 1,000 young people across the country, that close to 80% of those young people report that climate change impacts their mental health. For about a third of them, it gives them pause about considering having families.

There's something in this call, I think, beyond the economic benefits and beyond the training and career path. It's this invitation to find a common sense of purpose in doing something that actually meets this moment.

Mr. Don Davies: Thank you.

I'm going to try to squeeze in a quick question for Mr. Cochrane.

In the CLC's pre-budget submission, you point out that Canada's social housing currently makes up only 3.5% of Canada's housing stock and that's about half the OECD average of 7.1%. Can you outline why Canada has fallen so far behind the OECD peers with respect to non-market housing stock?

What impact might doubling Canada's percentage of non-market housing have on housing prices and affordability across the country?

• (1645)

Dr. D.T. Cochrane: The government withdrew from the housing provision role that it had previously to a much bigger degree than its international peers. That resulted in much less of this very important part of the housing market.

It doesn't have to be a massive piece to reduce price pressures by a large degree because people who now have access to this housing aren't participating in the the process of bidding up housing in the market. That's going to pull down prices for rentals and houses more generally, as part of a general increase of supply.

We need to make sure that everyone has access to housing. More social housing will improve that access and will help reduce prices across the entire housing market.

The Chair: I'm sorry, MP Davies. We've reached the time. Really, we're well over. There will be an opportunity in the second round, and that's what we're starting right now.

Times are a little bit different for the parties. We're starting with MP Morantz for five minutes, please.

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

Mr. Robertson, I'm going to start with you.

In your first recommendation, you talk about federal grant programs and that you want to ensure that those projects will align with the Canadian anti-racism strategy, "Changing Systems, Transforming Lives". In the commentary around that recommendation, you specifically note the Laith Marouf scandal, which was a terrible scandal where someone who clearly expressed anti-Semitic and hateful views towards Jews received federal money.

When I read this, it reminded me of another scandal that unfolded over the summer, which was the appointment back in May or

June by Minister Virani of Mr. Dattani to head the Canadian Human Rights Commission. Mr. Dattani was appointed and then resigned, and it was a real mess for the government. It got me thinking whether or not you think that this recommendation—the application of Canada's anti-racism strategy—should also be applied to the way appointments are conducted. I note, in fact, that in your public comments you said, "The Dattani saga highlights critical flaws in the Government's process for vetting candidates.... We call for a thorough investigation to ensure such oversights are prevented in the future."

I wonder if you could comment on that or whether you have other ideas as to how the vetting of appointments, particularly with something so critical as the Canadian Human Rights Commission, could be conducted properly so that Canadians can have confidence in the impartiality of the people who are appointed to such important positions.

Mr. Richard Robertson: Absolutely. The implementation of Canada's anti-racism strategy is absolutely critical to fighting all forms of racism and hatred in Canada, including anti-Semitism. Whether we're applying the anti-racism strategy towards our federal granting apparatuses or whether we're applying it towards federal appointments, these are measures that should be adopted and in place to ensure that, in all government action, a whole-of-government approach to the implementation of the anti-racism strategy is being implemented.

We absolutely believe that the adoption of a recommendation that would have our federal granting apparatuses align with the anti-racism strategy is just a first step. To see that then utilized to ensure that all government appointments are in line with the strategy is a logical next step.

Mr. Marty Morantz: Thank you.

On to another topic, I know that B'nai Brith put out a statement back in the spring that they were very concerned that the federal government had chosen to reinstate funding for UNRWA. The record of UNRWA is pretty clear. For years we've known that they have anti-Semitic school materials, where they teach children to hate Israel and to hate Jews. They show them maps without Israel even being on the map. Those reports were put forward by IMPACT-se and have been widely reviewed. Then revelations came out about employees of UNRWA who participated in the October 7 massacres.

Most recently, in the counterattack of Israel in Lebanon, a fellow named Fatah Sharif Abu al Amin, a senior Hamas leader in Lebanon, was killed, but the revelation came out that he was also the head of the UNRWA teachers union, which is not a small, low-level position.

Are you even more concerned than you were in the spring that the Canadian government should not be funding UNRWA?

• (1650)

Mr. Richard Robertson: Absolutely. The evidence is abundant and is irrefutable. UNRWA was complicit in the October 7 attacks led by Hamas, and UNRWA has also been complicit in indoctrinating generations of Palestinian children to hate and incite against the Israeli state. The existence of UNRWA as a result is contrary to a two-state solution, and UNRWA should not be utilized as the vehicle through which Canada administers aid to the Palestinian people.

Mr. Marty Morantz: Thank you very much.

The Chair: Thank you, MP Morantz.

Now it's over to MP Sorbara for five minutes.

Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.): Thank you, Mr. Chair.

I'd like to welcome to the committee all of the witnesses today. It is great to be back on pre-budget submissions, listening to the various stakeholders from across our country.

I would like to start with B'nai Brith.

Thank you for being here, gentlemen.

About two months ago, I visited the Toronto Holocaust Museum. I went down there and took a tour. Many years ago, I had the opportunity to visit Yad Vashem. One of the things that struck me is the level of disinformation and misinformation—folks not believing that the events of the Holocaust actually happened. It's especially younger folks, if I can say that. It's what the data brings out. It is scary. What is also scary is the level of anti-Semitism we are seeing here in Canada. Jewish Canadians do not deserve that in any manner. I come from the city of Vaughan. We have a very vibrant Jewish community, among many others. I think over 120 languages are spoken in the city I live in—one of the ridings I get to represent.

My first question to B'nai Brith is with regard to the anti-racism strategy and countering the disinformation and anti-Semitism we're seeing. What are the most effective tools the government can provide?

Mr. Richard Robertson: I would like to point to the second recommendation in our submission, which is our strategy for an IHRA literacy program. Canada adopted the IHRA definition of anti-Semitism in 2019. It is part of our anti-racism strategy, which was renewed in 2024 for another four-year period. However, there is a disconnect between the government strategy and its implementation. As a result, we aren't seeing enough familiarity with the strategy and the definition among the general public. That's leading to the growing figures as they relate to Holocaust denialism and disinformation.

By ensuring the next generation of Canadians—that's why we specifically want to target secondary and post-secondary students—is familiar with and understands the IHRA definition and what really constitutes contemporary anti-Semitism, we can begin to reduce some of those alarming figures you alluded to. The IHRA has a working definition. It's a guide. It has examples. If you don't understand the examples or are not using the guide, and if the guide isn't made expressly available to all Canadians, we're not properly implementing the definition.

Mr. Francesco Sorbara: I have a follow-up question on recommendation four, which I find very interesting.

Why is a digital archive of all records important to B'nai Brith?

Mr. Richard Robertson: It is extremely important to B'nai Brith because we're now almost 100 years removed from the Holocaust. We have access to the first-hand testimony of survivors less and less each year. It's important that we are able to learn from our past as a nation, and that all Holocaust records are made available to the public so we can have clarity on Canada's role in the immigration of members of the Nazi Party and their affiliates to Canada. It's also so we can use those records to further advance our ability to teach the Holocaust and spread Holocaust education across the country.

• (1655)

Mr. Francesco Sorbara: Of course, I hope to see the remaining hostages released and a ceasefire come into effect, so peace can come to that area of the world, which we know is facing mounting concerns. With today's events, it's a growing concern, obviously.

I want to change channels and go to the CLC.

Sir, you're an economist. I'm an economist. I heard much of your testimony today. I want to talk about one recommendation you brought up in regard to labour market transfers.

We know the federal government provides the provinces with a lot of money. I would say there's a ton of money in labour market transfers in order to make sure Canadians have the skills to succeed in today's economy and labour market. You asked for, I believe, a top-up to labour market transfers.

Can we have a general review of labour market transfers? Sometimes just sending more money to the provinces may not be the answer.

Dr. D.T. Cochrane: Absolutely. More money is not an answer in and of itself.

However, this is a program that is proven to work quite well. Programs that are working well in times when there is a need for the kinds of supports they provide deserve to get more funding in order to provide more of that support. We think this kind of successful program in a time when—this has already been mentioned—our labour markets are getting weaker and weaker... There's more and more upheaval in the kinds of jobs and employment people have access to.

We need the kind of work that this money would help get done.

Mr. Francesco Sorbara: Before the chair cuts me off—

The Chair: Mr. Sorbara, we are actually over time.

Mr. Francesco Sorbara: Thank you, Chair.

The Chair: Now we're going to MP Ste-Marie.

[Translation]

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

Ms. Tassé-Goodman, in two and a half minutes, could you summarize your requests regarding experienced workers?

Mr. Philippe Poirier-Monette: Thank you for your question.

We are in the middle of a labour shortage, and we think seniors represent a valuable pool of potential workers. That pool is open to everyone, but seniors need to be encouraged to work. We often state that, according to a Quebec Employers Council survey, about 50% of those who continue working or return to work were incentivized by tax measures.

In 2021, during the election campaign, the government committed to setting up a tax credit for experienced workers. I note, in fact, that all political parties also proposed it. Implementation of this tax measure isn't happening quickly. As Ms. Tassé-Goodman noted in her opening remarks, this type of tax credit was created in Quebec and was relatively successful. Since 2012, employment rates among women went up from 7% to 8%, and among men from 3% to 4%. That means this measure had an impact.

As Ms. Tassé-Goodman was saying, if the government does not want to set up a tax credit for experienced workers, it could consider increasing the employment income exemption when calculating the Guaranteed Income Supplement. That is what is proposed in Bill C-319. That would be worthwhile. I remind you these people are the least fortunate. It could reduce the effect of the tax trap that discourages working.

So, those are two proposals for experienced workers that we would like to see implemented.

Mr. Gabriel Ste-Marie: Thank you very much.

[English]

The Chair: You still have half a minute.

[Translation]

Mr. Gabriel Ste-Marie: What could you add, in one minute if possible, about the non-refundable caregiver tax credit?

Mr. Philippe Poirier-Monette: In our pre-budget brief, we referenced the government's promise in 2021 to broaden the Canada caregiver credit and make it refundable. We think it's important to make this measure a reality. I remind you that caregivers represent about 34% of the population. The majority of them, about 60%, are women. Furthermore, 20% of caregivers live in financial insecurity. They spend an average of \$8,000 a year on their loved ones. We must understand they represent a significant contingent of workers. To replace caregivers, we would have to hire about 1.2 million professionals. That means they play an important role and we have to support them accordingly.

• (1700)

Mr. Gabriel Ste-Marie: Thank you.

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

[English]

Now we will go to MP Davies, please.

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

Mr. Cochrane, when we left off, you mentioned that the federal government pulled back in terms of investment in non-market housing. Can you tell me approximately when that pullback began?

Dr. D.T. Cochrane: That was in the eighties, if I'm remembering my housing financing history correctly.

Mr. Don Davies: Has there been any change in that over the last, say, 25 years, or since the year 2000?

Dr. D.T. Cochrane: No. That has remained the prevailing wisdom as part of this widely accepted narrative that the government had little to no role to play in the economy and housing was understood to be something that should be provided by the market, so governments retreated.

The current dire situation we're in has really been decades in the making. This did not happen overnight. This is because of that narrative having led to all sorts of policies that meant we were not building housing at the scale that was needed. The population grew at a pretty predictable rate, which meant housing needs were quite predictable, but we weren't building the housing that we needed. Now we are where we are.

Mr. Don Davies: Thank you.

In your pre-budget submission, you spoke of a request for the federal government to reverse the financialization of housing, which contributes to rising rents, among other things. Can you please outline the steps the CLC would like the federal government to take to accomplish that?

Dr. D.T. Cochrane: First and foremost, the preferential tax treatment of REITs needs to be eliminated. We eliminated preferential tax treatment for other sorts of investment trusts. There is no reason to keep it in place for REITs.

The justification for it is that this will bring financing into the housing market that then will build the housing that we need. I think the experiment is a failure, and we need to do what we did four decades after the war and just build the housing that needs to be built, instead of trying to do tricks with tax rates to incentivize the kind of financial investment that we want. We didn't get that. We just got more financialization and more assetization of housing through these REITs, which turn housing into assets first and homes second. They should be homes first.

Mr. Don Davies: Mr. Chair, I can't see you. How much time do I have?

The Chair: We've just reached the time. Thank you for letting me know that, MP Davies. You're very good.

Now we're going to go to MP Chambers for five minutes.

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

Mr. Wood, thank you for joining us today. Just so I understand, would it be fair to say that your testimony today is that the trucking industry is primarily concerned with two things, one being the cost of the carbon tax and the other being what the industry commonly refers to as Driver Inc.?

Mr. Geoffrey Wood: That is correct.

Mr. Adam Chambers: With respect to the carbon tax, you said that it was about \$20,000 per truck. Do I have that number correct?

Mr. Geoffrey Wood: Yes, it's between \$15,000 and \$20,000. That's based on the amount of fuel that goes into a vehicle and on the miles that they run, on average, annually.

Mr. Adam Chambers: Right. Today, the finance minister joyfully exclaimed that any businesses with fewer than 500 employees will receive, I think, up to maybe \$3,000.

Is that going to make a difference to any of your members?

Mr. Geoffrey Wood: I'm not sure, sir. I'm not familiar with the comments that were made today, so I'd have to take that back and provide you with an update.

Mr. Adam Chambers: Sure, I mean, that's just in respect of the carbon tax rebate for small businesses, but if you're paying \$20,000 per truck on the road, I assume getting a \$3,000 cheque back from the government's really not going to make much of a difference.

Mr. Geoffrey Wood: I think, sir, we'd have to take that back and look at the math.

Mr. Adam Chambers: Okay.

Mr. Geoffrey Wood: I think, too, just to clarify, that is an increase. It's about a 6% increase in the overall total operating costs when you add in those increases on an annual basis.

We talked about the razor-thin margins and not a lot of room for things to happen to be able to recoup it and pass it along, so we certainly would want to look at that math and determine its potential impact.

• (1705)

Mr. Adam Chambers: Wow, so you're saying that the carbon tax is adding 6% in increasing costs to your members generally.

Mr. Geoffrey Wood: Yes, that's correct.

Mr. Adam Chambers: I assume margins are probably... If you're saying they're razor thin, they're probably less than 5% already, maybe even lower. Is that correct?

Mr. Geoffrey Wood: Depending on the sector being served, yes, the margins are very thin. You'll probably see 9.6%, 9.5% or 9.4%, but certainly as you look at the numbers we've talked about today, it can eat into that pretty quickly as the tax increases.

Mr. Adam Chambers: Okay. I want to try to connect these two issues here for a second, if I might. Sometimes you may be able to pass along to your customer the cost of the increasing carbon tax. Sometimes you have to eat it.

As one of your customers, am I now incentivized to explore cheaper, maybe less scrupulous ways of shipping my goods if I'm being faced with price increases throughout the chain?

Mr. Geoffrey Wood: Of course you are. Those services would be offered based on non-compliance, particularly on the side of

CRA and ESDC, as we've identified. That non-compliance allows an unscrupulous operator to lower their operating costs and offer their services to the supply chain at a more advantageous cost to folks who may want to purchase them, some knowingly, some unknowingly. The majority of them are knowingly doing this, unfortunately.

Mr. Adam Chambers: Thank you very much for that testimony.

As I understand it, the government's carbon tax has increased the costs to the industry such that now you have more individuals, potential customers, looking for ways to save money, which might actually be exacerbating the Driver Inc. problem to begin with.

Would that be a fair characterization?

Mr. Geoffrey Wood: Yes, I think you could make the link. We'd have to look at that particularly. I can tell you that the Driver Inc. issue has been percolating. It's at least eight years that we've been at this with CRA and ESDC.

Mr. Adam Chambers: Thank you very much, Mr. Wood.

Mr. Cochrane, I enjoy a lot of your work. I will ask you this in your personal capacity, not in representing your current role.

There was a news article that said the CRA had been waiving record amounts of the debt that corporate taxpayers owe the government. The top five corporate writeoffs were over a billion dollars.

Do you think that taxpayers deserve transparency about who these corporations are that are getting massive writeoffs of their tax bill?

Dr. D.T. Cochrane: Yes. More transparency is almost always better.

Mr. Adam Chambers: Thank you very much for your testimony.

The Chair: Thank you, MP Chambers.

Now we go to MP Thompson, please, for five minutes.

Ms. Joanne Thompson (St. John's East, Lib.): Thank you and welcome to all the witnesses.

I'm going to begin today with Mr. Klein and Ms. Asghar.

I was really quite interested in your opening comments. I think everything we can do to engage young people and expand the work we do to move very quickly into the green economy is incredibly important.

I know within my province of Newfoundland and Labrador there's a tremendous amount of focus on really assisting to move our workforce into the realities of where we are in terms of the need to very quickly move towards a green economy. There are provincial supports in retraining. There's also industry and apprenticeship.

How do you see taking your youth climate corps beyond the words of collaboration? How do you see really integrating what you were suggesting into existing programs?

Either one of you, whoever would like to go first, can respond.

Mr. Seth Klein: Do you want to go first?

Ms. Bushra Asghar: Yes, absolutely.

In some of the conversations that we've been having with a lot of the ministries and policy directors of the targeted ministries of this campaign, we want to look at the shortcomings of existing programs and how to expand them, but, in essence, really it's the program that we envision.

The only existing program that's like it that exists inside of the government is the military. If you think about a national paid job training program that's turning no one away right now, that is the military, which tells young people that, if they want in, then there is a space for them.

That's really how we are positioning the youth climate corps, but as one that focuses on climate adaptation and mitigation work because we see the threat that our generation faces.

In terms of Newfoundland specifically, I think what you said is exactly right. All of the issues that we're facing as youth, youth in the Atlantic region are facing them triply as hard whether that's leaving their provinces to find work or just general skyrocketing rents with wages just not lining up. It's going to take a whole-of-government approach to create this model and program, and, yes, really looking at the military as one possible option of what this grand undertaking could look like, which turns no one away.

• (1710)

Ms. Joanne Thompson: Thank you. I appreciate that.

I'm going to switch, actually, if I could, to you, Mr. Wood.

My father was a truck driver, and I know first-hand how hard he worked so I absolutely support our unsung heroes who move supplies across this country.

It's a very sad anniversary that just passed. A significant hurricane hit my province, and the most severe damage was in the area where goods and services enter by trucks. It certainly significantly impacted our supply chain, and, of course, looking at what's happening along the northeastern U.S. is, again, very shocking.

My question is around the pollution pricing and, from my perspective, why it's so important that we very quickly move on climate mitigation. Are you able to share if you're capturing the very real costs to the industry from these very extreme weather systems? Of course we know they're happening more in shorter periods of time and it's more severe. Do you have any costing on that and what that means for the industry?

Mr. Geoffrey Wood: I don't have anything specific, but as a case-by-case basis comes along, we would look at those numbers and determine if transit times are increased or a whole host of factors. We don't have anything specific per se to your situation, but we are certainly happy to look at it on a case-by-case basis as that comes up and as needed if that would be the wish of the committee.

Ms. Joanne Thompson: Thank you.

The Chair: Thank you, MP Thompson.

Witnesses and members, we are moving into our third round of questions. This will be our final round.

We're starting with MP Morantz, for five minutes, please.

Mr. Marty Morantz: Thank you, Mr. Chair.

Mr. Wood, you had said that, based on the current level of the carbon tax, it was costing \$15,000 to \$20,000 on a per-truck basis. You confirmed that with my colleague, Mr. Chambers.

The carbon tax is set to go to 61¢ a litre. At that level in 2030, do you know what the cost per truck would be?

Mr. Geoffrey Wood: I'm sorry. I don't have those specifics, but certainly I can take that back and get you some math on that.

I think we did calculate that, currently in 2024, it's adding \$2 billion a year to the total. By 2030, I think our estimates were up to about \$4 billion annually. Again, the math would be pretty simple to do. I just don't have it at my fingertips.

Mr. Marty Morantz: Would it be safe to say that, if it's \$15,000 to \$20,000 a truck at \$2 billion, at \$30,000 to \$40,000 a truck it would be \$4 billion?

Mr. Geoffrey Wood: It could be, sir. Again, I'd like to take that back and really have a little bit of a closer look at the numbers.

It's significant, though.

Mr. Marty Morantz: That's fair enough.

What does this do to Canada's competitive standing with trucking companies in the United States?

Does it make us less competitive when customers are looking for companies to ship their goods?

Mr. Geoffrey Wood: The carbon tax applies domestically, so for the north-south as we'll call it, the Canada-U.S. stuff really isn't affected. It's really the mileage that's travelled domestically.

To your point about competitiveness, it certainly makes the supply chain in Canada less competitive. If we're competing, for instance, with the United States and you're investing in developing manufacturing businesses or whatever, and it ends up getting shipped by truck in the purely Canadian context, it's certainly at a disadvantage. The costs are exponential.

• (1715)

Mr. Marty Morantz: You had touched on, with Mr. Chambers, this effect of increased costs driving customers to use more of the Driver Inc. model of companies.

Did I have that correct?

Mr. Geoffrey Wood: That's certainly going to be a factor.

In the supply chain, certainly for folks who are tasked with managing their supply chains or what we call their traffic departments, their goal is to get the lowest cost offerings. A lot of the time, they may be aware that the lowest cost offerings are on the backs of drivers who don't have workers' rights, etc., or companies that are unscrupulous.

It could be a whole host of factors. Now that you and your colleagues have brought it up, it's certainly something that we're going to want to look at and see if the tax is exacerbating the problem.

Mr. Marty Morantz: Have you noticed any reduction in the volume of freight in the industry?

Mr. Geoffrey Wood: We're having a lot of challenges right now. It's not a good situation. Freight volumes are way down.

Fortunately, I'm surrounded by a great team here, and we work for a number of fantastic folks who are on the front lines of this. Things are dire right now. There are too many trucks and not enough freight. There are a lot of challenges, as folks will tell you, with rate pressure.

To your point about the supply chain looking for further cost reductions, it is a challenge. It's exacerbated by the fact that approximately 30% of the business or the industry—and let's be frank here—is in the underground economy or in the full grip of Driver Inc. If you're a legitimate operator, you're having a really hard time.

It's hard to truck the right way now, as we say. We need help. We need ESDC to step up. We certainly need CRA to step up. We need the reinstatement of the T4A, which is the paper trail between two contractors. There's been a moratorium for a long time.

We need help. With the pre-budget study...and to everybody on the line here on the government side or amongst the government, certainly we're having some challenges. We've clearly outlined what the challenges are. We've just seen a lot of non-action.

For folks who want to run their businesses legally and compliantly, we can't figure out why the laws aren't being enforced, particularly by those two organizations. We can't figure it out.

Thank you.

Mr. Marty Morantz: I think I've timed out. Thank you for your testimony.

The Chair: Thank you, MP Morantz.

Now it's MP Baker for the next five minutes.

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

[*Translation*]

I want to thank all the witnesses for being here today. I'm grateful for their testimony.

I have some questions for a few witnesses. I'll try to ask them quickly. However, I apologize in advance if I don't have time to ask everyone questions.

I'll start with the Réseau FADOQ representatives.

Thank you for being here today. I'm keen to hear your testimony and your thoughts, because you represent many seniors.

My constituency of Etobicoke Centre, a suburb of Toronto, is home to one of the highest percentages of seniors in the province and the country. I meet with these seniors every month to discuss their challenges. Since my arrival in the provincial government, and now the federal government, dental care has been one of their top concerns. Not only does it significantly affect people's health, it's also costly and can take up a large part of their disposable income.

I think that approximately one million seniors across the country have enrolled in the dental care program. About nine million people are expected to sign up.

Can you talk about the program's impact on the people whom you represent?

• (1720)

Ms. Gisèle Tassé-Goodman: We hear about this program regularly. Seniors have a hard time getting an appointment, since dentists' appointment bookings are full.

Seniors who have started getting dental care report that it's quite expensive. They're wondering about the rationale behind the program. Some costs aren't covered. I was shocked to learn that a woman received notice that she could change her upper dentures, but not her lower ones. That's where things stand right now. Not all seniors are happy with the program.

Mr. Philippe Poirier-Monette: When the program was introduced, the professionals had to register with the Canadian dental care plan. The situation has improved, since they no longer need to do so and they can still submit claims. In my opinion, this has helped the program move forward.

However, as Ms. Tassé-Goodman said, some costs and treatments aren't covered. Some people are ineligible and feel that they should qualify. Ultimately, they aren't eligible, because they purchase their own dental insurance, for example. As a result, a number of issues must be addressed.

In Quebec, we have concerns about the transfer of the program. If this program is transferred, we hope to see improvements. We're also keeping a close eye on the development of the Canadian dental care plan.

Mr. Yvan Baker: I understand that some people aren't covered for the reasons that you brought up. Where I come from, the portion of costs covered has made a big difference for seniors. Isn't that the case for Quebec seniors?

Mr. Philippe Poirier-Monette: That isn't what they say. I think that the people accepted into the program are benefiting from it, and that's good. We know that dental care factors into health and that good dental health factors into socialization. For the eligible people, the program is beneficial. We've made that clear from the start. We support the Canadian dental care plan. However, during its implementation, certain issues arose regarding the professionals who had to register for the program. We know that some dental associations feel that not enough costs are covered by the program. Many issues remain a concern, but it's ultimately a positive step.

The people who are eligible certainly reap the benefits.

Mr. Yvan Baker: Thank you.

[*English*]

The Chair: Thank you, MP Baker.

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

[*Translation*]

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

Ms. Tassé-Goodman, the government is currently assessing whether to give a royal recommendation to Bill C-319, which would increase old age security by 10% for people aged 65 to 74.

What arguments would you like to put forward to convince the government to give this royal recommendation?

Ms. Giséle Tassé-Goodman: Members of Parliament, I'm sure that seniors under the age of 74 in your constituencies are coming to tell you that they're living below the poverty line, which is less than \$22,000 a year. These people are struggling to pay rent, buy groceries and so on.

If the government really wants to save money, and we can see that it does, perhaps it could review the maximum eligibility threshold for old age security.

Should a person who earns between \$120,000 and \$130,000 a year be just as entitled to receive old age security as a person who earns less than \$22,000?

This issue requires serious consideration, and the government could devote more attention to it.

Mr. Gabriel Ste-Marie: Thank you.

In general, do you have any other comments for the committee?

• (1725)

Mr. Philippe Poirier-Monette: In my opinion, the key message about old age security is that we must look beyond columns of figures. We must look at people's day-to-day needs. Some people aged 65 to 74 have urgent needs in terms of housing, food and medication. An extra \$70 a month can change their lives. We're asking parliamentarians to think about these people who are struggling to make ends meet.

Mr. Gabriel Ste-Marie: Thank you.

I hope that the government has heard you and that it will act accordingly.

Thank you, Mr. Chair.

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

[*English*]

Now we'll go to MP Davies.

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

Mr. Cochrane, I'm just going to ask you two questions, because I only have two and a half minutes, and I'll let you answer as you will.

In your pre-budget submission, you talked about the importance of health care, which I think is very much top of mind as an issue for Canadians. Can you outline what specific steps the federal government should take to defend patient care, reverse privatization and solve the health human resources staffing crisis?

My second question is about something you mentioned in your opening remarks. What does a better fiscal policy for Canada look like to you?

Dr. D.T. Cochrane: I'll answer the second question first.

A better fiscal policy, first of all, has to be at the scale of the issues that the government needs to be dealing with, the guidance it needs to be providing and the investment it needs to be making. Health care is one of the areas where that investment should be going. I think most Canadians take a lot of pride in our universal health care system and are ashamed to realize the wait times and to know the hardships that our frontline health care workers are facing in providing the health care that we need.

We have an aging population, and there are an increasing number of long-term debilitating illnesses that people are dealing with. This is going to increase the pressures on our health care system, which we almost all agree should be free at the point of service, and when something is free at the point of service, it gets paid for somewhere and it gets paid for through our social safety net. That's not just about shoving money at the situation. That's also about having the appropriate regulations in place.

Health care, as it is well known, is a provincial responsibility, but the federal government has many tools and pressure points it can exercise in order to return to the universality of access that health care had at its origins and that we need to be defending. Putting conditions on getting access to increased funding needs to be one of the ways we make sure the creeping privatization doesn't continue. It just creates a two-tier system and diverts resources away from the public health care system, giving us the sort of system that I think most of us do not want.

The Chair: Thank you, MP Davies.

We go now to MP Kelly, please.

Mr. Pat Kelly: Thank you.

To the trucking association, do you have any comments about the problems we have with gatekeeping that add expense to dealings between provinces?

Mr. Geoffrey Wood: Thank you for the question.

We've actually put together an interprovincial trade barriers report. It outlines a host of items that we feel could use some attention. It's fairly lengthy, sir. I'm happy to get into it, if you have any specific questions. There's a whole host of items.

Mr. Pat Kelly: If I may, I think members might not be aware of the different ways in which costs are added to Canadians and how there are discrepancies around everything from sizes to fuel blends. Do you have just a few quick examples to allow Canadians to understand the depth of regulatory problems that add costs for Canadians?

Mr. Geoffrey Wood: Sure. Thank you for the question, because it's actually a report that I worked on.

We identified not just regulatory but also operational pieces. The consistency of winter road maintenance standards, province to province, gives us consistency in transit times during inclement weather. We talked about the need to continue to fund truck rest areas and parking so that drivers can get their rest. That brings the national highway system up to the code it's supposed to be—

• (1730)

Mr. Pat Kelly: If I may, my time is limited here. Have you raised these issues before with the federal government?

Mr. Geoffrey Wood: Yes, we have.

Mr. Pat Kelly: Have they addressed any of these problems?

Mr. Geoffrey Wood: There's been a host of mechanisms around for 40 or 50 years to deal with it, but the most recent round with Minister LeBlanc, I believe, and his efforts on that have gone forward. There seems to be traction there. We're looking forward to participating in those efforts.

Mr. Pat Kelly: Okay.

You've talked about how the CRA is not effective in enforcing the law and the emergence of an underground trucking industry. Canada has existing laws, though, that should protect workers and consumers. Also, the agency should be able to properly collect its taxes.

Do we need new laws or do we need law enforcement?

Mr. Geoffrey Wood: We need law enforcement. We're not asking for anything new. We just want the law enforced.

Mr. Pat Kelly: Okay.

Mr. Geoffrey Wood: I could give you some numbers. We say it's conservatively at \$1 billion, but it's more than that. It's \$1 billion on the evasion side, on the company side, but it's about \$5 billion a year on the tax evasion by a number of drivers. It's a massive leakage.

We can't figure out why the laws aren't being enforced. When you talk about that leakage, that's money that should go to supporting hospitals and health care and all of our social institutions. It's not there.

Mr. Pat Kelly: The CRA is failing to collect taxes from within your industry, while at the same time, as Mr. Chambers pointed out, we see increasing writeoffs for the non-payment of taxes—but they're not collecting. They're not collecting from your industry.

Did you say that they're failing to collect \$1 billion?

Mr. Geoffrey Wood: That's at a minimum. There are two pieces. There's the corporate side of the taxes that aren't contributed from the companies themselves. Then there's a significant portion of drivers who do not file. They don't pay.

Mr. Pat Kelly: Have you raised this at this committee before or raised it in some way to the federal government?

Mr. Geoffrey Wood: I have for the past eight years.

Mr. Pat Kelly: They've been in power for nine years, so I guess for the last eight years they've been ignoring your repeated calls to deal with important tax avoidance and tax evasion.

Mr. Geoffrey Wood: In our opinion, that's correct. Yes, sir.

Mr. Pat Kelly: Wow. That's quite an indictment.

I have maybe half a minute left. What final suggestion do you have on enforcing the laws that currently exist?

Mr. Geoffrey Wood: We just want the laws enforced, plain and simple. Make it a level playing field, where everybody pays their fair share. Enforce the laws.

Mr. Pat Kelly: Thank you.

The Chair: Thank you, MP Kelly.

Now we'll go to MP Dzerowicz, please.

Ms. Julie Dzerowicz: Actually, I'll be giving the first half of my time to Ms. Bendayan.

The Chair: Go ahead, PS Bendayan.

Ms. Rachel Bendayan: Thank you, colleague.

Thank you, Mr. Chair. My question is for B'nai Brith Canada.

Our Prime Minister issued a strong condemnation of Iran's attacks of today. It is a fact that Iran is the largest sponsor of terrorism worldwide, and I am particularly concerned about further escalation, which leads me to your recommendation number three, which calls for new investments to strengthen Canada's ability to monitor and prevent terrorism here at home.

I would like to take the short amount of time that I have for you to put on the record your specific suggestions in that regard.

Mr. Richard Robertson: Absolutely.

You cannot divorce the fact that recent terror plots in Canada were targeting the Jewish community from an exploration of how to counter those terror plots. We have an extremism problem in this country, and it's worsening. As a result of that, we need to take proactive measures to ensure the safety of all Canadians, but especially the Jewish community in Canada since the Jewish community is being targeted by these terror plots.

In order to combat this radicalism, this rise in extremism, we need additional funds for our national security apparatus, specifically our INSETs, to be able to proactively monitor and prevent these occurrences from happening. It's too late if we're catching people at the eleventh hour as they're attempting to engage in acts of terror. It's too late if we're having to interrupt these people as they're in the late stages of these events.

This shouldn't be taking place in Canada. We should have the funds and the resources available to our security apparatus so that we can stop these plots before they even start. That's at the screening stages for individuals who are entering this country and are already radicalized, and that's at the stage of preventing people from becoming radicalized, whether it be online or in person here in Canada.

• (1735)

Ms. Rachel Bendayan: Thank you.

I'll pass it over to my colleague, Ms. Dzerowicz.

Ms. Julie Dzerowicz: Thank you.

My quick question is for Mr. Cochrane.

Mr. Cochrane, I know that you talked about the need for us to further expand our social welfare system. One of the things I talk about with my constituents is how proud I am that we have massively expanded our social welfare system over the last nine years. I hope you'll agree that by introducing the CCB, by increasing the OAS and the GIS, and by introducing national child care, national dental care and phase one of the disability benefits—among other things—we've done a fairly good job of expanding our social welfare system over the last nine years.

Would you agree with that?

Dr. D.T. Cochrane: Yes.

Ms. Julie Dzerowicz: The other question I want to ask you is with regard to how one of the things our government's been working on with the CLC is a construction pilot. It's a way of normalizing non-status construction workers who've been in Canada for over 10, 15 or 20 years and their families. Are you familiar with the program?

Dr. D.T. Cochrane: I'm only vaguely familiar.

Ms. Julie Dzerowicz: That's okay. I was going to ask you a specific question. I'm a very big believer in it. It continues to keep a lot of the workers who've been building our buildings and our cities here for a little longer, and I'm hoping that we will be able to expand that program just because it's become so successful.

My last question is going to go to Mr. Klein of the Climate Emergency Unit.

Mr. Klein, one of the many hats I wear is travelling internationally as chair of the Canadian NATO Parliamentary Association, and when I talk to other countries, they tell me that they're gearing up to actually put in a carbon tax or a price on pollution. As you know, our federal government's been implementing a comprehensive response to climate change. We've heard some testimony today, particularly from the trucking industry, that the price on pollution is expensive for some sectors.

I wonder if you might have a comment on maybe the importance of our having this comprehensive plan on climate change at the federal level, which does include a price on pollution, and the importance of our continuing to have a price on pollution moving forward.

Mr. Seth Klein: You're asking a big question in the dying moments here.

I am a supporter of the principle of carbon pricing, but I also think it's been significantly oversold, both by its detractors and by its proponents. It speaks a little bit to Mr. Cochrane's point of view. Canada is making progress on climate but not nearly at the pitch and pace that the emergency requires.

We are largely overly dependent on signals through carbon pricing and tax credits that aren't up to the task. We actually need a green industrial strategy like Mr. Cochrane talked about, and the youth climate corps that we've come to talk about could be another way of doing that. What the polling shows on the youth climate corps is that there are, in fact, tens of thousands of young people who are simply saying, "We get it. Sign us up, please." They're waiting for their invitation.

Ms. Julie Dzerowicz: Thank you so much.

The Chair: Thank you.

Thank you, MP Dzerowicz.

We have MP Morrice.

Mr. Adam Chambers: I'll ask for unanimous consent. Mr. Morrice was patient enough to sit through the entire committee meeting. He should be afforded a couple of questions.

Ms. Rachel Bendayan: I think UC is granted.

Some hon. members: Agreed.

The Chair: That's very good. We're a collaborative bunch.

MP Morrice, please go ahead.

Mr. Mike Morrice (Kitchener Centre, GP): Thank you, Mr. Chair, and thank you, colleagues.

I want to start by saying thank you to Mr. Wood and the Canadian Trucking Alliance for raising the profile of the Driver Inc. model. It not only avoids taxes, but also robs drivers of the benefits they're entitled to.

It seems to me like this is an opportunity to have parties work together. The governing party has put a pilot program in place that the Trucking Alliance is looking to see rolled out more widely, and it's clear that opposition parties want to see this done too. It's rare these days that we see points of alignment here, and I wonder, amongst colleagues, if that's something we could work on together over the coming weeks.

I want to say thank you to Mr. Cochrane, particularly for his advocacy on the Canada disability benefit and on getting it fixed, along with addressing the housing crisis by doubling the supply of affordable housing.

My question is for Mr. Klein and Ms. Asghar.

When it comes to the youth climate corps that you've advocated for, you mentioned that the U.S. has already, of course, put this into place earlier this year through the American Climate Corps. You mentioned the price tag being about a billion. That sounds like a lot, but we know that if we put a windfall profit tax on oil and gas, we could raise \$4.2 billion a year, as Mr. Cochrane also called for.

Can either of you speak to the lessons we can learn from the American Climate Corps on what has worked there over the last few months and also speak to the economic impacts of 20,000 young people in full-time work related to the climate economy, whom we're going to need going forward?

What should my colleagues know about the economic impact of a youth climate corps in the midst of a climate crisis? It's the kind of big idea that I think we need, as you said, Mr. Klein, at the pitch and the pace we're at right now. Would one of you like to comment on that in about 45 seconds?

• (1740)

Ms. Bushra Asghar: Seth, if you're good with it, I think I want to take this one.

Based on our research and using the 2023 income tax brackets, we actually found that with the incremental income that a YCC graduate would earn compared to a high school graduate, which is \$15,850 per year, the federal government would receive additional income taxes, per person, of up to \$2,700 per year, not including deductions or tax credits. Provincial and territorial governments

could receive \$890 to \$2,880 per year, not including deductions or tax credits.

Over a 40-year career, this is up to \$108,000 in additional revenue for the federal government and \$35,600 to \$115,200 for provinces and territories. If the YCC creates 20,000 jobs per year for a billion dollars, it would be paid back in roughly 10 to 15 years in additional income tax revenue. That's not including all of the other things we've talked about, which are part and parcel of this incredible policy initiative.

Mr. Seth Klein: The only thing I'd love to add is that, if we did in fact pay for this with an excess profit tax or windfall profit tax, as Mr. Cochrane suggested, the net benefit, in terms of tackling inflation, would actually be positive. It would actually help with lowering prices, and there's a lovely symmetry to bringing in a windfall profit tax like that to pay for a program like this.

The Chair: Thank you, MP Morrice. Those were great questions.

There were great questions from everybody. What an excellent panel we've had today for our pre-budget consultations in advance of the 2025 budget.

We thank you for your testimony, and we wish you the best with the rest of your day.

Thank you very much, everyone. We're adjourned.

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