

HOUSE OF COMMONS CHAMBRE DES COMMUNES CANADA

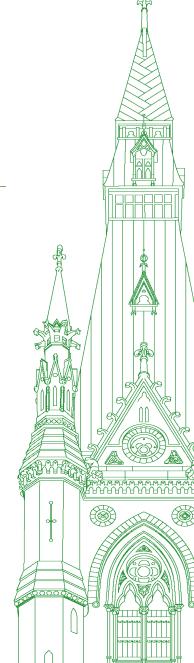
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Standing Committee on Government Operations and Estimates

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Chair: Mr. Kelly McCauley

Standing Committee on Government Operations and Estimates

Wednesday, March 27, 2024

• (1105)

[English]

The Chair (Mr. Kelly McCauley (Edmonton West, CPC)): I call this meeting to order.

Good morning, everyone. Welcome to meeting number 113 of the House of Commons Standing Committee on Government Operations and Estimates, the committee recommended by four out of five parliamentary budget officers.

Pursuant to Standing Order 81(4), the committee is meeting today to commence considering items in the main estimates 2024-25.

We welcome-

Mr. Irek Kusmierczyk (Windsor—Tecumseh, Lib.): I have a point of order, Mr. Chair.

The Chair: Go ahead, sir.

Mr. Irek Kusmierczyk: Thank you, Mr. Chair.

I have been a member of this committee for five years now. I take pride in the work of this committee, and I take particular pride in the fact that this committee has traditionally been collaborative. We work together to get to the bottom of things and to do the work that constituents, residents and Canadians expect us to do. We have always worked together—

Mr. Philip Lawrence (Northumberland—Peterborough South, CPC): Mr. Chair, I—

Mr. Irek Kusmierczyk: Let me get to my point, please.

The Chair: Get to the point of order, please.

Mr. Irek Kusmierczyk: For the last five years, every single chair—and there have been multiple chairs chairing this committee—has always sought instruction from committee members whenever an action was to be taken. That is a bedrock principle of how this committee—

Mr. Philip Lawrence: Mr. Chair, this is not a point of order.

Mr. Irek Kusmierczyk: —has conducted itself for five years.

Mr. Chair, please allow me to continue. This is important.

The Chair: Please get to your point of order, Mr. Kusmierczyk.

Mr. Irek Kusmierczyk: I am.

Last week, a meeting was called without consultation and the instruction of this committee. This week, we had two meetings scheduled without consultation and the instruction or consent of this committee. A witness today was invited yesterday. We found out about this witness at 7 p.m. last night. There was no consultation, and there was no instruction from this committee. We found out from Global News that there may be another meeting tomorrow, with additional witnesses, and again with no instruction and no consultation.

I am asking the chair to explain that to this committee, because this is completely out of tradition in the way we've operated in the last five years on this committee. This has never—

Mr. Philip Lawrence: Mr. Chair, I've been very patient. I have not heard any valid point of order.

Mr. Irek Kusmierczyk: I'd like to ask the chair to explain how this meeting came about. I have a few questions for the chair as to how this meeting came about and what efforts were made by the chair to consult with members of this committee and seek instruction. Furthermore, why is this meeting being held today, during a constituency week, and why is this witness before us today?

This is a point of order. This is outside of the tradition of how this committee has conducted itself over the last five years—

The Chair: I'm going to cut you off there to get to an answer.

Mr. Irek Kusmierczyk: —and I'd like to get the chair to explain his actions.

The Chair: Sure.

First of all, it's not a valid point of order, but I will answer your questions.

The premiers, representing over 60% of the population, wrote to the chair of the finance committee to address the issue of the increase in the carbon tax. The Liberal chair, maybe under political pressure from his own party, refused. As the premiers are the highest office-holders in their provinces, representing millions and millions of Canadians, I thought we should respect the provinces and invite the premiers to participate in our study of the estimates, which includes the government's spending, including the carbon tax.

There are lots of examples of other chairs doing such things. It is the privilege and the obligation, I think, of the chair to call meetings, and I did so. I'm happy to go through some of the examples of other chairs from government-led parties doing the same, but it is within the prerogative of the chair to call such meetings, and I did, and we're ready to start the meeting.

Mr. Irek Kusmierczyk: Mr. Chair, again, I have a point of order.

Standing Order 108 clearly states that committee members instruct the chair on any action, so I'll ask you this again: What consultation, even basic consultation, did the chair undertake in order to schedule this week's meetings, including the meeting that, again, we hear is going to be scheduled for tomorrow—

The Chair: I'm going to-

Mr. Irek Kusmierczyk: —and to seek instruction from this committee?

I think it's really important because this is a departure. I want folks listening to know that this is a departure from the way we've conducted business at the OGGO committee for five years. This is new.

• (1110)

The Chair: It is within the powers and the prerogative of the chair to call meetings, Mr. Kusmierczyk. Our clerk is looking at the exact ruling, if you wish, but it is fully within the powers of the chair.

For example, the Liberal chair of the natural resources committee called a meeting without anyone's knowledge in order to ram through the anti-Alberta, anti-energy industry bill, Bill C-50. It has been done in the past, and—

Mrs. Jenica Atwin (Fredericton, Lib.): I have a point of order.

The Chair: Please let me finish, Mrs. Atwin.

It is fully within the powers of the chair to call such meetings, and I have.

Go ahead, Mrs. Atwin.

Mrs. Jenica Atwin: Mr. Chair, I think you're taking a bit of liberty there by insinuating that the Liberal government was pushing a Liberal chair in another committee to not have these meetings. I'm certain that they were respecting the time and commitments of their committee members—

The Chair: That's not a point of order, Mrs. Atwin.

Mrs. Jenica Atwin: I'm getting there, actually, Mr. Chair.

The Chair: Please get to it.

Mrs. Jenica Atwin: I would like to highlight your own bias in making this decision.

I'm noticing the stickers that have always been present as props in this committee. You love pipelines and oil and gas, and it's very clear, so perhaps that had a stake in the decision you've made today. Mr. Philip Lawrence: Mr. Chair, that's not a valid point of order.

The Chair: That's not a valid point of order.

I do—

Mr. Francis Drouin (Glengarry—Prescott—Russell, Lib.): Mr. Chair—

The Chair: Let me finish.

I do love oil and gas. If it bothers you, I will close my laptop.

We'll go to Mr. Drouin and Mr. Lawrence, and then we're going to start the meeting.

Mr. Francis Drouin: I'm not a regular member of this committee, but I've been a member of this committee for six years. Never would Tom Lukiwski, a good Saskatchewan MP, have done this. Never in his lifetime would he have done this—

The Chair: That's not a point of order, Mr. Drouin.

Mr. Francis Drouin: —and the precedent you are setting, Mr. Chair, is that—

The Chair: Mr. Drouin, that's not a point of order.

Mr. Francis Drouin: I can tell you that your side will be pissed off with us because we'll call meetings at our disposal, and your side will not be happy with it.

The Chair: That is the chair's prerogative.

Mr. Francis Drouin: If that's the way you want to set the precedent of this committee, I'm telling you that we're going to challenge you.

The Chair: It is the chair's prerogative to call a meeting if he wishes, and if another committee wishes to do so—

Mr. Francis Drouin: Mr. Chair, if you're saying that no motions—

The Chair: That's not a point of order, Mr. Drouin.

Mr. Francis Drouin: —and no instructions from the chair must be undertaken from now on, that is simply false.

The Chair: I'm going to read this for you and for Mr. Kusmierczyk as well:

Committee Chairs have considerable administrative responsibilities, starting with those involving the committee's program of activities. In compliance with instructions from the committee or an order from the House, the Chair:

calls committee meetings

Mr. Irek Kusmierczyk: Mr. Chair, on a point of order, I think you said it right there and it bears repeating: "In compliance with instructions from the committee".

The Chair: Let me interrupt you on that, Mr. Kusmierczyk.

Mr. Irek Kusmierczyk: Mr. Chair, you have sought neither instruction nor consultation from this committee.

The Chair: Mr. Kusmierczyk, let me address that.

Mr. Irek Kusmierczyk: You have acted unilaterally outside the will of this committee. That is the issue I have with you, sir. If you want to schedule meetings with witnesses, work with committee members. That's the way we've always done it. Past chairs have always respected that principle—

The Chair: Mr. Kusmierczyk, please let me address your point of order.

Mr. Irek Kusmierczyk: —and that is the issue I have with you today.

The Chair: If I could respond, I will address that.

We are meeting for the 2024-25 main estimates, which the committee has agreed to. That is what our meeting is for today, and that is what I noted when I made my opening statement in saying that under Standing Order 81(4), the committee is meeting to commence the consideration of the main estimates 2024-25.

Mr. Irek Kusmierczyk: Why did you schedule this meeting today during a constituency week? May I ask, Mr. Chair, so that folks watching can know this?

When is the committee's study on the estimates due?

The Chair: Mr. Kusmierczyk, we are meeting for the estimates. I have the prerogative to call a meeting on the estimates that the committee agreed to. We are now going to turn—

Mr. Irek Kusmierczyk: When is it due, sir?

The Chair: That is beside the point, Mr. Kusmierczyk.

We are now going to hear-

Mr. Irek Kusmierczyk: It's May 31.

The Chair: That's nice.

We're now going to turn things over to our-

Mr. Francis Drouin: Mr. Chair, on a point of order, I want to clarify something for this committee.

You've mentioned the main estimates. I'll remind you that this committee is responsible for vote 1 under the Canada Post Corporation, vote 1 under the Canada School of Public Service, vote 1 under the Canadian Intergovernmental Conference Secretariat—

The Chair: Mr. Drouin, I'm going to interrupt you, because-

Mr. Francis Drouin: I'm hoping that Premier Moe will be able to answer questions about the Canada Post Corporation. I'm not sure he will be able to, because that's not his responsibility.

Again, we're asking for-

• (1115)

The Chair: I will quote once, and then we're going to get to-

Mr. Francis Drouin: You did not get the consent of the committee.

The Chair: —Mr. Moe on the main estimates. Under the CRA, the distribution of fuel charges is going from \$6.8 billion—

Mr. Francis Drouin: This committee is not responsible for the CRA.

The Chair: ----to \$9.5 billion.

It's part of the main estimates, and we are studying the main estimates.

Mr. Francis Drouin: I'm sorry, Mr. Chair. I was a long-time member of this committee before my appearance here. I understand what this committee is responsible for, and you're misleading the committee.

Mr. Philip Lawrence: On a point of order, Mr. Chair, you've been very patient—

Mr. Francis Drouin: The CRA goes to finance, and you know damn well that's where it goes.

The Chair: First of all, refrain from the language, Mr. Drouin.

Mr. Francis Drouin: Pardon my French.

The Chair: You're not going to make friends with that one.

Mr. Lawrence.

Mr. Philip Lawrence: Mr. Chair, you've been very patient. I could recite numerous times that Peter Fonseca, chair of the finance committee, has adjourned and called meetings without instructions.

I could rattle them off, Francis.

This is ridiculous. Let's move on. We have Premier Moe here. I know you guys don't want to talk about the carbon tax and you don't want to hear from the people of Saskatchewan, but Canadians do.

The Chair: Thanks.

Premier Moe, we're going to turn to-

Mr. Irek Kusmierczyk: Mr. Chair, I have a point of order. This is going to be my last point of order, but it needs to be made.

The Chair: Please get to it.

Mr. Irek Kusmierczyk: You called a meeting unilaterally, without instruction from or consultation with the members of this committee. That is a fundamental, bedrock principle.

Furthermore, you called this meeting on the main estimates. The deadline to study them is May 31. There is no reason to call this meeting during a constituency week, when we have literally two and a half months to study the mains.

This is a political stunt and theatre, which is part and parcel of where our Conservatives colleagues are taking this to get clips.

The Chair: Can you get to your point of order, please?

Mr. Irek Kusmierczyk: That is my point.

You unilaterally called a meeting that was not necessary this week because your team is after clips. Again, I take issue and umbrage with that.

The Chair: I appreciate that, but it's not a valid point of order.

I have Mrs. Vignola, and then hopefully we can get to our honourable guest.

Mrs. Vignola, go ahead, please.

[Translation]

Mrs. Julie Vignola (Beauport—Limoilou, BQ): Thank you, Mr. Chair.

I just wanted to make a few quick comments. According to the Standing Orders, 48 hours' notice must be given in order to call a meeting. Furthermore, committee members must be notified and, at the very least, have a say in selecting the witnesses, which has not been the case for some time now. Contrary to what the member to my right is claiming, I am not saying this because I have no interest in hearing about the people of Saskatchewan. I think it's important to hear both sides of the issue. Even though Quebec isn't subject to the carbon tax, it's important to hear what people have to say.

Nevertheless, I strongly condemn the tactics currently being used to do that. We probably would have been supportive of the committee's hearing from these witnesses had we been notified, but we weren't notified and we weren't involved in the process. As vicechair of the committee, I feel this adversely affects my ability to do my homework and come prepared. It also means we, as committee members, can't make optimal use of our time with the witnesses, ensuring that we're able to ask them constructive questions related to the issue the committee is studying, whether it's the estimates or something else.

On top of the fact that 48 hours' notice is required to call a meeting, meetings are now being called during constituency weeks, which are very important for each and every one of us. Perhaps some members are thinking only of the next election, but I, personally, am thinking about my constituents in Beauport—Limoilou, constituents who want to meet with me to discuss issues they're having with employment insurance, pension benefits and immigration. The number of people wanting to see me so they can get my help is enormous, and now they won't be able to.

Of course, committee work is part of our job as members, but normally, a committee meeting called during a constituency week should be scheduled at the same time it would be during a parliamentary week. Here we are, though, meeting outside those days and times. It happened yesterday, and it's going to happen again tomorrow. We just found out that we'll be meeting tomorrow from Global News, even though we weren't notified that the meeting was being held until 9:45 this morning.

I find all this deeply troubling. We all need to have a certain amount of respect for one another when it comes to the work we do, the duties we carry out and the responsibilities we have. That bears highlighting.

• (1120)

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

With all due respect to the member, that isn't a point of order.

[English]

The Chair: Mr. Lawrence is right.

Can you get to your point of order, Mrs. Vignola?

[Translation]

Mrs. Julie Vignola: I was referring to the June 24, 2023, version of the Standing Orders of the House of Commons, specifically, Standing Orders 106(1) and 106(4) regarding the 48-hours' notice requirement. If I cite the Standing Orders when raising a point of order and it's not considered a point of order, something's wrong. I raised a point of order that specifically references the Standing Orders. I'm not pulling this out of nowhere.

[English]

The Chair: I was waiting specifically for the point of order. You didn't say that item specifically. I'm sorry.

[Translation]

Mrs. Julie Vignola: It's pretty clear. I'm not off in la-la land with this point of order.

[English]

The Chair: If it's specifically on that, I've had one answer, but we're double-checking. If you'll bear with me, we'll suspend for a couple of seconds. We'll just reconfirm.

We are suspended for a couple of moments.

• (1120)	(Pause)	
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• (1120)

The Chair: We are back.

Thank you, Mrs. Vignola. I hear you a hundred per cent. I have been told, though, that 48 hours is for the election of the chair. Then there's a different time period for a 106(4) request, but not specifically to call a meeting.

While I appreciate your comments, we are going to proceed.

Premier Moe, the floor is yours for five minutes.

Mr. Irek Kusmierczyk: Mr. Chair, I have a point of order.

The Chair: I've turned it over to Premier Moe. Could you-

Mr. Irek Kusmierczyk: Mr. Chair, this is about Standing Order 108, which you have not addressed.

I want you to address it for the committee. It states, "In compliance with instructions from the committee or an order from the House, the Chair: calls committee meetings; decides on the agenda"—

The Chair: Mr. Kusmierczyk, I'm going to interrupt you. I have-

Mr. Irek Kusmierczyk: You have done none of those things.

It is a shame and a farce, as Madame Vignola-

The Chair: Get your clip in, Mr. Kusmierczyk, and then I will address this.

Mr. Irek Kusmierczyk: —has stated, that we have learned about tomorrow's meeting from Global News as opposed to from our chair. It is a farce, and it's a violation of the bedrock principles of the way this committee has conducted its work over the last five years. It is shameful and disrespectful to the work of this committee.

As Madame Vignola has stated, we want to prepare for our witnesses. We want due preparation so we can do the work that Canadians expect us to do. We have not been provided any opportunity to consult, we have been provided no opportunity to provide instruction and we have not been provided an opportunity to prepare for this day.

That is on the chair, and you have not responded to Standing Order 108.

• (1125)

The Chair: I have responded to that, Mr. Kusmierczyk. The committee has instructed me to hold meetings on the estimates, and that's what this meeting is on. It's on the main estimates. I have ruled on that.

We're now going to turn things over to Premier Moe for a fiveminute opening statement.

Hon. Scott Moe (Premier of Saskatchewan, Government of Saskatchewan): Thank you very much, Mr. Chair. I trust you can hear me.

I appreciate the very warm Canadian welcome to your committee this morning. I believe it likely started with a request made by me and a number of other premiers to appear before the finance committee. I believe that request still stands, and we hope to hear back from them.

I think this is an important conversation for each of us as elected members, as next Monday we are going to see the carbon tax increase to a level that it was never committed to achieving at its introduction. I think it's important for us to think about the words "never say never". We should never say never in this nation. I was at that meeting many years ago in Montreal, when there was a commitment made to go to a \$50 carbon tax. Since then, what we've seen are commitments to go much higher than that.

I would point out that, more recently, on July 15, 2020, some statements were made by our Bank of Canada governor. He said, "Our message to Canadians is that interest rates are very low and they're going to be there for a long time." He went on to say, "If you've got a mortgage or if you're considering making a major purchase, or you're a business and you're considering making an investment, you can be confident rates will be low for a long time."

Again, I would say "never say never", because so much has happened since that point in time, on July 15, 2020.

What that did was provide a confirmation bias for some poor policy decisions and for advancing a continued poor policy decision in taking the carbon tax from \$50 a tonne to a committed \$170 a tonne now and beyond, which we will discuss here today.

Our ask is to pause the increase coming on Monday, but also the development of green electricity standards and clean fuel standards, which are really a second carbon tax. There's the standard to reduce methane by 75%, which is unachievable. The oil production cap—

Mr. Irek Kusmierczyk: Mr. Chair, I don't mean to interrupt the honourable premier, but I have a point of order.

I'm trying to-

Hon. Scott Moe: You are interrupting, though.

The Chair: Mr. Kusmierczyk, the premier has just a couple of minutes left. Could we let him finish, and then you can speak?

Hon. Scott Moe: I'd like to go on.

What this policy-

Mr. Irek Kusmierczyk: Excuse me, Premier. I have a point of order.

The Chair: I'm sorry, Premier. Let me interrupt you. I'll freeze the time.

Hon. Scott Moe: I'd like to speak on behalf of Saskatchewan residents.

Mr. Irek Kusmierczyk: Thank you, Premier, and we're eager to hear from you. I just have a point of order that I'd like the chair to clarify.

Specifically, this committee has been asked to study about 12 vote 1s, including one for the Canada Post Corporation, a vote regarding the Canada School of Public Service—

The Chair: Could you get to the point of order, Mr. Kusmierczyk?

Mr. Irek Kusmierczyk: Could you explain to us the relevance of the 12 votes that we have been assigned to consider? I don't see this particular subject matter connected in any way, shape or form to the 12 votes that this committee has been asked to study.

We are not the finance committee. We are the OGGO committee. We have been asked to study 12 votesThe Chair: I'm happy to answer that, Mr. Kusmierczyk.

Mr. Irek Kusmierczyk: How does that relate to what we've been asked to study?

Thank you. I appreciate that.

The Chair: We have always allowed a very wide range of questioning on the estimates and the supplementary estimates. The rise in the carbon tax is included in the main estimates and is therefore part of them.

I will allow Premier Moe to continue.

Hon. Scott Moe: It's very important to Canadians.

This is one of the policies, which are stacking, that are making life more unaffordable for not only Saskatchewan residents but all Canadians as a whole. It's making industries less competitive. Those are industries that employ people in my community and quite likely in yours as well, and it is showing no measurable impact when it comes to reducing emissions.

I would point to the inflationary aspect of the carbon tax specifically today. When the latest consumer price index came out, Saskatchewan was at 1.7%, down from the 2% projected target that the Bank of Canada hit and one full point lower than the Canadian average. Statistics Canada said specifically that this was due to a decision the Saskatchewan government made to remove the carbon tax from home heating. You can imagine what would happen to our CPI nationwide if we were to pause, first of all, and then remove the consumer carbon tax on Canadians.

Where does this bring us today when we think about never saying never? That same Bank of Canada, over the last two years, has increased our interest rates on 10 different occasions. Just this week, they declared that Canada is in a productivity "emergency". We don't need to accept this moving forward. We can make changes. Never say never. There is another way, and Saskatchewan has been working towards that for some time.

The Bank of Canada also indicated that investment needs to be brought into our nation. Saskatchewan is second in the nation when we compare, on a per capita basis, provincial investment today. We were up 25% last year and we're projected to be first this coming year, with another 14% increase. All Canadians need to encourage a competitive investment environment in each of our provinces and more broadly across the nation.

There are opportunities for us to take our investment and innovation and share it through commerce with the rest of the world. We should share it through article 6 of the Paris Agreement, for example, which this government signed and which I worked on as the environment minister with one of the previous environment ministers. Article 6 is an opportunity for us to create policies that allow for that investment and, in turn, share those investment innovations with the rest of the world through commerce by employing Canadians in my community and yours and utilizing some of the tools we have, such as article 6. There is another way. Never say never.

We need to ensure we are looking at some of our competitive environments, those that are employing people and creating wealth in our communities across this nation, to ensure they're providing the platform to attract capital investment and attract jobs. Ultimately, they would provide the opportunity for Canada to not be in a state of productivity emergency, but to be in a state where we are leading the world with the productivity we are experiencing as Canadians. Traditionally, that is what we all would like to achieve, and I hope that we will find some consensus on that today.

I wore my red tie in the spirit of collaboration. I wear it to our Council of the Federation meetings, where we come together from different political backgrounds and different political stripes in an effort and with an initiative to find a consensus on behalf of the Canadians we collectively represent at that table. This is an opportunity for all of us, those in the minority government we have today and those in opposition, to do what is in the best interests of Canadians. It's not just for today but for the future as well when it comes to creating jobs, sharing some of the sustainable innovations that have been invested in already in our nation and enhancing the opportunity for additional investments in those innovations in the industries we do well in.

The fact of the matter is that from a Saskatchewan perspective, we produce food, fuel and fertilizer. Not only do we produce the highest quality and most affordable food, fuel and fertilizer you can find in the world, which we produce for over 150 countries around the world, but we produce the most sustainable food, fuel and fertilizer you can find on earth. I think that is something for each of us to remember.

Never say never. We can always do better, and we should be making every effort to do that around this table on behalf of the folks we represent.

Thank you.

• (1130)

The Chair: Thank you, Premier Moe.

Mr. Redekopp, please go ahead. You have six minutes.

Mr. Brad Redekopp (Saskatoon West, CPC): Thank you, Mr. Chair.

Premier Moe, it's great to have another common-sense Saskatchewan voice in Ottawa to talk about the carbon tax. It's very clear that the Liberals are nervous about this meeting and that they don't really want to hear from the people of Saskatchewan, but I do.

As you know, the Parliamentary Budget Officer has produced a report confirming that this year alone the average family in Saskatchewan is going to lose \$525 to the carbon tax. The costly NDP-Liberal coalition plans to quadruple the carbon tax, meaning that families in Saskatchewan will ultimately see their losses increase to \$1,723 a year, according to the same report. The NDP-Liberal coalition will be ripping thousands of dollars out of the pockets of people in Saskatchewan.

What's the impact of the carbon tax on families living in our province?

Hon. Scott Moe: That's the annual impact directly on Saskatchewan families, taking into account what they're paying for the carbon tax and some of the indirect costs coming to them due to the carbon tax—the costs, for example, at the grocery store.

What we have in this province is very much a natural resourcebased economy rooted in agriculture, and we're trying to climb the economic value chain. We're trying to climb with respect to the jobs we're creating and the opportunities and market access we're creating. For example, we're attracting investment into the canola oil industry so we can provide canola oil as opposed to the raw seed. That's about climbing the value chain, and it's creating jobs here at home.

Where does the carbon tax come in? In addition to the direct impact of it on Saskatchewan families, who, I would put forward, drive more because we are more geographically dispersed, in particular families in the north, it comes with a significant impact on the jobs that are available here, because industries are looking at this as a hindrance for their investment. We have been able to attract significant investment in spite of, I would say, this hindrance, not in any way because of it. However, that's not to say that we aren't having active discussions with industry and with the people of Saskatchewan on how we can continue to reduce our carbon footprint.

The impact is very real to families directly. It's very real in particular to northern families, who traditionally have been heating their homes with electricity. They are seeing some solace and savings on that with the recent decision the provincial government has made. We extend to the federal government the opportunity to extend their decision around home heating fuel to all Canadians and to all types of heating fuel.

They are having some reprieve on that as we speak, but I would say they still have to drive a significant distance for any significant level of supplies. Families very much are feeling it directly. They're also feeling it through the job prospects and opportunities, which I'd say are strong in Saskatchewan but certainly could be even stronger.

• (1135)

Mr. Brad Redekopp: You've been a strong opponent of the carbon tax since you took office. Your predecessor, Brad Wall, was as well. You've had the opportunity to speak with the Prime Minister and launch legal challenges. How many different appeals have you made to Ottawa to stop the carbon tax?

Hon. Scott Moe: It's been all of them—on every occasion that I've had the opportunity to speak with the Prime Minister. Most recently, Saskatchewan had a significant presence at COP28 in Dubai. We had over 60 provincial and national businesses, delegations and industry representatives. Post-secondary folks who were with us there had the opportunity to speak with a couple of ministers, including the Minister of Environment, in that setting.

Each and every time, through multiple ministers and the Prime Minister himself, we have voiced our opposition to what essentially amounts to an inflationary tax. In the early days of its introduction—and I remember it well because I was the environment minister at the time—I was in Montreal when the Prime Minister rose to his feet and introduced it on Canadians. I believe it was on October 3, 2016, if I'm not mistaken. My predecessor, Brad Wall, very quickly asked, "Has anyone done the economic analysis on this?"

I think what we're seeing today, with the Bank of Canada's statement on the productivity emergency we are facing in this nation, tells us that, no, we haven't done an economic analysis on this policy and many others, but it's high time we did. I'm not in any way saying that we should be making decisions that increase the emissions in our industries, but we should be looking at the emissions in our industries relative to their counterparts and competitors in other areas of the world. Are we cleaner? Can we do more?

In the meantime, we should ensure we are making every effort to make our cleaner products available to the world, displacing some of the dirtier products that are produced in other areas. I think if you accept the fact that climate change is real and you accept the fact that climate change is a global challenge, not just one in Saskatchewan—or even in Canada, for that matter—we need to work together with our national partners on achieving global solutions.

Mr. Brad Redekopp: As you know, the federal NDP has been a strong supporter of the carbon tax, and they have voted to support this Liberal government every time, including a couple of times last week.

As premier, how do you feel about the NDP, a party that supports this hurtful carbon tax, seemingly against our farmers and our oil and gas producers, and that is not willing to listen to the pain of everyday folks in Saskatchewan?

Hon. Scott Moe: It's disappointing, because we have a provincial arm of that party here, the NDP, that opposes Saskatchewan's wishes to remove the consumer carbon tax from Saskatchewan families and, ultimately, remove the cost that it instills on the industries that are employing those very same families.

When it comes to oil and gas, for example, I'm happy to say that if the rest of the world produced oil and gas like we do in Saskatchewan with similar-type products, global emissions from oil production would drop 25% overnight. That hasn't come about easily. That has come about by investment in the Saskatchewan energy industry, like the investment in methane reductions. On the 60% methane reductions that were put forward a couple of years ago, our oil industry was actually able to meet them. They cannot get to the 75%. That will close down a significant part of the oil industry.

The Chair: Thanks, Premier Moe. I have to cut you off there.

Mr. Kusmierczyk, please go ahead.

Mr. Irek Kusmierczyk: Chair, I believe it's Charles.

The Chair: Mr. Sousa, go ahead.

Mr. Charles Sousa (Mississauga—Lakeshore, Lib.): Thank you, Premier, for being here today.

Can you advise this committee when you were contacted to appear before us today?

Hon. Scott Moe: I don't know if I was contacted or if I had a discussion with another premier or two, but we asked to appear before the finance committee. We have not heard back from the finance committee at this point in time.

I guess I was contacted. I can't say exactly when. I can find out, though.

• (1140)

Mr. Charles Sousa: Did you have discussions last week about this?

Hon. Scott Moe: It was this past week. What day is today?

Mr. Charles Sousa: That's fine, Mr. Moe.

Keep in mind that the tremendous work the people of Saskatchewan do is greatly appreciated. All of Canada has to stand united to improve our economy, support trade, initiate competitiveness, fight climate change and ensure that overall emissions are lowered to support a green economy. I think you've said that in so many words. You've reaffirmed that it's important for us to stand united. Of course, the federal government has invested \$100 million or so in a potash mine. We recognize the importance of regional economic growth for the benefit of all of Canada.

Premier, you applauded the Supreme Court of Canada's finding on the federal Impact Assessment Act. Do you recognize the jurisprudence of the Supreme Court of Canada?

Hon. Scott Moe: Most certainly we do.

Mr. Charles Sousa: You also encourage Saskatchewan residents to abide by the laws you put in force, like the sales tax you've increased, the fees you've imposed. You want your residents to pay their taxes, and you don't want them breaking the law. Is that correct?

Hon. Scott Moe: Yes, one hundred per cent. We have a sales tax that's 3% lower than it was under the New Democrats.

Mr. Charles Sousa: We want to make certain that everyone abides by the law. You're a man of law. You're a man of order.

The Supreme Court also found that the federal pollution pricing system is constitutional. I know you're disputing it and you're going forward with that, and that's appropriate, but do you recognize the top court of this country when they make their decisions, sir?

Hon. Scott Moe: I do certainly, and we expect these decisions to end up in a similar court at some point in time.

Mr. Charles Sousa: You've already stated that you want to lower emissions. Is that correct?

Hon. Scott Moe: That's correct.

Mr. Charles Sousa: You want to see Canada and Saskatchewan.... You're the former minister of environment and you see the benefit.

Hon. Scott Moe: I would say Saskatchewan is already participating in the lowering of our emissions.

Mr. Charles Sousa: There probably is a pricing system, a carbon trading system, with some of your major polluters now. I know that Ontario instituted cap and trade back in 2017, when I was the minister of finance, as a pricing system to exempt Ontario from the alternative, which is the federal program. We're being encouraged to initiate that to support the green economy, enable us to be competitive and abide by international laws, because, of course, our farmers and others are competing out there and we want them to do well.

Did Saskatchewan ever consider an alternative system?

Hon. Scott Moe: We did. All of them were costly to our industry, like the federal backstop we're experiencing now, and costly to Saskatchewan families.

Mr. Charles Sousa: You're of the opinion that you should never say never, but it sounds like you're kicking the can down the road for the next generation to deal with. What we need is to take initiative and ensure we are prepared to do what's necessary for future generations and ensure we're competitive. Is that right?

Hon. Scott Moe: I'm quite proud of what Saskatchewan is doing. I mentioned the oil industry and what we have already done through investments in that industry.

In our agricultural industry, our Global Institute for Food Security just did a study comparing wheat and canola production and the amount of carbon in a tonne of Saskatchewan wheat and canola relative to the amount in the next seven largest producers around the world. The carbon content in a Saskatchewan tonne of wheat and canola is 64% lower than that of the next seven producers. When it comes to field peas, it is 92% lower.

I would say, with all due respect, that Saskatchewan industries are most certainly doing their part, and they're going to continue to do so.

Mr. Charles Sousa: I applaud the efforts that the people of Saskatchewan have taken to move forward.

Hon. Scott Moe: We appreciate that.

Mr. Charles Sousa: Sir, before I go on to my next point, can you provide this committee with some documents on how you came to be here? I mean your schedule, who was contacting you and when you were contacted for you to appear today? Would you do that?

Hon. Scott Moe: I will if the committee feels that's of relevance.

Mr. Charles Sousa: It is.

Hon. Scott Moe: What I would ask is for this committee to encourage the chair of the finance committee to allow the premiers—as per the original request—to present at that committee as well. I think it's important.

Mr. Charles Sousa: By all means, provide both. That would be great.

Chair, I would like to put forward a motion on notice at this point. I will have it translated into French. It reads as follows:

That, when the committee undertakes to invite witnesses:

(a) a witness list submission deadline be set by the chair, with the explicit consent of the committee;

(b) witnesses be invited proportionally to each recognized party's standing in the House; and

(c) no witness be invited without instruction of the committee.

I'm moving this motion forward.

Mr. Ron McKinnon (Coquitlam—Port Coquitlam, Lib.): On a point of order, I want to clarify if the member was moving the motion or giving notice.

The Chair: I was just going to ask that.

Mr. Charles Sousa: I'm moving the motion.

• (1145)

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

The Chair: Go ahead, Mr. Lawrence.

Mr. Philip Lawrence: I don't believe that motion is in order.

The Chair: Excuse me for two seconds.

Thanks, Mr. Sousa. I assume you're moving it as a matter-athand motion. I don't believe it's on a matter at hand, so I'm not going to rule it in order, Mr. Sousa.

Mr. Charles Sousa: Mr. Chair, I would like to challenge that. Right now, there have been methods—

The Chair: That's fine. If you wish to challenge the chair, we can—

Mr. Charles Sousa: I do wish to challenge that and move the motion forward and explain why.

There have been instances, as we already noted earlier before the meeting, that unilateral decisions are being made to have meetings and witnesses, without notice to us. It's impacting members' privileges. It's also disrespecting some of our members. It's a violation.

I would say that it's appropriate.

The Chair: I'm sorry, Mr. Sousa, but I'm going to interrupt. We'll go right to it. I'm advised by the clerk that it's treated similar to a dilatory motion, so there's no chance to speak to it.

We will go right to a vote on it, Mr. Sousa.

(Ruling of the chair overturned: nays 7; yeas 3)

The Chair: I don't believe the motion is valid, but we will debate it.

Just give me two seconds. I need to check something else with the clerk.

Bear with me for one second, Mr. Sousa.

Mr. Sousa, are you sending it in both languages?

Mr. Charles Sousa: Yes, I am.

The Chair: Colleagues, there is a procedural thing with this that we have to go over with the analysts and the chair. I'm going to suspend for a few minutes while we take a look at it. Just bear with us.

Premier Moe, I apologize.

• (1145) (Pause)_____

• (1150)

The Chair: I'm sorry for the delay, colleagues. We are back. We'll go ahead.

Mr. Sousa, the floor is yours. Or are you fine with that as presented? I think it has gone out or is going out very shortly in both languages.

Are we ready to move to a vote on it, colleagues? Do we need to vote on it? I see nodding heads all around.

Mr. Philip Lawrence: On division.

Mrs. Jenica Atwin: I request a recorded division.

The Chair: Sure.

(Motion agreed to: yeas 7; nays 3)

The Chair: Thank you for your patience there, Mr. Sousa.

We're now going to Mrs. Vignola.

[Translation]

Mrs. Julie Vignola: Mr. Moe, thank you for being here.

I have some questions for you about your view that the current government is too centralist. Being from Quebec, I'm inclined to agree completely. We've also seen the federal government's desire to interfere in areas under your jurisdiction and Quebec's, such as attaching strings to health care funding and separating transfers. As I recall, you called on the federal government to boost the health transfer to cover 35% of health costs. Neither you, nor the other premiers got that.

Let's say the health transfer did cover 35% of health costs. First, what would you be able to do, and how could you better administer not just your budget, but also services to the public?

Second, can the federal government really know what Saskatchewan needs when it comes to health care?

• (1155)

[English]

Hon. Scott Moe: I will answer those in reverse.

With regard to the second question about whether the federal government can know—whoever the federal government is, not just this administration—what the health care needs are in Saskatchewan, British Columbia, the territories, Atlantic Canada, Quebec or Ontario, it can at a high level, possibly, but it should always be looking for opportunities to work with the subnational jurisdictions on how it can fund. Traditionally, our health care was funded fifty-fifty. There were tax points moved to the province a number of years ago. The chair of the Council of the Federation at that point in time was Premier Legault from Quebec, and we very much were supportive of returning the health care funding balance back to the 35:65 that it was always intended to be.

What would that mean to Saskatchewan? We landed with the federal funding at a 2.6% increase, I believe, over the next five years. We just released our budget this past year, and 10.4% was the lift we provided to health care. Some of that is to change how we deliver health care in the province. A 35% lift would restore the balance.

I think what you're seeing happen today is provinces—and you're seeing a number of their budgets coming out as we speak—making up the difference in many cases. That is what we're doing here, and that's why I think this committee meeting is very important for ensuring that we have a palatable and attractive investment environment. In our case in Saskatchewan, it's only through the strength of our growing economy that we're actually able to make that 10.4% investment in health care and a 9% investment in education, which is another provincial area of jurisdiction.

We have many points of agreement with Premier Legault at the Council of the Federation table and beyond. Premier Legault intervened, as did six other provinces—Quebec intervened on Saskatchewan's behalf—in the Supreme Court case when it came to removing the consumer carbon tax on Canadians. We, in turn, have collaborated with Premier Legault on advocating, working through our first ministers table, to restore health care funding for all provinces.

[Translation]

Mrs. Julie Vignola: Thank you.

The carbon tax doesn't apply to Quebec. According to 165 economists from across Canada, the effect of the carbon tax on rising prices is, on the whole, pretty modest. I don't say that to minimize in any way what the people of Saskatchewan are feeling and experiencing.

The carbon market is very lucrative in Quebec, just as it is in California, the wealthiest state in the U.S. The carbon market has generated \$1.5 billion for Quebec. Provinces in Canada could have joined Quebec in the carbon market, which has helped not only the government's coffers, but also business by driving innovation.

Why did Saskatchewan choose not to do that? Since Saskatchewan wants out of the carbon tax system, what actions will it take to reduce impacts on the environment and encourage greenhouse gas reductions?

I would point out that the carbon tax is not unlike the measure that was successfully used in the past to reduce sulphur oxide, which causes acid rain. In fact, the amount of sulphur oxide in the air is down 78%. That's the kind of success Quebec and Canada hope to achieve through the carbon market and the measures in place.

Why didn't you join the carbon market from the outset? After all, it's a lucrative market in both the short term and the medium term.

[English]

The Chair: I'm afraid we're out of time. I would ask that you offer as short an answer as you can, please.

Hon. Scott Moe: This really speaks to the diversity in our nation. What works in one area of the nation may not work ideally in another area of the nation. I think this is the reason you are destined to fail in your policy development if you don't have a federal government working collaboratively with all subnational governments across a nation.

With respect to the carbon tax specifically, we've always said, from day one, that it's a harmful tax. We've also always said that outside of Quebec, it's been reasonably fairly imposed, as harmful as it is across the nation. What we've seen more recently, with the decisions that impact heating fuel in Atlantic Canada, is that outside of Quebec, this tax isn't being imposed fairly across the nation in any way. That's why we made the decision we did when it comes to home heating fuel to rebate the carbon tax on natural gas and electricity.

• (1200)

The Chair: Thank you, Premier Moe. I'm sorry. We're past our time.

Mr. Boulerice, welcome to OGGO. You have six minutes, sir.

[Translation]

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Thank you, Mr. Chair.

Thank you, as well, to the witness. I'm glad to have the opportunity to speak with the Premier of Saskatchewan, even though I'm still not entirely sure why he was invited to appear before the committee. We are actually supposed to be studying other matters, specifically related to the estimates.

I'm sure you'll agree, Mr. Moe, that climate change is having a growing impact on communities. In the past few years, a number of communities in Saskatchewan have been affected by severe forest fires. The number of fires has significantly increased over the years, affecting public health, people's health. Residents had to be evacuated from their homes.

In 2023, your province experienced 231 forest fires, which is much higher than your usual average of 150 fires. There were not only more fires, but also 10 times as many hectares affected, so 300,000 hectares as opposed to the usual 30,000. Smoke covered the sky for days. People had trouble breathing.

Canada lags behind most other countries when it comes to greenhouse gas emissions. I assume you're familiar with the targets in the Paris Agreement, which Canada signed.

How do you propose making big companies and major polluters pay for pollution? I'm talking about those that have a real impact on the climate and the environment.

What's your game plan, Mr. Moe?

[English]

Hon. Scott Moe: First of all, I would say that the average number of forest fires in Saskatchewan is 300, not 100 or 150. We had 450 last year, and we experienced some rain that helped us out immensely. Alberta and the northwestern British Columbia had a much more challenging year.

Yes, climate change impacts weather, which we're experiencing, in fairness, all across the nation. Around the world, they are experiencing that to some degree.

I'm very familiar with the Paris Agreement. In that accord, there are a number of opportunities for us to provide a platform.

Let me back up. I don't agree that Canada is a climate laggard, and I certainly don't agree that Saskatchewan is a climate laggard. I think Saskatchewan and Canada are leaders when it comes to developing industries that are reducing emissions with innovation, and then sharing that around the world.

Again, as I said, through the Paris Agreement, there's article 6, with the internationally traded mitigation outcomes option. I would encourage this federal government to act on that and work collaboratively, for example, with the Saskatchewan agricultural industry.

We're selling air drills all around the world. We would love to be able to recapture some of those carbon credits back to Canada, to our nation, to our province and, ultimately, to our agricultural industry and our innovators in that industry. They are building some of the latest and greatest technologies that are sequestering carbon in our soils. They're ultimately making Saskatchewan agriculture one of the most sustainable producers of food in the world, and are marginally very close to being net zero today, when you compile that with precision agriculture and the tier 4 engines that Saskatchewan agriculture producers are paying for and utilizing in every piece of equipment they have.

Canada is not a climate laggard. Canada is an innovation leader when it comes to providing innovation to reduce emissions, whether that be from Saskatchewan's perspective, the agricultural industry's perspective, the potash industry's perspective, the uranium industry's perspective for clean nuclear power or the oil industry's—

[Translation]

Mr. Alexandre Boulerice: Premier, I'm going to have to-

[English]

Hon. Scott Moe: I think we need to look at this differently. The goal is not to have polluters pay.

[Translation]

Mr. Alexandre Boulerice: I know you really like talking, Premier, but you didn't answer my question.

According to a UN report, Canada is the second biggest emitter of greenhouse gases per capita. From 2016 to 2020, Canada emitted, on average, 19 tonnes of greenhouse gases per capita, four times higher than the global average. The Paris target is two tonnes per capita, so we are nowhere close to that.

How are you going to make the big companies responsible for the climate crisis and climate change pay for pollution? You didn't answer my question. Instead, you pulled out your high-tech magic wand, as though you're going to use some giant vacuum to suck up greenhouse gases.

How are you going to make big polluters pay? They are the ones responsible for the natural disasters affecting the people you represent.

• (1205)

[English]

Hon. Scott Moe: With all due respect, you're bouncing back between gross numbers of carbon emitted and then a per capita measurement, and you're not able to do that with any credibility in the question.

The goal is not for the big climate polluters to pay. The goal is for them to reduce their emissions, because they are employing people in your community and my community, with all due respect.

Per capita emissions are the wrong metric to use. I would encourage everyone at this committee and across the government to not be using that metric. If you want to use that metric, Saskatchewan is the largest per capita exporter in Canada and one of the largest per capita exporters in the world. Yes, what we are producing emits global emissions, but we are providing that food, fuel and fertilizer—the cleanest food, fuel and fertilizer—to over 150 countries around the world. We are displacing...in the case of potash fertilizer, for example, it's 50% lower in its carbon emissions per tonne produced.

We are displacing fertilizer that is being produced by Russia and Belarus today by making more Saskatchewan fertilizer available. Credit goes to the federal government that invested in the latest fertilizer and the latest potash mine that is being developed here. It was a \$20-billion investment by a global company.

The goal is not for our employers to pay more. The goal is for them to emit less and to displace higher-emitting...like competing industries around the world. That is how we build a strong Canadian economy. That is how we lower global emissions, and that's how we employ Canadians in your community and in mine.

The Chair: Thanks. That is our time.

We are now in the five-minute rounds.

Mr. Lawrence.

Mr. Philip Lawrence: Thank you.

Thank you, Premier, for coming here. As a member of the finance committee, let me express my extreme disappointment with the chair, who was unwilling to hear the representatives of over a million Canadians in the great province of Saskatchewan.

I want to focus relatively narrowly, with respect to the inflationary impact of the carbon tax. Tiff Macklem made it quite clear to the finance committee that, actually, 0.6% of inflation—which equates to around 20% to 30% of inflation, given the rate on any given day—is the responsibility of the carbon tax, and that the increase will be responsible for another 0.15%. This means that over 30% of inflation is a direct result of the carbon tax.

We were be unable to validate this until you took the actions that you did, Premier Moe.

Have you seen an impact on the reduction of inflation through Saskatchewan's actions with respect to the non-collection of the carbon tax on home heating?

Hon. Scott Moe: Statistics Canada, in their first report, said, "In Saskatchewan, the collection of the carbon levy ceased in January 2024, contributing to the province's year-over-year price decline of natural gas". We're seeing it in Manitoba as well. The Province of Manitoba has forgone their fuel tax on the fuel they sell each and every day. What you're seeing is that the CPI is lowering in Manitoba as well.

My question to this committee would be this: If we were to lower—not increase, but lower or eliminate—what will be the 17ϕ per litre of fuel charged to all Canadians this coming Monday, when they fuel their vehicles up to take their children to soccer or hockey or whatever sport or school they might be going to, what do you think that would do to our consumer price index across the nation? We'd likely achieve our 2%. We're at 2.7% now.

I think that would be positive. It would give the Bank of Canada the opportunity, hopefully, to start to lower the interest rate and start to solidify that certainty for investment, both foreign and domestic, into Canadian communities and Canadian industries, which, again, I would allude to as being the most sustainable in the world. The Saskatchewan story around the most sustainable food, fuel and fertilizer that we produce and provide to the world—Ontario has a parallel story and Quebec has a parallel story—is a story we told when we went to COP28 in Dubai. This is a story that we would encourage each of you, as federal members representing Canadians, and all of us collectively representing all Canadians, to share at every opportunity.

We are not climate laggards in this nation. We most certainly are innovators and leaders when it comes to addressing the challenges that we might face globally.

Mr. Philip Lawrence: Thank you, Premier Moe.

Just to summarize before I pass this over to my colleague, Tiff Macklem, Governor of the Bank of Canada, said that we would see a third reduction in inflation. We've actually seen that in the province of Saskatchewan. The rate nationally is 2.7% and the current rate in Saskatchewan is 1.7%. We've had this validated.

As you said, the lower the inflation, the lower interest rates go, which means we have more investments, which can enhance our productivity, which can make all Canadians more prosperous. I am just shocked that the Liberals want to keep Canadians poor.

Thank you.

• (1210)

Hon. Scott Moe: The opportunity we have is to remove the consumer carbon tax on all things for everyone. That would reduce the inflationary effects we're feeling when we fuel our vehicles up, at 17ϕ a litre. That same 17ϕ a litre is being paid for the truck that is bringing that vehicle to our grocery store and the fellows who are producing it. We see that in Saskatchewan as well, not with our direct fuel but with some of the other fuel sources they are using in transporting that food.

It is a challenge. As I think you can tell, I feel there is a much better way for us to work collaboratively, whether that be across party lines or across subnational jurisdictions in the nation, if that may be, to really provide the Canadian way on leading the global conversation around climate change.

Mrs. Shelby Kramp-Neuman (Hastings—Lennox and Addington, CPC): Perfect. Thank you, Premier Moe.

Let me begin by pointing out comments that came from a sitting cabinet minister. The Minister of Rural Economic Development of Canada, Gudie Hutchings, suggests that it's "a discussion that we'll have down the road when we know that this one is working, but I can tell you Atlantic caucus was vocal with what they've heard from their constituents, and perhaps they need to elect more Liberals in the Prairies so that we can have [the] conversation as well". She directly linked the prospect of carbon tax carve-outs to voting Liberal.

Premier Moe, how has this changed your relationship with Ottawa? Has it given you and your prairie colleagues confidence that Ottawa is acting in good faith when it comes to the carbon tax?

The Chair: You have about 10 seconds, Premier Moe.

Hon. Scott Moe: I don't think there are going to be very many more Liberals elected in Saskatchewan any time soon. The fact of the matter is that this is disappointing, but it does stack on a number of disappointing items.

Listen. Our relationship with the federal government is issuesbased and policy-based. We don't agree with this policy and we don't agree with those statements.

The Chair: Thank you, Premier Moe.

Thank you, Mrs. Kramp-Neuman.

Mr. Drouin, welcome back to OGGO after a lengthy absence.

Mr. Francis Drouin: Thank you, Mr. Chair.

Premier Moe, as my father always taught me, when you point the finger, there are always three fingers pointing right back at you. I know that you haven't removed your provincial sales tax on heating. I don't want to get into that, but I know for a fact that it hasn't been done. I know that you haven't reduced income taxes. I've looked at year 2023 and year 2024. It's the same. I know that it's important to talk affordability, but if you're going to point the finger at us, I think it's important to recognize that you also need to do something.

Yesterday the Prime Minister asked you to come up with a credible plan that will respect our Paris accord. You said something today that I'm shocked at, to be frank. You're against the clean fuel regulations.

Do you have canola farmers in Saskatchewan?

Hon. Scott Moe: Yes, certainly. We would likely be one of the largest canola-producing jurisdictions in the world and are advancing that into ultimately climbing that value chain with canola oil. We've made a significant investment, I would say, in canola oil manufacturing. The conversation around the carbon tax has been part of that investment challenge, I would say, but we are finding our ways through that.

Mr. Francis Drouin: Are you aware as to why they've made those investments in Saskatchewan? Do you know why the Canola Council of Canada and the canola growers of Canada were all supportive of the clean fuel standard? Do you understand that? Do you know why?

Hon. Scott Moe: It's because they potentially would use some of that oil to reduce the emissions in the gasoline that we are burning and utilizing and that families are burning across Canada. Some of that conversation is happening.

However, I think there is a much more collaborative path forward on what will actually be achievable in this space. This is going to cause the cost of gasoline to go up for families. We are in the process, as well, of looking at whether we should be a feedstock and be transitioning a food product, really, to a fuel product for places that already have the clean fuel standard in place—like California, for example. That is an ongoing conversation. It's not in all states throughout the U.S., but it's an ongoing conversation in Canada as well.

Mr. Francis Drouin: In order to develop the local market, that clean fuel standard is the regulation that allows canola farmers to sell more products for fuel. That's an important policy. That's why they've been so supportive of this particular policy.

You said that you participated in COP28. I'm assuming that you're in favour of international trade.

• (1215)

Hon. Scott Moe: Absolutely. We trade to over 150 countries each and every year. We export to them. We provide them with food security and fuel security.

Mr. Francis Drouin: I'm assuming that you're also aware that many countries across the world, whether it's Europe.... The U.K. hasn't made this recent announcement.

Do you know what a carbon import tariff is?

Hon. Scott Moe: I'm aware of what a carbon import tariff is.

Mr. Francis Drouin: Do you know what the impact is if Canada does not have a price on pollution? Do you know how devastating that would be for our farmers in Canada, in Saskatchewan?

Hon. Scott Moe: I know that we have a federal government that should be engaging proudly on behalf of the industries that are employing not only Saskatchewan residents—who, I would remind everyone, are Canadians as well—but all Canadians with respect to what we are doing in our industries today. As I said, the Saskatchewan story is not only in Saskatchewan. Every province has a story about what it is doing and how it is reducing its emissions in the industries that are employing people and creating wealth.

I would respectfully ask our federal government and all of those involved to take that story abroad. That's what we did at COP28, and that's what we continue to do through our 10 provincial trade offices that we have that work alongside our high commission offices and our ambassador offices around the world, including one in London and one in Germany representing the European Union.

Mr. Francis Drouin: I certainly support the work that Saskatchewan farmers are doing. I've been to their farms. They are innovators. The University of Saskatchewan is doing some great work in terms of being able to measure that particular output. I'm afraid that if we don't put a price on pollution, then we are not going to be competitive in our export markets because eventually what's going to happen is that jurisdictions that do not have a price on pollution will be slapped with an import tariff. I don't see how that could be advantageous to our Canadian farmers.

Hon. Scott Moe: I rival that concern with the federal government making these policy decisions that are going to put our national and, I would say, our continental food and fuel security at risk. I mean, that is exactly what we saw happen in the European Union.

Mr. Francis Drouin: That's why I'm pleading with you to come up with a regional plan that makes sense for Saskatchewan. Absolutely, if you want to exempt farmers, that's up to you, but a regional approach is much better than a federal approach. The Prime Minister asked you to come up with a plan. I'm pleading with you to come up with a plan that makes sense for Saskatchewan farmers.

Thank you.

Hon. Scott Moe: We did.

The Chair: Thanks. That is just past our time.

Mrs. Vignola, go ahead for two and a half minutes, please.

[Translation]

Mrs. Julie Vignola: Thank you, Mr. Chair.

Mr. Moe, you said earlier that the carbon market wouldn't necessarily work for Saskatchewan, that it was right for Quebec only. It would seem, then, that many things are right only for Quebec, despite proving successful for 20, 30, 40 and 50 years. The child care system and anti-scab legislation come to mind, but that's another story. Do you think the Toronto, New York, Montreal and London stock exchanges are bad for Saskatchewan? The carbon market works the same way and would bring in a lot of money for Saskatchewan and Canadian provinces, without hurting the entire economy, as you suggested in your opening remarks.

Are you just as anti-stock market as you are anti-carbon market? Do you not think stock markets work for Saskatchewan, or is it just the carbon market that doesn't work for the province?

[English]

Hon. Scott Moe: No. We have many companies here that not only trade and are traded on the Toronto Stock Exchange and the New York Stock Exchange—we have commodities in Chicago—but also trade and are traded globally. Many countries that are investing in Saskatchewan are on global stock exchanges as well. That is a way for them to access capital, and we all know precisely what stock exchanges do.

When it comes to the heavy-emitter carbon space, we have a provincial plan in place for that. In fact, in many ways, we worked with Alberta and led the nation alongside Alberta on the formation of a technology fund. We're working with our industries on what's achievable and when it's achievable, and ensuring that they are making the adequate investments to achieve lower emissions over time and that we are not putting forward unachievable targets.

• (1220)

[Translation]

Mrs. Julie Vignola: Thank you, Premier.

I have one last question for you.

You don't want a carbon market. You don't want a carbon tax. You're investing in technological advancements.

What solutions do you have for Saskatchewan to meet overall greenhouse gas reduction targets?

[English]

Hon. Scott Moe: Significant-

The Chair: I apologize. We're past our time. If you're able to give one, I'll ask you to offer up a brief response.

Hon. Scott Moe: There are significant solutions in the nuclear space when it comes to our electricity grid, significant solutions in trading through commerce, innovation in our agriculture industry— which I said is the most sustainable in the world; the same goes for oil and potash—and opportunities through internationally traded mitigation outcomes to capitalize on trading carbon credits back and forth globally through that system.

We have the provincial tech fund. We have a fund set up that our industries can access to invest in reducing their carbon footprint. I would say they are doing so anyway on their own. We continue to set targets with them through the output-based emitter program that we have here, which was put forward provincially, and they're doing a very good job when we compare them to their global competitors.

The Chair: Thank you very much.

We'll go to Mr. Boulerice, please, for two and a half minutes.

[Translation]

Mr. Alexandre Boulerice: Thank you, Mr. Chair.

Premier, the arguments you're presenting are ones we've heard a lot. By that logic, when polluters make an effort to reduce pollution by unit of production, Canada stacks up well in relation to Russia, Venezuela and other such countries.

For the most part, that's a sham. Let's say you reduce pollution per unit of production by 15%, but you increase production by more than 15%, you just increased overall emissions, emissions that cause climate change and forest fires, emissions that threaten your communities. Reducing pollution density by unit of production does nothing when you increase production.

It's pretty clear from your comments that you no longer want citizens and consumers to bear the burden of the carbon tax, but what is your plan for carbon pricing when it comes to industry?

[English]

Hon. Scott Moe: We have that solution in place with our outputbased, heavy-emitter fund. They pay into a tech fund and then they're able to access those dollars for investments in innovation. Like I said, they're going far above accessing just that fund for investments and innovation. They're making their own.

I haven't put forward any arguments. I've put forward facts. When it comes to buying something globally, you'll have an ingredients list on the side of the box and you'll have a price tag on it. I would say to put a carbon content piece on that box as well.

When you are purchasing oil that might be made in Saskatchewan from your fuel pump, you should know that, since 2015, we've reduced the emissions by 65%. That's very real. If the rest of the world did that, global emissions would be down 25% overnight. If you're producing a granola bar, a wheat product or a canola oil product, there's 64% less carbon in a Saskatchewan-produced product versus somewhere else in the world. By buying that product, you are making the environmentally sustainable decision of buying a lower-carbon product.

The same is true when you buy potash fertilizer made in Saskatchewan. I would not only say that it is very arguably more ethical than other places in the world, but that it's half the carbon content per tonne. You are doing right by providing that fertilizer for your farmers. You are doing right because it's cost competitive and it's a high-grade quality, but it's the most sustainable product that you can buy in the world. If you truly care about the environment, you should buy your products from Saskatchewan. I would say, equally, you should buy them from Canada as well, because we are doing the right thing. Whether it be in industries, whether it be in families or whether it be in communities, we are making every effort to reduce our footprint, and we're doing it and can do it without a federally imposed carbon tax.

The Chair: Thank you, Premier Moe.

We'll go to Mr. Barlow and then Ms. Atwin to finish.

Mr. Barlow.

Mr. John Barlow (Foothills, CPC): Thank you very much, Mr. Chair.

Thank you, Premier, for being here.

First, I want to say congratulations on the economic output of your agriculture sector in Saskatchewan. I see it exceeded \$2 billion in exports again last year.

The numbers are quite staggering, as you mentioned, in terms of the production from Saskatchewan and the impact it has not only on the Saskatchewan economy but on Canada's. Saskatchewan exported 91% of Canada's chickpeas, 88% of Canada's lentils, 80% of Canada's durum wheat and 67% of Canada's dry peas. More than 50% of Canadian production of canola, barley, oats and canola oil comes from Saskatchewan.

When you see that kind of output, what impact does Saskatchewan's agriculture sector have, not only on Saskatchewan's economy but on Canada's economy?

• (1225)

Hon. Scott Moe: You said \$2 billion in exports. It's \$20 billion in ag exports, and \$50 billion in total exports from Saskatchewan, to answer Mr. Boulerice's question earlier. That makes us the highest per capita exporter in the nation, and we are exporting the most sustainable products you can find on earth.

The carbon tax has an impact on each of these industries. It's a very real impact. I'd say there's an impact on the families and people who work in these very industries as well, as we've discussed over the last period of time.

However, I would say there's a larger problem looming when it comes to the investment attraction. Our goal is to continue to expand these industries to produce more of the sustainable goods that we produce and make them available to the world. We need to attract investment to do that.

When you look, for example, at primary agriculture production, you listed what we produce here, and it's the spinal cord of the Saskatchewan economy. Every community in this province is dependent on it in some way, directly or indirectly. When you look at the fertilizer cap that was being bandied about a while ago, that would reduce our production in this province by 20% to 30%.

Why would we reduce production in a world that needs food security and is looking for food security? Why would we reduce the production of the most sustainable food you can find on earth and not look for ways to enhance that production and make it more available to Canadians?

We could displace some of the other food that's produced in other areas or, better yet, take some of the innovation that we have in Saskatchewan and sell it through commerce, utilizing our international trade mitigation outputs to capture those carbon credits back to Canada, Saskatchewan and the agriculture industry so that we can reinvest in even more innovative opportunities. We'll make sure that not only are we doing better when it comes to reducing our carbon footprint in food production, but we're sharing that technology and that innovation with the world.

We're doing this in India right now, and our exports to India have been up in the last while. The second-last time I was in India, I stood on an air drill in a farmer's field just outside of Chandigarh that was built in built in Saskatoon, Saskatchewan. They had sold a thousand of those air drills.

The latest technology in zero-till air drill technology that you can find on earth is now being transferred through commerce to India. That's a good thing for the environment, and it's a good thing for the sustainability of food production in India.

Mr. John Barlow: Thanks, Premier.

I find this discussion we're having quite incredible when you talk about the environmental sustainability and successes that Saskatchewan farmers have put up, yet you continue to be punished with carbon taxes—and higher carbon taxes—rather than be applauded for some of the accomplishments and innovation in precision agriculture in Saskatchewan.

We know the numbers. Saskatchewan farmers paid \$12 million last year in direct carbon taxes alone. When that carbon tax goes up 23% on Monday, Saskatchewan farmers will be paying \$15 million in direct carbon taxes to heat and cool their barns and dry their grain. That doesn't include the carbon tax they'll be paying on transportation, which will be another \$36 million just on the carbon tax from transporting commodities through rail.

Premier, what is the economic impact on the sustainability of your farm families in Saskatchewan if they continue to absorb these higher carbon taxes?

Hon. Scott Moe: Well, it will come home to roost in years when margins are thin. We had certain areas of the province, as was noted earlier, that did experience drought, not just this year but last year, and we had some areas of the province that had record production.

I would just say that the successes we're having are.... We feel somewhat unrecognized, and I would say that the industry feels a bit unrecognized. We would ask all federal MPs or federal government members on all sides to recognize not only what we're doing in Saskatchewan agriculture and Saskatchewan industries but to also recognize what Canadians collaboratively are doing in the various industries across the board. This cost is not helping. It isn't driving innovation. It most certainly isn't driving the investment in environment that is needed to ultimately drive the innovation that is going to make our industries more productive. In fact, the Bank of Canada said just this past week that we actually have a productivity crisis.

I would say that we need to have another look, a very high-level look, at how we are going to create that investment in environment, because with that investment comes innovation, and with that innovation come industries, with Canadians working in them all across this nation, whether it's manufacturing in Ontario or Quebec or natural resource production in the prairie provinces and into British Columbia as well, or all of the good things that happen in Atlantic Canada.

We need to attract that investment, drive that innovation and then look at how we can share that innovation with the world through commerce, yes, and that is ultimately the recipe for success for the manufacturing industry in Ontario and Quebec. They are selling their cars and vehicles not only to Canadians but to other people around the world, and some of them have the latest technology available.

• (1230)

The Chair: Thanks, Premier Moe.

Ms. Atwin, you have five minutes.

Mrs. Jenica Atwin: Thank you, Mr. Chair.

Thank you, Premier Moe, for being with us today.

I'm going to begin by quoting the Supreme Court of Canada in their ruling around carbon pricing, when they said that climate change "is a threat of the highest order to the country, and indeed to the world." They said, "The undisputed existence of a threat to the future of humanity cannot be ignored..." and that "a provincial failure to act directly threatens Canada as a whole."

Premier, you mentioned that you do believe we need to lower our carbon emissions. Is that correct?

Hon. Scott Moe: Yes, that is correct.

Mrs. Jenica Atwin: You took part in the COP discussions. Do you support the work of the Intergovernmental Panel on Climate Change?

Hon. Scott Moe: We supported the work that was done with respect to tripling the nuclear footprint, with Canada signing on to that agreement. We think that will go a long way in reducing global emissions. We did not support the 75% methane reduction announcement that came out of COP28 from our federal minister of the environment. Those were about the only two discussions we had alongside the federal government.

Mrs. Jenica Atwin: Is that why you sent a delegation of 60 members?

Hon. Scott Moe: No. What we did was go and tell the story that unfortunately Canada didn't, and that was exactly what we're doing and how we're producing the products in Saskatchewan. I mentioned potash. I mentioned the agricultural products—

Mrs. Jenica Atwin: Thank you.

I'm just going to focus it back on Canada. I'm sorry to interrupt you, sir.

Hon. Scott Moe: You asked-

Mrs. Jenica Atwin: I'm looking nationally.

Hon. Scott Moe: This is why I went. We went to tell the Saskatchewan story. We have a office in the Emirates—

Mrs. Jenica Atwin: I'm sorry, sir. Thank you. I need to-

Hon. Scott Moe: It's a good story. You and I will sit down and I'll share it with you one day.

Mrs. Jenica Atwin: Sure.

Do you support Canada's commitment to the Paris Agreement, then?

Hon. Scott Moe: Certainly we do, and in particular article 6, which we would like to see some activity on.

Mrs. Jenica Atwin: Again, I'll point to a point that Ms. Vignola made.

Just this week, 100 economists signed off on a letter in an attempt to dispel some of the main arguments of Mr. Poilievre and other opponents, including you. These economists say that a carbon price is "actually the least costly way to lower emissions".

If you agree that we need to lower emissions and that we're looking at affordability challenges for Canadians across the country, and this is the least costly way, what would you say to that?

Hon. Scott Moe: It's not the least costly way in Saskatchewan, and a number of those economists—

Mrs. Jenica Atwin: Do you disagree with these economists?

Hon. Scott Moe: —are the very same economists that were appointed by your government to the Ecofiscal Commission back in 2016, when—

Mrs. Jenica Atwin: So do you disagree with the economists, yes or no?

Hon. Scott Moe: —there was an attempt.... The last agreement that all Canadians—

Mrs. Jenica Atwin: I'm sorry, sir. I have such a short period of time.

Hon. Scott Moe: —and national leaders agreed on was in 2016. It was the Vancouver declaration. That's the last pan-Canadian agreement we have—

Mrs. Jenica Atwin: I'm sorry. I have to ask another question.

Hon. Scott Moe: Sure.

Mrs. Jenica Atwin: You also mentioned that you see the carbon levy as showing no measurable impacts. We actually have statistics from the Canadian Climate Institute findings that the carbon pricing system has actually helped lower emissions by about 8% currently, and we're on track to meet our targets. It accounts for about 30% of the emissions reduction plan. Would you agree with their findings?

Hon. Scott Moe: I would agree that we could go much further with some collaboration around recognition of the investments in industries from coast to coast to coast in Canada.

Mrs. Jenica Atwin: I'm also going to focus on the rebate piece, because constituents in my community are certainly concerned about the environment, but they're also faced with this affordability challenge.

I'm going to look at some of the folks from your part of the world.

Alan, from Saskatoon, says that the carbon rebate he gets four times a year is crucial for his household budget. Without the funds, Alan, who is on disability assistance, says he'll have to scale back on spending for his everyday needs. Germaine, from Saskatoon, says she relies on the carbon rebate for essentials, and while she is on disability assistance, the carbon rebate is a key part of her budget. Peter Gilmore, an advocate for the Anti-Poverty Ministry in Regina, says those on low incomes rely on rebates to pay for essentials.

Do you know how many people in Saskatchewan rely on these rebates to get by in the midst of an affordability crisis?

Hon. Scott Moe: In general, they get less back than they pay.

Mrs. Jenica Atwin: Can you table some data to prove that for us, please, sir?

Hon. Scott Moe: It's in the Parliamentary Budget Officer's report and has been quoted many times. I can send that to you, yes.

Mrs. Jenica Atwin: You don't know how many people in Saskatchewan may be worse off if you cancel the carbon rebate.

Hon. Scott Moe: I talked to Kevin in La Loche. He's quite concerned about it, because he lives about four hours from his major centre, a trip he makes every week or two weeks, at the least. I talked to Jamie, who's also up in the La Loche and Buffalo Narrows area. He very much was challenged with the electric heat in his home, for which the provincial government has made a move, mirroring the federal government's decision on it. He also lives three to four hours away from a major centre. It's a trip he has to make often on the business side and on the personal side with his family, and to get to work.

• (1235)

Mrs. Jenica Atwin: On the clean fuel regulations, here in my province we actually had our premier legislate an additional 8¢ on top of what New Brunswickers are paying at the pump, with no justification for it. Would you plan to do a similar thing in Saskatchewan?

Hon. Scott Moe: I'm not aware of what happened in that case in New Brunswick, so I can't say whether we would do a similar thing, but our overarching goal is to keep taxes as low as possible, in particular taxes that are ineffective, like the carbon tax.

Mrs. Jenica Atwin: Sir, would you agree that uncertainty around the price on pollution isn't good for businesses?

Hon. Scott Moe: I would say that the price on pollution is creating uncertainty in the investment environment in Saskatchewan and Canada.

Mrs. Jenica Atwin: Are you saying you don't attribute any of the investments in the renewable energy sector or the new green economy to some of these policies from the federal government?

Hon. Scott Moe: Listen, the economy that we have in Canada is not new. It may morph and move over time, but it's our Canadian economy. It's not a new economy. We need to do everything we can to attract investment into it. The carbon tax policy promised to cap it out at \$50, and it's now \$170, and no one knows where it goes from now. Combined with a number of other policies, it is creating uncertainty for the investment environment, uncertainty that subnational leaders are trying to navigate through as best they can.

Mrs. Jenica Atwin: What kind of windfall would the oil and gas industry experience if the carbon levy were cancelled?

Hon. Scott Moe: There would be no windfall. You would see a return to significant investment into some of the cleanest oil and gas produced on earth. I think that would be a good thing for the globe.

The Chair: That is our time. Actually, it's past our time.

Thank you very much, Premier Moe, for sticking around.

Colleagues, we will suspend for a few moments as we change the table and bring in Mr. Giroux and his team.

• (1235) (Pause)

• (1240)

The Chair: Welcome back, everyone. We're back in session.

Mr. Giroux, Ms. Vanderwees and Ms. Giswold, welcome back to OGGO.

Do you have an opening statement, sir? The floor is yours for five minutes.

Mr. Yves Giroux (Parliamentary Budget Officer, Office of the Parliamentary Budget Officer): Good afternoon, Mr. Chair and members of the committee. Thank you for the invitation to appear before you today.

We're pleased to be here to discuss our report on the government's expenditure plan and main estimates for 2024-25, published on March 7, 2024. With me today are our lead analysts on the report, Jill Giswold and Kaitlyn Vanderwees.

The government's main estimates for 2024-25 outline \$449.2 billion in budgetary spending authorities. Parliament's approval is required for \$191.6 billion. Statutory authorities total \$257.6 billion. Consistent with previous estimates, money transferred to other levels of government, individuals and other organizations account for most of the planned spending, totalling \$283 billion. Notable areas of planned spending in these main estimates include \$81.1 billion for elderly benefits, \$52.1 billion for the Canada health transfer and \$46.5 billion for interest payments on the public debt.

[Translation]

The 2024-25 main estimates reflect close to \$2.3 billion in reallocations undertaken through the refocusing government spending exercise. More information on the reallocated amounts is available in the 2024-25 departmental plans, which were tabled with the main estimates on February 24.

Since budget 2024 has not yet been tabled, the 2024-25 main estimates obviously do not reflect new budget measures. Accordingly, the 2024-25 budgetary authorities will rise with these anticipated funding requests in the supplementary estimates.

Ms. Vanderwees, Ms. Giswold and I would be pleased to answer any questions the committee may have about our analysis of the main estimates.

Thank you.

[English]

The Chair: Thank you, Mr. Giroux, and thank you, by the way, for sticking around.

We'll start with Mr. Lawrence for six minutes. Go ahead, please.

Mr. Philip Lawrence: Thank you very much, Mr. Giroux. You've been in the press almost as much as Ms. Taylor Swift has, I think, in recent days, with respect to your analysis of the carbon tax.

I do want to have a discussion of this that so we can get some clarity on your report, because I think it's been as misreported and demagogued as it has been reported.

With respect to the financial impact on the average family to which the backstop applies, in total—which includes not only the fiscal but also the economic tax, the carbon tax impact—is there more money coming into Canadians' pockets or leaving their pockets?

Mr. Yves Giroux: There are two elements to that question.

If one looks at the fiscal impact, which is the amount of the carbon tax paid directly and indirectly and the GST that applies on these embedded or direct carbon taxes paid minus the carbon rebate, most families are better off. We estimate that to be around 80%.

However, if we include the economic impacts of the introduction of a carbon tax, we find that these economic impacts from introducing a carbon tax will have impacts on some sectors of the economy, such as the oil and gas sector and the transportation sector, and on investment income that will be slightly lower, and then we find that most Canadian families in provinces where the federal backstop regime is in place will see a small negative impact from the carbon tax.

Mr. Philip Lawrence: You're saying that the average Canadian family—especially if we move forward to 2030, since this government is intent on increasing the carbon tax and since the reality is

that every Canadian is affected not only by the fiscal impacts but also by the economic impacts—will have more money going out of their jeans than coming into their jeans. Canadians can't just opt out of the economic impacts.

• (1245)

Mr. Yves Giroux: It's income growth that will be lower than it would otherwise have been, so that's what we refer to when we say it's a negative impact. It's not necessarily that their absolute level of income will go down, but the net impact will be a reduction compared to what it would be in a scenario in which there wouldn't be a carbon tax.

Mr. Philip Lawrence: If the carbon tax were cancelled and everything else held equal, would Canadians be wealthier?

Mr. Yves Giroux: Yes, they'd experience, on average, income growth slightly faster than what will happen with a carbon tax. That's presuming that there would be nothing else that would replace a carbon tax.

Mr. Philip Lawrence: Perfect.

I want to move on to get into some of the specifics.

On page 3 of your recent carbon tax report, in table 2, you have an average of the fiscal impact. In Alberta, you say the net cost is \$2,773. In my province of Ontario, it's \$1,820.

Is that to say that the average family in Alberta would lose \$2,773 and the Ontario family would lose \$1,820? Would that be the cost of the carbon tax to the family or the household, as you say? Is that an accurate understanding, Mr. Giroux?

Mr. Yves Giroux: That's compared to what it would be in a scenario in which there wouldn't be a carbon tax, so it's not necessarily "losing", but it's lower growth or lower income growth than would otherwise be the case. In that sense, yes, you could categorize it as "losing" compared to what you would have in a scenario in which there was no carbon tax.

Mr. Philip Lawrence: Thank you very much, Mr. Giroux.

One of the questions that have also been posed with respect to the fuel charge is this: Is that fiscal and economic cost greater than the rebate? Keeping it to the fiscal and the economic aspect, is that greater than the rebate in all the provinces where the carbon backstop applies?

Mr. Yves Giroux: That's the case for most income quintiles, except for those in the bottom 20% of income quintiles.

It varies by province. It depends on the specific economic fabric, income distribution and household composition, but generally speaking, yes.

Mr. Philip Lawrence: One of the ways I've heard the carbon tax referred to is that it's sand in the gears of the Canadian economy and that it's slowing our productivity. We saw Tiff Macklem come before this committee and say that it's adding a third of inflation. Canada is facing... As the deputy governor of the Bank of Canada said, we are facing a productivity crisis.

Do you believe that the reduction of the carbon tax would allow us to be more productive?

Mr. Yves Giroux: I'm not certain about that. Reducing the carbon tax or eliminating it would certainly have economic impacts, but I'm not convinced that it would do anything with respect to productivity. It's not something that we have looked at—the productivity impact, or not, of a carbon tax. I think there are many factors that come into play when determining productivity and the increases in productivity of specific sectors. I wouldn't venture that far into the analysis.

The Chair: Thank you very much.

Mr. Kusmierczyk, go ahead, please.

Mr. Irek Kusmierczyk: Thank you kindly, Mr. Chair.

Thank you, again, Mr. Giroux, for being here with us today. I always enjoy your insights and the knowledge you share with us.

When you did your analysis on carbon pricing, you said that we need to look at the broad picture. I'll continue on the theme of Saskatchewan here today.

I'm looking at a CBC report. Last year, in 2023, there were 494 fires that burned about 1.9 million hectares. The vice-president of the Saskatchewan Public Safety Agency, Steve Roberts, said that in his 25 years of experience, he's never seen anything like it. In that same article, Colin Laroque, a professor at the University of Saskatchewan, said, "We had huge fires — astronomical numbers."

On that note, it's reported that the Insurance Bureau of Canada stated that "Climate-related weather disasters cost insurers \$3.1 billion [in damage] last year."

You've stated that your analysis doesn't consider the cost of climate change, the cost of doing nothing, which is what the Conservative members have put on the table: doing nothing to address climate change.

Explain to us why you didn't look at the cost of climate change. It boggles my mind that you wouldn't include the cost of climate change. That is so obvious to anyone who sees the fires burning.

• (1250)

Mr. Yves Giroux: That's an interesting question, and I'm glad that you're asking me that, because it's a question that gets raised very often.

My mandate is to estimate the cost of government proposals. The carbon tax is a government proposal. The cost of climate change is a relatively new area, and we have tried to estimate the cost of climate change under two scenarios: the scenario where all commitments are fully respected globally and the scenario where only actions that have been implemented are implemented—nothing more. We find that there is a cost. I don't have the numbers off the top of my head, but there will be costs of climate change over a long period of time.

There's a thing to keep in mind, though. Greenhouse gases have been emitted over decades, if not centuries, and it's a stock issue as much as it is a flow issue, so there are two issues to distinguish. Even if the world were to stop emitting greenhouse gases today, there would still be global warming because the planet, according to climate scientists, has already warmed up. If we were to stop emitting greenhouse gases, the forest fires that have presumably been attributed to climate change could continue. It's not me saying that. It's the climate scientists.

There's that issue, which one has to keep in mind. There have been climate elements and climate-related events. Climate policies will prevent things from getting worse, but the point at which we are today is where we are.

Mr. Irek Kusmierczyk: I really appreciate your analysis and the work you and your team do; it's hard work, but with all due respect, it seems to me that you are only looking at one side of the ledger when it comes to this analysis, Mr. Giroux—

The Chair: Mr. Kusmierczyk, we lost you there for a bit. Do you mind starting at the beginning? I'll restart your time.

Mr. Irek Kusmierczyk: Sure.

It seems like you're only looking at one side of the ledger. You're not weighing the costs of climate change. Is it fair to say that your analysis is really only looking at one side of the ledger?

Mr. Yves Giroux: The analysis is typically a cost analysis, which is what I have been mandated by Parliament to do. I'm estimating the cost of proposals. If further analysis is deemed feasible and required, I'm sure there are lots of think tanks out there that are more than happy to do the cost-benefit analysis, and if the government itself has a cost-benefit analysis, I'm sure it would be more than happy to disclose that.

To my knowledge, there hasn't been that much work undertaken on the cost-benefit analysis, because it's a complicated field that requires lots of data spanning several years. That's why even though it would be ideal to have the cost-benefit analysis, the benefits are always not very tangible and not easily measurable.

• (1255)

Mr. Irek Kusmierczyk: How much time do I have, Chair?

The Chair: You have about a minute.

Mr. Irek Kusmierczyk: Okay.

I take issue with your net analysis. I think it's incomplete, and I think it looks at only one side of the ledger. When we look just at the fuel charge impacts directly, which you speak about as well, you talk about eight out of 10 households being better off. Can you speak to that a bit? Looking just at the impact of the fuel charge as compared to the Canada carbon rebate, you mentioned that eight out of 10 families are better off. Can you speak to just the fuel charge, not the net analysis?

Mr. Yves Giroux: When we look at the impact of the fuel charge, we look at the amount that households pay directly—when they fill up their gas tanks or when they heat their houses—and the embedded energy component of the goods or services they buy, and we compare it with the carbon rebate they get. We find that, roughly speaking, four out of five households are better off with a carbon tax and the rebate than without.

Mr. Irek Kusmierczyk: Thank you. That's very clear.

The Chair: Thanks very much.

Mrs. Vignola, please go ahead.

[Translation]

Mrs. Julie Vignola: Thank you, Mr. Chair.

Mr. Giroux, Ms. Vanderwees and Ms. Giswold, thank you for joining us once again.

I have great admiration for your analyses. It's precise, valuable work. It's the labour of hard-working people. I appreciate it tremendously, especially since, in the case of the Main Estimates 2024-2025, the government didn't see fit to publish the document in PDF format on its site. You were stuck with the CSV format, which is unreadable; or you had to follow along on the screen while taking notes on the side. My congratulations on managing to produce all this in record time, all things considered.

That said, I saw that the Canada Health Transfer will increase by \$2.7 billion. That's a rough guess, because the main estimates came out before the budget, which will be released on April 16th. Anything can change, but we can assume that there really will be a \$2.7 billion increase and that transfers will total \$52.1 billion, as stated in your report.

Had the government fulfilled both Quebec's and Canada's premiers' request to transfer 35% of their health budget, how much would the health transfers amount to? Do you have any idea what that figure would be?

Mr. Yves Giroux: Unfortunately, I don't have these numbers on hand.

I remember we conducted a study a few years ago to estimate how much provincial health spending was covered by the Canada Health Transfer. One of the conclusions I remember well was that the definition of health care or health services had evolved over time to cover more services, which can affect the amount to be determined to reach a specific target, in this case 35%; all that to say, I don't have the figures on hand, unfortunately.

Mrs. Julie Vignola: The Main Estimates tabled in late February or early March contain \$449.2 billion in spending, the bulk of which are transfers to provinces, organizations and the public. These transfers include \$81.1 billion in seniors' benefits.

How much would this transfer amount to, had two categories of seniors not been created, if people aged 65 to 74 were still included, and if they were given the same pension increase as those aged 75 and over?

• (1300)

Mr. Yves Giroux: We don't have that figure either. We may have done the calculations as part of another query.

However, we can see that amounts for seniors' benefits will increase by almost \$9 billion from 2021-2022 to 2022-2023, the year in which eligibility for those aged 75 and over was expanded or at least enhanced.

Given that, from a demographic point of view, a good proportion of Old Age Security beneficiaries are aged 65 to 75, we can assume that the cost would have been roughly the same, or perhaps even a little higher. However, I don't have those figures.

Mrs. Julie Vignola: Thank you.

Public debt charges currently stand at 10.4% of the budget, or \$46.5 billion. They amount to "only" 10% of the budget because the budget is \$450 billion. If the budget were \$280 billion, the proportion would be greater. It's mathematical.

Can we consider this a healthy rate or should we start sounding the alarm—as we already have—more loudly to say this unacceptable?

Mr. Yves Giroux: That is a somewhat sensitive question to answer in absolute terms. From a historical perspective, during the 1990s, debt service costs were eating up roughly a third of federal revenues, if not more. That was an alarming situation. It's much less so now, given that it represents a much smaller proportion of federal revenues. However, we can still consider the other ways we could use that \$46 billion if we didn't have to bear the costs of a debt of that size.

So two things can be said: From a global perspective, and from a historical one, that number isn't huge, but, \$46.5 billion spent on debt servicing is still more than we allocate to national defence. It's also more than half of what we pay out in benefits to seniors, and it's about the same amount the federal government transfers to provinces for health care, or a little less. These are still significant amounts.

Mrs. Julie Vignola: Moreover, it's Quebec's entire health budget.

[English]

The Chair: That's your time.

Mr. Boulerice, we'll go back to you. Please go ahead.

[Translation]

Mr. Alexandre Boulerice: Thank you very much, Mr. Chair.

I would like to thank Mr. Giroux and his entire team for joining us today for this study. I feel that we can now ask questions related to the topic that the committee was normally slated to study. Mr. Giroux, you know there's a huge housing crisis and it's been growing for years. By the way, so that it appears in the committee's report, I'd like to mention that this crisis is even greater among first nations. We're having trouble meeting our targets for providing not only a sufficient number of housing units, but also good quality units that are spacious enough.

Here are some figures. Between 2015 and 2022, the proportion of first nations homes in need of major renovation fell from 20.8% to 19.7%. As for the proportion of homes in need of replacement, not only did it fail to decrease, it actually increased over the same period, from 5.6% to 6.5%. Finally, in terms of new unit and new home construction, we're only at about 20% of the volume needed to close the gap with the Canadian average.

Also, we recently learned that Indigenous Services Canada's budget for housing construction will drop from \$20.7 billion in 2024-25 to just \$16.3 billion in 2025-26.

How do you think we can meet the federal government's 2030 targets by cutting funding for indigenous housing construction in this way?

Mr. Yves Giroux: That's a good question. Unfortunately, I don't think I'm the best person to tell you how we can achieve those targets or reduce first nations housing needs.

You might obtain a better answer, at least I hope so, from the Minister of Indigenous Services.

• (1305)

Mr. Alexandre Boulerice: Do you have any sense or estimate of the total investment it would take to close this gap for first nations across the country?

Mr. Yves Giroux: We issued a report on the federal government's housing investments. I believe we also considered the need for water and wastewater systems in first nations communities a few years ago. That said, I'm not sure we've reported specifically on first nations housing.

I can provide you with a written response, if that is of interest to the committee.

Mr. Alexandre Boulerice: I'd appreciate that, if you could. I know you have a lot of work to do, but this is the kind of information that will enable us to improve our work and have better public policies for Inuit and first nations.

I'm going to take you somewhere else now, Mr. Giroux. The scandal surrounding ArriveCAN, the infamous app launched during the COVID-19 pandemic, has opened our eyes to the high costs of subcontracting, which are sometimes exorbitant, even scandalous. The Auditor General even told us that subcontracting rather than using the services of the public service could double the price.

Is that your assessment of it too?

Mr. Yves Giroux: We didn't assess the amounts to see if the contracts awarded externally were good value for taxpayers. What we did find, however, was that spending on external consultants has steadily increased significantly in recent years. Many of these consultants provide services, for example to first nations and veterans, but there is also an increase in expenditures for consultants in IT, policy or management in government. This was done in conjunction with a significant increase in the size of the public service.

I've raised the issue of using external consultants on a number of occasions, in various committees, even though we're hiring a lot of staff in the public service. We have to ask ourselves whether we're hiring the right people when the government needs to use subcontractors at the same time as it's increasing the size of the public service.

To come back to your question, we didn't check whether each of these contracts represented good value for taxpayers. That's more a matter for the Auditor General.

Mr. Alexandre Boulerice: Thank you for your answer.

It's interesting to see these two parallel phenomena. It's a bit hard to explain, yes. The total amount of contracts awarded to consultants or subcontractors is now close to \$22 billion.

Are Quebeckers and Canadians getting their money's worth? Is there a growing number of examples like ArriveCAN that don't always make the headlines?

Mr. Yves Giroux: I wouldn't go so far as to say that cases like ArriveCAN are widely being repeated everywhere.

The questions that arise the most concern the use of consultants to provide policy or management advice to the public service, when there is the expertise within the public service to provide advice, guidance and recommendations to ministers. It's a little more surprising that subcontractors are being used for this.

The same is true for the management advice provided to ministers, when the public service should normally be well equipped in that regard. These are valid questions, but my office doesn't have the capacity to assess whether there are many other cases similar to ArriveCAN.

I would like to think that the Auditor General is doing this study as part of her normal work.

[English]

The Chair: Thank you very much, gentlemen.

Ms. Kramp-Neuman, go ahead, please.

Mrs. Shelby Kramp-Neuman: It's a pleasure to pose questions to you today, Mr. Giroux.

Earlier this week, I was speaking with a single mother working full-time along with having a side hustle from home, and a hundred per cent of her income is covering her mortgage. She relies solely on food banks and her credit card, which is maxed out. It's getting extremely difficult. A StatsCan report on food insecurity, released in November of last year, referred to female lone-parent families, or single mothers, as one of the highest groups—at 48%—experiencing food insecurity.

Food insecurity means more than just a child going hungry each week if their parents cannot afford groceries. Kids experiencing food insecurity are less likely to get the nutrition they need to grow healthy and develop, and they're more likely to develop mental health problems. When food prices go up and there's less money in the household budget, there really are significant impacts on health and wellness.

Here is my question to you: Is the intersection of food inflation and the carbon tax impacting the household budget?

• (1310)

Mr. Yves Giroux: The question is quite valid, but it is something we have not looked at specifically. We have done work on the carbon fuel charge, the carbon tax, but we have not looked in detail at the impact of the fuel charge on food inflation. However, as referred to a couple of times in this committee, the Bank of Canada has looked at the impact of the fuel charge on general inflation and it's 0.15%, if I remember correctly.

Mrs. Shelby Kramp-Neuman: Just to be more specific, are the details premised on two people under a roof carrying the load or on one individual?

Mr. Yves Giroux: Inflation as defined by Statistics Canada refers to the price evolution of a basket of goods and services that is representative of what a typical household will buy.

Mrs. Shelby Kramp-Neuman: The typical household is changing.

Mr. Yves Giroux: It is changing, as is the basket of goods and services they need or purchase, on average. That's based on surveys and consumption patterns, so Statistics Canada is probably better placed to answer how they design their basket of goods and services.

Mrs. Shelby Kramp-Neuman: Perhaps I'll switch gears and speak specifically about Bill C-234.

You've previously reported that Bill C-234 would save farmers nearly \$1 billion by 2030. A more recent costing note by your office estimates that the Senate amendments to the bill would cut carbon tax relief to farmers by \$910 billion. Is that accurate?

Mr. Yves Giroux: It is probably millions. I don't have that note in front of me. The Senate proposed several amendments to this bill and it has been referred to a couple of times, so forgive me if I don't know all the details and can't remember them off the top of my head. What I remember is that we were talking about less than \$1 billion in the latest version.

Mrs. Shelby Kramp-Neuman: Speaking more specifically to the report, it indicated Canadians will pay \$486 million in GST on the carbon tax this year and over \$1 billion per year in GST by 2030. Do farmers receive any rebates on the GST they pay on the carbon tax?

Mr. Yves Giroux: My understanding is that farmers are eligible to get back the GST they paid as input tax credits. Also, our analysis for households includes the carbon tax they pay directly and indirectly as well as the GST that's applied to the carbon tax directly and indirectly.

Mrs. Shelby Kramp-Neuman: Thank you.

I'll pass it over to my colleague.

Mr. Philip Lawrence: Thank you.

I rarely correct you, Mr. Giroux, but on this occasion I am going to correct you.

The Governor of the Bank of Canada said at the finance committee that 0.6% of inflation is directly a result of the carbon tax. It's the increase that's 0.15%. It would be 0.6% this year if it were removed and an ongoing 0.15%. After the April 1 increase, if we don't cancel the hike, it will be nearly 0.8% of inflation.

I understand you haven't studied food specifically, but if it's reducing the overall basket of goods by 0.8%, it almost certainly has to increase the cost of food. Is that not correct?

Mr. Yves Giroux: Yes, but I would assume that the impact of the carbon tax on the price of food is probably not significant, even though there have been increases in the price of food. Not all of it—only a fraction of it—can be attributed to the carbon tax.

Mr. Philip Lawrence: I think we could split hairs regarding what that fraction is. What I want Canadians to take away from this meeting—and I think we can agree but you can certainly say differently—is that the carbon tax increases the price of food.

• (1315)

Mr. Yves Giroux: Yes, I would be inclined to say that, to some extent.

The Chair: Thank you very much.

Mr. Sousa, please go ahead for five minutes.

Mr. Charles Sousa: I appreciate the discussion we've been having today.

I recognize that pricing carbon is being proposed as a great disincentive to our economic growth and activity when, in fact, it's the very incentive that's enabling us to invest in other initiatives in the green economy. It's enabling us to have that drive to do something now to protect each generation as we go forward. Oftentimes, when I hear some of these discussions.... I heard this one on the provincial side in Ontario when we were deliberating over the price of carbon back in 2015 and 2016 to offer an alternative, which we brought forward by way of cap and trade. We were part of the Western Climate Initiative, alongside Quebec and California. Ontario was netting about \$1.5 billion, or thereabouts, annually to reinvest dollar for dollar in the green economy—retrofits, home renovations—enabling us to get a head start on the green economy and opportunities to support families as we went forward and grew the economy.

It was the alternative. It exempted Ontario from going through a federal carbon pricing system because we had already initiated one. The Conservative government that came in afterwards then dismantled that initiative and brought forward a fight with the federal government over something that it lost through a constitutional debate.

In the end, we're faced with this alternative, but many economists are still saying that a much better and cheaper way to move forward is pricing carbon. I appreciate some of the discussions we've had today because of that, because it's not free. Pricing carbon is not something that we can make available to everyone. The greater polluters should be paying their fair share to enable most families—especially the single moms who were just referred to earlier—to net out a greater benefit for themselves.

I know and appreciate your reference to the fact that four out of five or eight out of 10 average families in Canada will benefit through rebates with respect to this. At the same time, it will enable us to cause the higher polluters to pay their share and will provide the incentive now to bring forward a new economy, as we have in Saskatchewan with the alternative sources of trade. That will enable us to provide for cleaner alternatives. That wouldn't exist had we not put these incentives in place in the first place.

To this point, I would like to ask a question. Keeping in mind that many economists have also noted that this is a very cost-effective way to reduce emissions, which is ultimately what we're trying to do, do you believe that those causing pollution should pay for it?

Mr. Yves Giroux: Mr. Sousa, that's a question for policy-makers and legislators.

Mr. Charles Sousa: I'm asking you for your personal interpretation. I'm not asking you as a policy man. I'm asking you personally.

For future generations, do you believe that those polluting rivers should be stopping that or paying for it?

Mr. Yves Giroux: As an economist, I believe that externalities should be internalized, so those who cause negative consequences for society should be the ones who assume these costs, as opposed to pricing—

Mr. Charles Sousa: Is carbon pricing an effective way to reduce emissions?

Mr. Yves Giroux: As I said to this committee last week, there is a wide consensus among economists—and I am an economist—that carbon pricing is an effective way of reducing carbon emissions. Any other way of doing it will also have costs. I've been clear about that, and my office has been clear about that.

• (1320)

Mr. Charles Sousa: We just heard about a single mom with kids. She now benefits from a lot of non-taxable benefits and a number of initiatives that the federal government has brought forward to support her in this affordability crisis, all of which were opposed by the Conservative Party. All of these initiatives to try to support that family were actually opposed by the other side.

I'd like to add a nuance to some of the recent narrative around the impacts on the price of pollution and affordability. We've talked about the Bank of Canada, and the governor has been quoted as saying that other climate effects and events are also placing a cost on food, that there's a cost with respect to this and volatility. We can't just ignore it, put our heads in the sand and pretend it's going to go away.

I'm wondering if you agree with the governor on this issue.

Mr. Yves Giroux: On what issue? Could you be clear before I agree with something?

Mr. Charles Sousa: The issue is that-

The Chair: I'm sorry. Let me interrupt.

We're out of time, Mr. Sousa, but if you can just repeat that, we'll allow time for an answer.

Mr. Charles Sousa: The governor suggested that there are consequences for not putting a price on pollution. Wildfires, floods and extreme weather conditions all place a price on food.

Mr. Yves Giroux: Climate scientists are almost unanimous in saying that climate change will have impacts on our lives. I'm willing to believe the science on this one, as on many things.

Mr. Charles Sousa: Thank you.

The Chair: Thanks, Mr. Sousa.

Mrs. Vignola, you have two and a half minutes, please.

[Translation]

Mrs. Julie Vignola: Thank you very much, Mr. Chair.

In a recent report, you mentioned that the impact of the carbon tax on inflation was about 0.15%. Let's assume that inflation is 3%. We know that inflation has been higher, but that it tends to return to something more reasonable. Let's suppose that inflation is at 3%. Does that mean it's 0.15% of 3%, or is it 2.85% inflation plus 0.15%?

Mr. Yves Giroux: If we assume that the impact is 0.15%, this means that inflation is a little higher because of the carbon tax. For example, inflation without the carbon tax will be 2.85%, and with the carbon tax, it will be 3%.

Mrs. Julie Vignola: In other words, the carbon tax means that goods and services that cost \$100 before inflation cost about \$103 with inflation at 3%. In that cost, there's a 15ϕ increase caused by the carbon tax. That's 100 times less than the GST and QST paid on \$100 in Quebec.

Mr. Yves Giroux: Yes. There are two effects to consider. Inflation is an annual phenomenon. We're comparing today's prices to those of a year ago. Prices went up during that year.

However, there is also the cumulative effect. For example, if we completely eliminate a tax, we'll also eliminate the effects of previous years. There will be a sudden drop, but not a recurring drop. In fact, it will be recurring, but it will have an impact on inflation only once.

Mrs. Julie Vignola: Thank you.

I was looking at your figure 2-2 on the Canada health transfer, which is based on the number of people. It's a per capita amount. The question that came to me is this: When the number of people in Quebec or in a Canadian province is calculated, does the calculation take refugee claimants into account?

Mr. Yves Giroux: I don't have the answer to that question. I'll admit, it's an interesting one, given what we're hearing these days, but I don't have that answer. I know it's based on census data, but I don't know whether non-permanent residents are included in the Canada health transfer calculation.

Mrs. Julie Vignola: Thank you.

[English]

The Chair: Thank you very much.

Mr. Boulerice, go ahead, please. You have two and a half minutes.

[Translation]

Mr. Alexandre Boulerice: Thank you very much, Mr. Chair.

I'd like to thank the witnesses once again for being with us today.

Mr. Giroux, we've talked a lot today about pollution pricing and inflation, but also about climate change. Climate change has an impact on our communities, be it in terms of public health, floods, drought, forest fires, and so on.

Is it possible to have an overall assessment of the economic impact, of the financial cost to the federal government of the acceleration of natural disasters and climate change that we've been experiencing more and more over the years?

• (1325)

Mr. Yves Giroux: That's a question that's probably worth thinking about, but it's not one that my office has considered, particularly in terms of the costs of climate change that the federal government must assume. I know it's an issue for many institutions in the country and around the world. At this point, I wouldn't say that the work is still in its infancy, because it's more than that, but we're still in the early stages of estimating those costs. It's subject to a lot of interpretation and a lot of questions.

Mr. Alexandre Boulerice: My political party and I see a benefit in this. We often talk about the cost of a measure, an investment, or

the cost to a company, an industry or the consumer, but inaction also has a cost. We tend to forget that sometimes.

As an economist, you said earlier that market mechanisms such as pollution pricing, also known as the carbon tax, have an incentive effect on consumers to change their behaviour. Based on your assessment in recent years, does this measure alone enable the federal government to meet our targets and reduce our greenhouse gas emissions?

Mr. Yves Giroux: We did a report on this in November 2022, if memory serves; I have several documents in front of me.

We did an analysis of that and realized, as most observers have, that the fuel tax or the greenhouse gas emissions tax isn't enough to meet or exceed the Paris Agreement targets, as the government committed to in the 2021 budget.

Other measures, which the government has announced, are needed to achieve the targets the government has set for itself. It's often said that the carbon tax will make it possible to achieve one-third of the greenhouse gas reduction targets. From memory, those are the conclusions we reached.

Mr. Alexandre Boulerice: Thank you very much.

[English]

The Chair: Thank you very much.

Mr. Chambers, welcome to OGGO. Go ahead, please, for five minutes.

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

Thank you to the Parliamentary Budget Officer. I appreciate you being here with your colleagues Ms. Giswold and Ms. Vanderwees.

I'd like to talk about everybody's favourite tax—the underused housing tax. Mr. Giroux, I'm not sure you are able to follow all of the inquiries of ministry, but just last week the government tabled documents showing that since 2022, the federal government has spent upwards of \$59 million on administering the underused housing tax—

The Chair: I'm sorry, Mr. Chambers, but I have to interrupt for a second. We're being told your microphone is not properly connected to your computer.

Mr. Adam Chambers: I apologize, Mr. Chair. I believe this is a bit better.

The Chair: Yes, we're fine now. Go ahead, sir.

Mr. Adam Chambers: My apologies to the interpreters.

25

Mr. Giroux, we were told by CRA that they've spent upwards of \$59 million administering the tax but have assessed only 49 million dollars' worth of amounts owing. That's not collections, by the way. That's amounts owing.

I'm just curious whether you recall from your previous work what the government expected to collect from that tax in the first couple of years.

Mr. Yves Giroux: You're right, Mr. Chambers, that with a team of 38 we cannot follow every single government initiative. I don't remember off the top of my head how much the government expected to collect on the underused housing tax. I'm looking at my colleagues and they're avoiding eye contact—

Some hon. members: Oh, oh!

Mr. Yves Giroux: —which probably means they don't remember either.

The numbers you mentioned seem high, as if it costs so much to administer, but how much is assessed is often a number significantly different from what ends up being collected.

• (1330)

Mr. Adam Chambers: Thank you very much.

My understanding is that they expected to collect \$200 million in the first year and about \$165 million every year thereafter. If that is the case and their experience is that they're assessing only 49 million dollars' worth of penalties, should the government take what effectively would be a writedown to adjust what they project to assess and collect for future years, since it's not bringing in what they believed it would?

Mr. Yves Giroux: If the amounts assessed so far are indeed the final numbers or are indicative of what the government is expected to collect overall, I think there will need to be a correction in the budget in the revenues to be collected. If that's indeed the case, and it's not just that there were some difficulties getting the initial collection effort under way, then we should see that reflected in the fiscal plan when the minister tables the budget on April 16.

Mr. Adam Chambers: Do you believe it's appropriate for the CRA, when implementing a new tax like this, to consider the cost to taxpayers of compliance with respect to the amount of direction or clarification they provide taxpayers? Is that something they should be considering?

There was an article yesterday that suggested that taxpayers are paying anywhere between \$500 and \$1,000 or more per filing of paperwork for the underused housing tax, which they have to do every year.

Mr. Yves Giroux: It certainly would be a good idea in terms of policy-making for the CRA and the Department of Finance to introduce that into the equation when they're briefing the minister or ministers—and cabinet, ultimately—to introduce new tax measures. That would at least provide an idea to the ministers as to how much the burden will be on individuals and businesses. I know they include the number of employees they will need for administering these new taxes or amended tax provisions.

It's data that would certainly be possible to have, at least in order of magnitude, when introducing new measures such as the underused housing tax.

Mr. Adam Chambers: I want to thank you very much for the work you've done on tracking departmental spending plans and the impact on the government's people plan. The government has continuously sent legislation to this Parliament with no projections for the impacts on people. Your office is the only office that shows consistently, time after time, that when the government suggests a people projection, it fails to meet it every single time. In fact, the numbers go up every year instead of down as the government projects.

How do you recommend that parliamentarians get a better handle on or require more transparency for the government's people plan?

The Chair: Give a brief answer if you're able to.

Mr. Yves Giroux: Having more clarity as to exactly how many employees initiatives will require for their proper administration would be a good first step. Also, the employee impact of reallocation measures would certainly be good to know.

I'll stop there for lack of time. I'm sorry.

Mr. Adam Chambers: Thank you, Mr. Chair.

The Chair: Thanks.

Mr. Drouin, you have five minutes or so.

Mr. Francis Drouin: Thanks, Mr. Chair.

I want to inform you that we would like to raise something before you put the gavel down—just after I'm done.

[Translation]

I would like to thank our officer of Parliament, who always does a good job.

I want to talk about the November 2022 report, in which you analyzed the impact of climate change on Canada's GDP. I believe that, according to the report, the impact was almost 1%.

Can you briefly describe your analysis of how climate change affects Canada's GDP? Do you remember it?

• (1335)

Mr. Yves Giroux: My memory isn't that good. We release a number of reports each year. However, I have the report in front of me.

Our estimates are based on various external data sources, including the Intergovernmental Panel on Climate Change. Surface temperatures changed by around 0.9°C and precipitation increased, compared with the average from 1961 to 1990. This already reduced the GDP level in 2021 by 0.8%. Ongoing changes will reduce the GDP level by a further 1.6% by 2100.

We made this finding based on a number of assumptions, including the assumption that all global commitments to reduce greenhouse gas emissions will be met.

Mr. Francis Drouin: Okay.

I want to discuss the report that has everyone talking. It's your most recent report on the impact of pollution pricing. I think that my colleague, Mr. Kusmierczyk, touched on this. When you analyze the economic impact, do you assume that there won't be any technological adoption over the next 10 years? Are the variables in this analysis constant?

Mr. Yves Giroux: The variables aren't exactly constant. Our models, such as the general equilibrium model, take economic changes into account.

The costs are calculated between now and 2030, a relatively short time frame in an economy such as Canada. We often say in briefings that nothing shows that there won't be any economic benefits after 2030. However, between now and 2030, the costs are measurable. The benefits of a transition to a less carbon-intensive economy won't be felt yet. It's relatively brief. There isn't time to meaningfully introduce new technology that can offset the negative impact of a transition to a less carbon-intensive economy.

For example, many assets are already based on a fossil fuel economy. If we eliminate them quickly, there will be a cost. We call these sunk assets. Eliminating and retiring assets before the end of their useful life carries a cost. This explains much of the costs.

Mr. Francis Drouin: Most economists tell us that the fastest way to meet targets is through pollution pricing. Economists have even won Nobel prizes for this. It shows the markets the way forward. Basically, when we use a carbon-intensive product, we must pay for it. When consumers see this limit, they naturally think that it would be better, for example, to buy an electric car in five years to avoid having to pay for gas.

Do you also take this into account in your analyses?

Mr. Yves Giroux: Yes, if we can do so, we take into account the behavioural effects of the scenario under consideration. As I said, the impact of maintaining or increasing a carbon tax... Five or six years isn't enough time for the positive effects to outweigh the negative ones. However, having a planning horizon with a certain level of certainty clearly increases the benefits of carbon pricing.

[English]

Mr. Francis Drouin: I want to remind committee members to inform farmers that they are eligible for part of the rebate for the price on pollution they pay. It's not the full price, but it's up to \$1.86 per \$1,000 in farm expenses, so I encourage them to sign up.

I'm sure my colleagues Mr. Lawrence and Ms. Kramp-Neuman, who have farmers in their area, would encourage them to sign up.

Thank you, Chair.

The Chair: That was a wonderful plug, even if it was a few seconds over. Thank you for joining OGGO and making that plug. We should charge you an attendance fee for that.

With that, we thank Mr. Giroux, Ms. Giswold and Ms. Vanderwees, as always, for joining us. We appreciate your time.

Mr. Sousa.

Mr. Charles Sousa: Mr. Chair, I'd like to confirm the motion that was brought forward earlier today outlining the procedures and processes by which we'll proceed going forward.

I have not received any idea.... No one on this committee has been notified of a meeting anytime soon. We don't know what witnesses are coming before us.

I want to confirm with the committee and with you that we have no more meetings this week. Is that correct? I want members to engage.

• (1340)

The Chair: The notice is out for the meeting tomorrow, Mr. Sousa.

Mr. Charles Sousa: Pardon me?

The Chair: The meeting notice for tomorrow is out already. It went out before today's meeting started.

Mr. Charles Sousa: That's not now in compliance. Is that correct? We don't have agreement.

The Chair: I believe it is in compliance, to my understanding looking at the motion.

We also have future meetings booked for the NDP study on Canada Post, and we have the red tape reduction meeting booked with witnesses.

I assume the motion is for future studies we are starting, and we will follow it then.

Mr. Charles Sousa: I don't think we were aware of that. I don't think we have consent, Mr. Chair, to proceed tomorrow given that we've not been provided notice and we're still not aware of who the witnesses are.

Who are the witnesses tomorrow? That has not even been discussed.

The Chair: It's on the notice, Mr. Sousa. If you look at the notice, you will see who's been booked. Again, it went out before the meeting started.

Mr. Charles Sousa: I think there is a lack of desire to proceed without having prior consultation as a result of the motion we brought forward today. I suspect we are going to request that we cancel the meeting for tomorrow as a result of the violation of the privileges of members of the committee who have not been notified appropriately.

The Chair: Thank you.

I have several others who want to speak. I have Mr. Chambers, Mr. Kusmierczyk and Mrs. Atwin.

Mr. Adam Chambers: Thanks, Mr. Chair.

My view is that the notice had already gone out for tomorrow before we passed the motion. The government members may have wanted to be very clear, but the motion they brought forward was silent on what we were supposed to do about tomorrow. They could have easily made that clarification, so I leave it to the chair's discretion, which is used in every other committee, by the way.

To the extent that the government members are upset about this, perhaps they should be careful, because it's their committee chairs at other committees who take much greater liberties with the Standing Orders in this respect.

The Chair: Thanks.

I appreciate that and will again note that, for example, in both upcoming studies, we've had to extend witnesses. I've also had to go in and fill witnesses for both an NDP and Liberal study. Therefore, it has happened before that I've had to go out and find witnesses.

Again, Mr. Chambers is right; it did go out before that.

Go ahead, Mr. Kusmierczyk.

Mr. Irek Kusmierczyk: Again, I disagree with how the meeting that's scheduled for tomorrow was organized. We were not consulted. We were provided no opportunities for instruction. There was no consultation. There was no discussion. It doesn't provide us the time we need to prepare for an important meeting. Every meeting is important, but meetings like that one, with the witnesses, are especially so. This is not how we've conducted business in the five years that I have been on committee.

I am simply registering my absolute, wholehearted disagreement with the way all these meetings have been scheduled this week. It is not aligned with the motion that we passed earlier today. I want to register my complete disagreement and disappointment with how these last three meetings have been organized, completely without any consultation or input from this committee.

Thank you.

The Chair: Mrs. Atwin.

Mrs. Jenica Atwin: Thank you, Mr. Chair.

Just to reiterate what my colleagues have shared, I mean, reading in a Global News article that we were going to have a meeting Thursday was really disappointing. It defeats the collaborative atmosphere that I think we're all trying to achieve here. We have really important work to do. I think we very much were distracted from that important work today. Our focus on main estimates kind of went down a path it shouldn't have, and I see that it would be the case for tomorrow as well.

OGGO is a very important committee. You state this yourself at the beginning of our meetings all the time, that it's "the only committee that matters". Let's proceed in a way that's respectful of all our time and our constituency time as well. This has happened repeatedly now since Christmas. It's really important to me to connect with my community. For me, that's a big piece that's missing here as well.

Again, I read about a committee meeting and witnesses in a Global News article. What happened there, Mr. Chair? We really need to have an atmosphere of respect here, and I'd like to see it return to that.

Thank you.

• (1345)

The Chair: I'll address that before I get to Mr. Sousa.

Very clearly, I do not talk to Global or whoever you're referring to. I saw Premier Higgs talking about it on Twitter, but that's him talking about it, not the committee.

Mr. Sousa.

Mr. Charles Sousa: Mr. Chair, given the discussions we're having, maybe it's appropriate to put forward a motion.

Again, given the lack of consultations, the lack of advisement to us and the violation of our privileges as members, if all agree, I'd like to put forward a motion that we cancel tomorrow's meeting.

The Chair: Before I get to that, it's not a violation of privileges for the chair to book. I'm happy to read the exact wording for everyone from the big green book.

I appreciate what you're saying, but I would appreciate that we also stick to the facts. It's not a violation of your privileges for me as chair to book a meeting.

Mr. Charles Sousa: It appears that everyone else seems to know about these meetings before us. That includes the premiers and the witnesses who are being advised—

The Chair: This might come as a shock to you, Mr. Sousa, but witnesses can't be called until—

Mr. Charles Sousa: Again, it was without consultation and without discussion on this. We have other priorities that we were looking at going forward, and you haven't made those happen. You have not—

Mr. Ron McKinnon: On a point of order, I believe there's a motion on the floor.

The Chair: I guess just correcting Mr. Sousa, you can argue as you wish. That's fine. I appreciate that. I appreciate all sides to this. I appreciate your feelings on this, but your privileges have not been violated. For example, we invited witnesses for a Liberal study because none of the Liberals put forward witnesses. That is not a violation of your privileges.

I understand what you're saying, but I wanted to clear up that one point. I think it's an important one.

We will start a speaking order. Hold one on second.

Okay. This is on-

Mr. Philip Lawrence: I have a point of order, Mr. Chair.

The Chair: I see that Mr. Drouin has his hand up. We'll get to Mr. Sousa's motion that he just brought in, but first I have a point of order.

Go ahead, Mr. Lawrence.

Mr. Philip Lawrence: We are not currently in committee business and this is not of the subject matter, so I believe this motion is out of order.

The Chair: I appreciate that, Mr. Lawrence, but I understand that, procedurally, it is.

Mr. Kusmierczyk, is it on Mr. Sousa's motion or on a different issue?

Mr. Irek Kusmierczyk: It's on this motion.

The Chair: Go ahead, sir.

Mr. Irek Kusmierczyk: Mr. Chair, the trust that is fundamental to the work of this committee has been broken. The principle of collaboration that underpins all of our work here on Parliament Hill and in this committee has been broken.

I turn to you, sir, and I say that this is an opportunity here, today, for us and for you to begin the work of repairing that trust and repairing that relationship that is broken. I place that on your shoulders, sir.

What I would recommend is that you work together with the members of all parties around this table, as you've done in the past, to pick a date and a time that works for this committee. If it's the will of this committee to bring those witnesses forward and to have this discussion, then work with us, Mr. Chair, as has been your tradition since the beginning of your term as the chair of this committee.

I ask you to work to repair this trust, to repair this relationship. Let's put this committee back on track, and let's rebuild that relationship and that trust. I believe it begins today with this motion, sir. I ask you to consider the objections this committee has brought forward publicly about the way we've been conducting business here over the last several weeks.

I ask again that you help us rebuild the trust. Let's rebuild the relationship, and let's put this committee back on track. I ask you for that, sir, and I look to your leadership on that.

• (1350)

The Chair: Thanks.

I have Mrs. Vignola and then Mr. Drouin.

[Translation]

Mrs. Julie Vignola: Thank you, Mr. Chair.

I pretty much agree with the Liberals' motion. This doesn't happen often, by the way. Usually, I have something to add and I try to find a compromise so that everyone agrees. I'm honestly amazed by my own patience. My face holds no secrets because I'm an open book. I'm fully aware of that.

Despite what some members of all the other parties told me when I took office, politics isn't a game. Politics is about serving people. It's about reading budgets and bills from cover to cover; finding the information needed to fully understand the issues at hand; and being able to provide unbiased information to the people who ask us questions, so that they can see each point of view. When people write to me because they don't understand something, I respond by giving them the Bloc Québécois, Liberal, Conservative and NDP perspectives. That's what providing information to our constituents entails. It's the least that we can do.

These days, I get the impression that some people are treating politics like a game, no matter where they live. In our role as politicians, we make decisions that affect the future of the entire population. Again, this isn't a game. This isn't a round of Jumanji, Risk or Monopoly. We must also take care of our constituents. It's hard to do so when we're called into committee meetings at the last minute. I have been a good egg from the start. However, I now need to see my constituents and to stop postponing meetings every week because a committee meeting has been announced.

In any case, I don't blame the two people who will be here tomorrow. They have the right to have their say if they want to. However, we must take the time to meet with them properly. As I said earlier, we need time to prepare our questions and to fully grasp the issues affecting New Brunswick and Alberta in relation to the federal government. This is vital. It's part of our role. Yet we were given less than 24 hours' notice. I may be able to turn on a dime, but there are limits, darn it. I'm saying "darn it" to avoid using other unparliamentary words. There's a whole list of them.

I'll support this motion. It respectfully asks that this meeting be postponed to give us time to better prepare and study the issue before we hear from these people. The premiers aren't puppets and shouldn't be treated as such. We must show them respect and be well prepared.

Thank you.

[English]

The Chair: Mr. Drouin, go ahead.

[Translation]

Mr. Francis Drouin: Thank you, Mr. Chair.

Ms. Vignola, I would like to think that you're supporting the motion because I'm here. We've worked so well together in the past. Oh, oh! (laughter)

• (1355)

Mrs. Julie Vignola: Don't get carried away!

[English]

Mr. Francis Drouin: Mr. Chair, my advice.... Obviously, you can see where this is going. We will have to deal with this tomorrow, and if the motion.... If we don't deal with this today, we'll have to deal with this tomorrow. The majority of the members are not in accordance with what has transpired. I'm not going to judge anything. I have respect for you, Mr. Chair, but obviously you are at the command of the majority of the members. I think, on our side, we're ready to vote.

The Chair: Mr. Lawrence.

Mr. Philip Lawrence: Thank you very much.

I think it's important to give some context for the meeting today.

In looking at the carbon tax, we heard testimony today from the PBO and we've heard testimony from the Governor of the Bank of Canada—both non-partisan experts in their respective fields—that the carbon tax is in fact causing individuals to go hungry. It's causing children to not be able to eat at night and go to bed hungry. This is a significant issue.

My understanding of it—I could be wrong; I have no inside information—is that the premiers wrote to the finance committee and asked that, before the April 1, when the carbon tax is set to increase by 23%.... We don't have much time here. We can postpone and live in an imaginary world where this doesn't exist, but it does. We have an April 1 deadline. They wrote to the Liberal finance committee. He deemed it was inappropriate and that somehow the premiers millions of Canadians—should not have a voice and that we should all sit here and watch children not be able to eat at night because it might upset our schedule. Are you kidding me? How out of touch...?

Some hon. members: Oh, oh!

Mr. Philip Lawrence: It's my time, Mr. Chair.

The Chair: I would ask everyone to take it down a bit.

Mrs. Julie Vignola: I'm sorry.

[Translation]

I didn't have enough to eat. I sometimes skipped meals for whole days. The carbon tax didn't exist yet.

The carbon tax is like the pandemic. It takes a lot of flack. Can we get back to it?

We must listen to the premiers. However, there are certain times to do so. We must also avoid using them as puppets.

[English]

The Chair: Before we continue, I will remind everyone that your voice levels affect our interpreters.

Mr. Philip Lawrence: I apologize to the interpreters, but I'm not apologizing for my comments because they represent the reality.

We heard today from the Parliamentary Budget Officer that the carbon tax is increasing the cost of food. We're facing an affordability crisis. I met yesterday with a single mom who has a couple of kids and whose mortgage eats up her entire paycheque, so she has to use a food bank. This is not a laughing matter. This is serious, guys. Premiers wrote to the finance committee and the Liberal chair decided that their voices weren't important and that the millions of Canadians they represent didn't count.

Yes, our chair followed proper parliamentary procedure and called a meeting so that the premiers, the leaders of millions of Canadians from New Brunswick, Nova Scotia, Saskatchewan and Alberta, could testify. I'm sorry that we had to move around our schedules. I know that we're all very busy, but millions of Canadians want to express their view that the carbon tax is hurting families and it's hurting Canadians.

I don't think it's asking too much for 12 members of Parliament to move around their schedules for those voices to be heard.

Thank you, Mr. Chair.

The Chair: Does anyone else wish to speak to this?

Mr. Bachrach, are you joining us?

Mr. Taylor Bachrach (Skeena—Bulkley Valley, NDP): Yes, Mr. Chair, but unfortunately I don't have my headphones.

The Chair: We'll recognize thumbs up or down for you then.

Mr. Vignola, please go ahead.

[Translation]

Mrs. Julie Vignola: I would like to invite Mr. Lawrence to put on his earpiece. In my remarks earlier, I set him straight about the fact that people didn't need a carbon tax to have to skip meals, put their children first and struggle to pay the rent. I've done my fair share of that over the years.

I also talked about the respect owed to the people whom we want to invite and the need to fully grasp their situations and issues. This isn't just about meeting with the people who have been asking to see me for months, and that's already a lot. It's also about showing respect for the witnesses. I know that April 1 is coming up and that this isn't an April fool's joke. Nonetheless, it's about showing respect for premiers and their time. Their time is just as valuable, if not more valuable, than ours. A premier of a Canadian province or Quebec has a long list of responsibilities.

I prefer to set the record straight. With my average of 80 hours of work a week, I don't think that anyone would consider me a lazy person who skips out on her work, wants to rush through things and doesn't want to attend one more meeting. That isn't the case at all. Let me be very clear. In my opinion, this is about showing respect for our guests and for the teams involved. We must constantly ask these teams to work more quickly. Our guests have the right to receive questions related to their concerns and to feel fully heard and not rushed. I wanted to make that clear.

I'm ready to vote at any time.

• (1400)

[English]

The Chair: Thank you.

Mr. Lawrence.

Mr. Philip Lawrence: To the extent that my colleague took any personal offence, I apologize. I was not in any way saying that she was lazy in other ways. What I am saying, and I make no apologies for this, is that Canadians are facing an affordability crisis.

Thank you for sharing your personal story.

I've heard from tens, if not hundreds, of people in my riding who are going through that exact scenario. The reality is that facts are facts. The Parliamentary Budget Officer came before us today and told us—

Mrs. Jenica Atwin: I have a point of order.

The Chair: Yes, go ahead, Mrs. Atwin.

Mrs. Jenica Atwin: I believe we're debating a motion that's on the floor, so I question the relevance of Mr. Lawrence's comments right now.

The Chair: I think he is speaking to it. We always allow very wide latitude with debate.

Go ahead, Mr. Lawrence.

Mr. Philip Lawrence: Thank you very much.

To respond to that, I'll say that what I'm talking about is the carbon tax, which is what the premiers wrote to the finance committee about, which was the genesis of the situation in which we find ourselves right now.

We've seen seven out of 10 premiers object to the federal implementation of the carbon tax. The carbon tax has caused significant financial challenges for Canadians. It's this Prime Minister who's chosen to divide Canadians for political purposes. It's this Prime Minister who said that Canadians in one part of the country have to pay the tax while others don't. It's this Prime Minister and this Liberal government—

Mr. Ron McKinnon: I have a point of order, Mr. Chair.

I don't see how this relates to whether-

The Chair: I'm sorry, Mr. McKinnon. Could you please wait for me to interrupt and recognize you on your point of order?

Go ahead now, please, sir.

Mr. Ron McKinnon: I'm sorry.

I don't really see the relevance of how this relates to the decision before us to meet tomorrow or not.

The Chair: Thanks.

You can continue, Mr. Lawrence.

Mr. Philip Lawrence: My point is that this Prime Minister and this Liberal government have always operated by dividing and seeking when to pit different groups of Canadians against each other.

Mr. Ron McKinnon: I have a point of order.

The Chair: Go ahead, Mr. McKinnon.

Mr. Ron McKinnon: The decision before us is whether we meet tomorrow or not. It has nothing to do with allegations about what this government is up to. I encourage all members to stick to the topic at hand.

The Chair: I'm afraid it's not up to you to encourage other members, but we take your point, Mr. McKinnon.

Mr. Lawrence, you can continue, sir.

Mr. Ron McKinnon: On a point of order.

It is entirely-

The Chair: I'm sorry, Mr. McKinnon. If you wish to have a point of order, that's fine, but please wait until I recognize you.

Go ahead on the point of order, please, Mr. McKinnon.

• (1405)

Mr. Ron McKinnon: I will challenge the chair. It is entirely within my purview to urge the members to take whatever action I deem appropriate. It's not up to the chair to criticize me on that basis. I certainly do encourage all members to realize that we have before us a decision to make on whether or not we meet tomorrow. I think we need to adhere to that motion.

Mr. Ron McKinnon: I have a point of order.

The Chair: Could you please just wait for me to finish my commentary, Mr. McKinnon?

As I said, we always allow very wide latitude on these issues. I was going to refer back to Mr. Lawrence, but go ahead again, Mr. McKinnon.

Mr. Ron McKinnon: On a point of order, I am not deciding what is relevant or not. I am expressing my opinion as a member subbing into this committee that this discussion is not relevant. I'm entitled to make that observation. I'll let it rest there.

The Chair: Okay.

Mr. Lawrence, go ahead.

Mr. Philip Lawrence: Thank you very much.

The point I'm making—and I do appreciate my Liberal colleagues' listening intently to my commentary, and I will, for their sake, distill this down to the relevance. As I said, I've seen media reports on, I believe, four premiers who have written to the finance committee asking to talk to it about the impending increase in the carbon tax. Thus, the emergency is that on April 1 it will go up by 23%. We've heard testimony today from the Parliamentary Budget Officer that it increases the cost of food and that, on average, a family in Ontario, Alberta or anywhere else the backstop applies will be out money, in some cases thousands of dollars.

Right from the PBO's report we know that the fiscal and economic net loss in Alberta for the average household is \$911. In Saskatchewan it's \$525. In Manitoba it's \$502. In my beautiful province of Ontario it's \$627. In Nova Scotia it's \$537. In Prince Edward Island it's \$550. In Newfoundland and Labrador it's \$377. We're in an affordability crisis. People are barely getting by, and I guarantee you that every one of the MPs here has gotten emails, letters or calls from distressed constituents who are finding it difficult to get by.

Mr. Francis Drouin: Mr. Chair, on a point of order, getting back to relevancy and tomorrow's meeting, I understand where Mr. Lawrence is coming from. He's not a regular member. If it were so important for regular members of the Conservative Party to show up, they would have shown up. I believe it was Jack Layton who said, if you want a promotion, you have to show up to work. I'm sorry but they didn't.

Mr. Lawrence knows he has tremendous respect from me. This meeting was called at the last minute. I just want to inform the committee members of the consequences. If we don't treat this motion today, the premiers will not be testifying tomorrow. There will be a motion to adjourn. You can feel how the majority of the members are not onside with what happened.

I'm just saying out of respect for the witnesses who are supposed to show up that, if nobody in this committee consents, then that is what's going to happen tomorrow. We ought to deal with this today out of respect. Then at some point the committee, if it wishes to, can pass the motion to have the premiers reappear at a point when all committee members are in favour.

Thank you.

The Chair: Thanks, Mr. Drouin.

Continue, Mr. Lawrence.

Mr. Philip Lawrence: Thank you.

As I was saying, the carbon tax is a substantial and pressing issue. The reality is that we're not living in a vacuum. The carbon tax isn't a policy that's being proposed for a year or two years or five years down the line. The carbon tax is hurting people right now and it's set to increase by fully 23%. Four of the premiers of our great country have asked to speak to parliamentarians. I am more than willing and more than able to schedule my time in order to do so. It's completely within parliamentary rules to have any four Conservatives that they want on this committee, Mr. Drouin. We regularly sub in and sub out individuals for various different reasons. That's not unusual at all.

Certainly in the finance committee, at which I am a regular standing member, we've had numerous different members from the Liberal Party, from the NDP and from the Conservative Party, as well as from the Bloc Québécois. The reality is that this is a time-sensitive, pressing concern. April 1 the carbon tax is going to increase by fully 23%. We've heard from—

• (1410)

Mrs. Jenica Atwin: I have a point of order.

The Chair: Excuse me, Mr. Lawrence.

Mrs. Atwin.

Mrs. Jenica Atwin: I would say that this is quite repetitious, so if he could make a new point, perhaps, that would be helpful.

Thank you.

The Chair: Thanks very much.

Mr. Lawrence.

Mr. Philip Lawrence: Thank you, Mrs. Atwin.

I do apologize. I probably did lose my train of thought through the numerous disruptions, but getting back to where I was, when we look at 2024, I went through the various net losses, the money coming out of Canadians' pockets when they can least afford it. In fact, GDP per capita since 2014 has not increased a dollar, not a penny and not a per cent. In the United States, it's increased by nearly 50%. Canadians are getting poorer, and then this is a sucker punch—

Mr. Ron McKinnon: I have a point of order.

The Chair: Go ahead.

Mr. Ron McKinnon: Thank you, Mr. Chair.

Once again, I fail to see the relevance of this to the question at hand.

Also, I fail to see the relevance of having any premier speak to us on estimates. It's totally out of their purview and totally out of the realm of legitimate actions for the OGGO committee.

The Chair: Okay. I find it funny that you're calling relevance on the motion and then referring to something else, but I appreciate that.

Mr. Lawrence, we'll go back to you.

Mr. Philip Lawrence: Thank you very much.

As I was saying, Canada is in-

Mr. Ron McKinnon: I have a point of order.

The Chair: Go ahead, Mr. McKinnon.

Mr. Ron McKinnon: My comments on relevance have to do with the current speaker's speech and how they're going way off topic. The question before us is whether we should have a meeting tomorrow, and the matter being brought forward is that these premiers are going to speak to us about things that are not on the docket for the OGGO committee. It has nothing to do with estimates.

The Chair: Thank you, Mr. McKinnon.

Mr. Lawrence, go ahead, sir.

Mr. Philip Lawrence: Thank you very much.

Just to circle back once again to inform my colleagues on the other side, the primary subject of the meetings that are scheduled and that is the subject of the debate on this motion, and on the larger sort of argument or debate, is the carbon tax, so I'm going to talk about the carbon tax. They can continue to object to that, or they can just acknowledge the fact that on a motion about carbon tax you can talk about carbon tax.

When we look at-

Mr. Ron McKinnon: I have a point of order.

The Chair: Mr. McKinnon.

Mr. Ron McKinnon: The member says he's going to talk about carbon tax. I remind the committee that the question before us is not about carbon tax. The question before us is whether or not we're going to have a meeting tomorrow.

Mr. Adam Chambers: On the same point of order, Mr. Chair ...?

The Chair: Sure. Go ahead, sir.

Mr. Adam Chambers: Thank you very much.

With respect to relevancy, I believe the meeting tomorrow will talk about the carbon tax, so I think Mr. Lawrence is well within his rights to discuss what would be discussed at the meeting and what committee members—

[Translation]

Mrs. Julie Vignola: I have a point of order concerning the point of order regarding the point of order.

[English]

Mr. Adam Chambers: —will be voting on and whether we have a meeting to discuss the items—

The Chair: I'm sorry. Hold for one second, Mr. Chambers.

Madame Vignola.

[Translation]

Mrs. Julie Vignola: I want to remind Mr. Chambers that tomorrow we'll be talking about the main estimates, not the carbon tax.

[English]

The Chair: Yes.

Continue, Mr. Chambers.

Mr. Adam Chambers: Thank you very much to my Bloc colleague. I appreciate that reminder, but as I recall, the government's revenues and disbursements under the carbon tax rebate regime are included in the main estimates.

The Chair: Thank you, Mr. McKinnon and Mr. Chambers.

I think we're understanding what you're getting at. I appreciate that, but again, as I mentioned, we always allow a very wide latitude when it comes to debate, especially on motions.

Continue, Mr. Lawrence.

• (1415)

Mr. Philip Lawrence: Thank you, Mr. Chair.

Just to close the loop on that, hopefully, the main estimates talk about the revenue in and out for the carbon tax. Actually, there's a large gap between the amount of rebates being paid out and the amount of money being collected—in billions of dollars. I think that, because the government does claim that the carbon tax is revenue-neutral and that's not what the main estimates show, it's more than relevant. In fact, if there were billions of dollars missing elsewhere, I think we would want the committee to spend significant time studying where that loss of billions of dollars went.

Getting back to, as I said, the issue of the carbon tax, Canadians of course are facing an unprecedented affordability crisis. In fact, Philip Cross, noted statistician and economist as well, I believe, has stated that we have the worst economy since the Great Depression. We've experienced zero economic growth on a per capita basis since 2014. Then we add, on top of that, the sucker punch of the carbon tax, and we put Canadians in a very difficult position. On a go-forward basis, one of the reasons for the urgency of hearing from the premiers is that, as of April 1, the carbon tax is set to go up by 23%—

Mrs. Jenica Atwin: I have a point of order.

The Chair: Mrs. Atwin, please go ahead.

Mrs. Jenica Atwin: This is repetition again. Literally the same sentences have been reiterated several times now.

The Chair: Thank you very much. We take your point.

Mr. Lawrence, please continue.

Mr. Philip Lawrence: I'll continue from that point.

As of April 1, the carbon tax is set to go up by 23%, and the PBO wrote that it's not just in 2024-25 that there will be a fiscal and economic net loss; they also projected it going forward to 2030-31. This is the train that we're trying to stop.

In Alberta, the average household will lose \$2,773-

Mr. Francis Drouin: I have a point of order, Mr. Chair. I hope the honourable member knows that the OGGO committee does not have the power—

The Chair: I know we're pretty casual, but Mr. Drouin-

Mr. Francis Drouin: —and I hope he reminds Albertans that the 13-cent premier is going to increase the tax on Albertans.

The Chair: Mr. Drouin, please-

Mr. Francis Drouin: It's not a federal policy. It's an Alberta policy.

The Chair: I will not recognize you again—

Mr. Francis Drouin: I'm just saying-

The Chair: Mr. Drouin, please, I know it's just a point now, but allow me to recognize you first.

Mr. Francis Drouin: I just want to ask Mr. Lawrence how long he has.

The Chair: Allow me to recognize you first on your point of order, sir, just so we can maintain order. Especially with those who are virtual, it's very difficult to maintain any sense of decorum.

Mr. Lawrence, please go ahead.

Mr. Philip Lawrence: If you would indulge me, Mr. Chair, I actually didn't catch Mr. Drouin's question. I would honestly like to respond to it, if you would allow him to have the floor to ask the question, if that would be—

Mr. Francis Drouin: Being cognizant of everybody's time, I'm wondering if Mr. Lawrence is going to talk for 20 minutes, 30 minutes, 40 minutes, an hour, two hours, three hours or four hours. I would just remind him again that we may not deal with this issue today, but we will deal with it tomorrow and that will.... Just because you can sense where the majority of the committee members are, I'm just saying that regardless of what you do, this will be the impact tomorrow.

The Chair: Before we continue, thanks, Mr. Drouin. I realize that normally we do allow a lot more back-and-forth, but because the meeting is split between in-person and virtual, it's a bit more difficult. I would remind everyone that I'm happy to recognize you on a point of order, but let me recognize you and give you the floor first before you continue so that whoever is speaking at the time can be interrupted properly and can hear your point of order.

Thanks very much.

Mr. Philip Lawrence: As I was saying, from 2030 to 2031, the PBO predicts the following will be the net financial impact. Keep in mind that this is a carbon tax that the government has said numerous times is revenue-neutral and that Canadians get back more there, but the PBO has exposed that as what it is, and I'm going to say it—it's a lie.

Mr. Ron McKinnon: I have a point of order.

The Chair: Go ahead, Mr. McKinnon.

Mr. Ron McKinnon: First, Mr. Chair, I appreciate your problem in trying to keep all the ducks in a row. Being an occasional chair myself, I recognize that and acknowledge that there are issues.

I take great exception to the member speaking of this policy as a lie. That is completely unparliamentary and out of line.

The Chair: Thank you, Mr. McKinnon.

I'd urge everyone around our table here to be cognizant of their comments.

Mr. Lawrence, please continue.

Mr. Philip Lawrence: Thank you.

When the government is telling us that Canadians are getting more back in rebates than they're paying, and it's untrue, as the Parliamentary Budget Officer has confirmed to us—I have the numbers right in front of me and I'm happy to show them—my advice candidly to the member and to his Liberal Party would be to stop allowing falsehoods to go out that state that the carbon tax is, first, revenue-neutral—it's not true, and it's in the main estimates; second, that Canadians are not worse off with the carbon tax, since we heard testimony multiple times from the Parliamentary Budget Officer; and third, that it's non-inflationary, when we heard from the Governor of the Bank of Canada that it's fully a third of inflation. We saw what happened in Saskatchewan when we saw inflation drop precipitously after the non-collection on home heating.

These three things are facts. They're undisputable. If you say otherwise, I'm sorry, but that's a falsehood. That's not true. I was sent here by the voters of Northumberland—Peterborough South to speak the truth, and that's what I'm going to do. When we look at the net fiscal and economic impact in 2030 in Saskatchewan, we see that it will be \$1,723 per household. In Manitoba, it will be \$1,490. In Ontario, it will be \$1,820. In Nova Scotia, it will be \$1,513. In Prince Edward Island, it will be \$1,521. In Newfoundland and Labrador, it will be \$1,316.

We can see that this is a real and pressing issue. To help people fully understand—

• (1420)

Mr. Irek Kusmierczyk: I have a point of order, Mr. Chair.

The Chair: Go ahead, Mr. Kusmierczyk.

When we're done with the point of order, I'm going to suspend for a few moments so that our resources here can have a very quick break.

Go ahead, Mr. Kusmierczyk.

Mr. Irek Kusmierczyk: On a point of order, again, it's repetition, repetition, repetition.

Mr. Chair, I said this before: You have an opportunity to rebuild your trust and your relationship with this committee. The longer you allow this circus and this farce to continue, the more damage you'll do to the relationship between you and the members of this committee. I want you to consider that.

I ask you, again, to please put an end to this circus and this farce. Let's get this committee back on track.

The Chair: Thanks.

I hear what you're saying, Mr. Kusmierczyk. I disagree with your choice of wording, but I hear you loud and clear.

We'll return to our colleague Mr. Lawrence with that in mind, but we will suspend for about three or four minutes so that all the support staff and others can have a quick refresh.

We'll suspend for four minutes.

• (1420)

• (1440)

The Chair: Thank you, everyone, for indulging us while we suspended.

(Pause)

Mr. Lawrence, go ahead, please.

Mr. Philip Lawrence: Thank you, Mr. Chair.

Thank you to our interpreters and the clerk and the team here and the analysts. We appreciate your work. At the finance committee, we have a rule that the analysts have to put their name tags out there. I don't believe, ladies and gentlemen, that you get the recognition you deserve here.

I was talking about the fiscal and economic net impact to Canadians in 2030 and 2031. At the risk of being point-of-ordered again, and because we did take a suspension, I would like to briefly reiterate why we think it's important that we have this hearing tomorrow, and the urgency of it. The carbon tax is set to go up on April 1. We have the Easter break coming into place shortly. We're coming up on Easter weekend. To all my Christian friends out there, happy Easter.

This is really the last opportunity we have to hear the premiers before the April 1 increase of 23% on the carbon tax. It's really now or never to hear from the premiers. If they are willing to take time out of their extremely busy schedules, I believe we should be able to organize a committee to hear them. I believe the notice of meeting has already gone out. I'm quite sure that out of the 150-odd Liberals we have in the House, it could be arranged for four or five to appear tomorrow to hear this very important testimony.

When we're in these rooms, we see only the parliamentarians, our great analysts, our interpreters, our clerk, our chair and maybe a few folks from the media, and I think what sometimes gets lost is that we're all here to represent hundreds of thousands—millions—of Canadians. More than the questioning of any particular right to the privilege of an MP to ask various individuals questions, I think it's clear that this is a subject that Canadians want to talk about. Over 70% of Canadians are against the carbon tax, and if we have multiple premiers lined up who want to listen to us, I think we can organize just one meeting to listen to them, and get 10 or so members of Parliament to listen to them, because of the potential impact of the carbon tax.

Let me give some context with respect to why this is so important.

I see the carbon tax as a tipping point, in many ways, for the Canadian economy. If all other lights were "go" for the economy, it might be a different matter, but we have warnings from across the political spectrum, from economists of all stripes, telling us that this economy is in very severe peril. The OECD predicts that we'll be near the bottom—I think at the very bottom, actually—over the next 40 years with respect to capital investment.

Capital investment, innovation and our workers underpin the foundation of productivity. Productivity is, of course, measured as GDP per hour. Canada has been a laggard in this category and has really sort of drifted downwards in the last 10 years. I heard an economist on one of the political shows yesterday saying that in order to increase GDP per capita, there are two things we need to get done to increase that productivity. One is that we need a reduction in taxation. That's squarely on the carbon tax. The second thing is that we need to attract foreign investment by making it easier for our products to happen, providing ease for both big and small businesses to perform their wonderful work.

• (1445)

The carbon tax is both these things, because the carbon tax creates additional costs and uncertainty in the Canadian economy, while at the same time it's an additional level of taxation.

The reality is that the driver of any nation's economy in any capitalist country is the private sector. As the great Brian Mulroney showed, when you privatize 22 separate institutions, it's a great driver of economic growth going forward.

What the government has done increasingly has taken the oxygen out of the room for the private sector. As you divert more assets when spending is way up since before the pandemic—we're spending well over 20% more as a government—it means that there are resources being diverted from the private sector, the sector that's really responsible for moving our economy forward, the engine that drives our economy, and you begin to suffocate. You've seen that impact with respect to our productivity numbers. Once again, they haven't increased since 2014, and I really see the carbon tax as sand in the gears of the Canadian economy. It's slowing everything down.

Folks will talk about how we need the carbon tax to reduce emissions, and that just ain't so, I would say, because currently we're near the bottom. I think we're at 62 out of 67 with respect to emissions reductions. We're not on track to meet any of our emissions targets. We've blown by the targets. The only time we were—quote, unquote—on track, our economy was shut down during the pandemic. Of course, the environment minister will cite that without any context, but besides that, we've never been on track to hit those targets. We're number 62 out of 67.

The bigger story of why that happened is that the goal should not be to reduce just Canadian emissions but to reduce global emissions, because CO2 or carbon dioxide and other greenhouse gases don't know any borders. They don't know any boundaries. If Beijing pumps out an additional amount of carbon, it doesn't just stay over the PRC.

What we're doing when we impose the carbon tax is pushing Canadian industry out of Canada. There is clean, sustainable Canadian energy in my great province of Ontario, which means a lot of nuclear, hydro and carbon-free power, and we're pushing this relatively clean Canadian energy industry out towards other jurisdictions that don't have carbon pricing but do have energy sources that are far less clean.

The reality is that by putting these punitive costs on our Canadian farmers and our Canadian business owners, what we're doing is funding other authoritarian regimes around the world, while at the same time costing ourselves.... Actually, in many cases, it has a net negative impact, not just for the Canadian consumer but also for emissions.

You can just picture it. If you are a factory operating in Northumberland—Peterborough South, you're going to have a lot of your power created by Darlington, a great nuclear facility. If in fact you can't make it there, and you say that it's less expensive to go to West Virginia or Guangdong province or someplace where there is no carbon tax, or even Mexico—Mexico has a carbon tax, but a very small one—what happens is that instead of having nuclear energy powering this manufacturing and powering the economy, what---

• (1450)

Mrs. Jenica Atwin: I have a point of order.

The Chair: Go ahead, Ms. Atwin.

Mrs. Jenica Atwin: I'm sorry, Mr. Chair, I'm really trying to give my colleague the latitude that he seeks in this moment, but I'm hearing the same tables being shared, I'm hearing the same sentences being shared and now we're talking about other nations. This is not relevant at all.

The Chair: Thank you, Ms. Atwin.

Mr. Lawrence, we always allow wide latitude. I'd ask if you could bring it home.

Mr. Philip Lawrence: The challenge is that in the same point of order, I heard that I was repetitious and that I was also adding too much new material.

The reality is that the Prime Minister continues to lie about the effectiveness and the treatment of the carbon tax, right? So—

Mr. Ron McKinnon: On a point of order, once again, the member has accused the Prime Minister of lying. It is completely unparliamentary and I would ask him to apologize.

An hon. member: And resign.

The Chair: I have another unsolicited point of order asking for a resignation as well, but....

Go ahead, Mr. Lawrence.

Mr. Philip Lawrence: The truth is the truth. The reality is that the Prime Minister is lying.

Mr. Ron McKinnon: On a point of order, that is completely unparliamentary and totally against the rules—

Mrs. Shelby Kramp-Neuman: On that point of order-

The Chair: We have another point of order, Mr. McKinnon.

Mr. Ron McKinnon: ---for what is allowed at committee.

The Chair: I'm sorry. We have another point of order.

Mrs. Shelby Kramp-Neuman: The point of order is that he's suggesting it's unparliamentary, but with all due respect, the Prime Minister is continuing to say that Canadians are better off because of the carbon tax. It's an outright lie—period.

The Chair: Thank you.

I think we were with Mr. McKinnon.

Mr. Ron McKinnon: Once again, I believe it's a violation of the Standing Orders and the general practice of the House to accuse a member of lying. I would ask both members to now apologize.

Mr. Philip Lawrence: I would cite the following letter as evidence of a lie, so-

Mr. Francis Drouin: On a point of order, Mr. Chair, I just-

The Chair: I'm sorry.

Hold on, Mr. Drouin.

Before I go back to you, was that Mr. Drouin or Mr. Kusmierczyk?

Mrs. Laila Goodridge (Fort McMurray—Cold Lake, CPC): Chair, you can't point of order a point of order.

The Chair: Okay.

Mr. Drouin, go ahead.

Mr. Francis Drouin: I would just caution members on using language.

I could say Pierre Poilievre is a liar because he's misquoting the Bank of Canada. The carbon pricing represents one-twentieth of the impact on inflation. That's for the record. The Bank of Canada has stated that clearly. I wouldn't say that, and I will retract my comments-

Mrs. Laila Goodridge: I have a point of order.

Mr. Francis Drouin: —because I'm an honourable member.

The Chair: Go ahead, Ms. Goodridge.

Mrs. Laila Goodridge: Thank you.

I'm very recently tuning in, but I've been listening from my apartment here for a while. Actually, I'm in my office.

This is absolutely crazy. We are fighting over something that the Parliamentary Budget Officer has been very clear on. Canadians are worse off because of the carbon tax. There's been absolutely—

Mrs. Jenica Atwin: I have a point of order.

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

Mrs. Laila Goodridge: —disingenuous information coming from the Liberals throughout this entire meeting—

The Chair: Colleagues, because.... I'm sorry. I'm going to interrupt.

Because of all.... This is ridiculous. This is disorder.

I am adjourning the meeting.

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