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# Standing Committee on Industry and Technology

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Chair: Mr. Joël Lightbound





## Standing Committee on Industry and Technology

Monday, November 4, 2024

• (1530)

[*Translation*]

**The Chair (Mr. Joël Lightbound (Louis-Hébert, Lib.)):** Good afternoon, everyone.

I call this meeting to order.

Welcome to meeting number 144 of the House of Commons Standing Committee on Industry and Technology.

Before we begin the meeting, I would like to ask the in-person participants to take note of the instructions on the small card in front of them. The instructions concern good practices for the use of microphones and earpieces. This affects the health and safety of everyone, especially the interpreters, whom I want to thank for their work.

Pursuant to the motion adopted on Thursday, September 19, 2024, the committee is resuming its study of credit card practices and regulations in Canada.

From the Canadian Federation of Independent Business, we're pleased to be joined today by Daniel Kelly, president and chief executive officer; and Michelle Auger, senior policy analyst, national affairs. From the Centre for Future Work, we have Jim Stanford, economist and director. He's joining us by video conference. From the Peoples Group Ltd., we have Anne Butler, chief legal officer. I would like to welcome all the witnesses and thank them for coming.

Each witness has five minutes to give their opening remarks. There will then be a discussion with all the members of Parliament.

[*English*]

Without further ado.... Actually, with further ado, I just want to take a small moment to wish a very happy birthday to MP Perkins, whose birthday it is today. He's not listening, and it's a good thing, because he didn't want it to be publicly communicated.

Happy birthday, MP Perkins.

On that note, Mr. Kelly and Madame Auger, the floor is yours for five minutes.

**Mr. Daniel Kelly (President and Chief Executive Officer, Canadian Federation of Independent Business):** Thank you so much.

[*Translation*]

Good afternoon, everyone.

My name is Daniel Kelly. I'm joined by my colleague, Michelle Auger, senior policy analyst.

Thank you for the opportunity to talk about lowering credit card fees for small and medium-sized businesses.

[*English*]

CFIB has a long history on credit card processing fees in Canada. In fact, it goes back to 2007-08, when the credit card industry introduced premium credit cards like higher-end Visas and higher-end Mastercards. Merchants started to see fees increase rapidly, with no idea why.

We took this issue to Minister Flaherty at the time and worked with him very closely to develop a code of conduct for the credit and debit card industry. In fact, it was my organization, CFIB, that wrote the first draft of the code of conduct. We were very pleased when that was adopted with changes by the Government of Canada at the time.

That put some guardrails and better practices in place. This used to be the Wild West in the payments industry, and it did clean up a lot of the bad practices that had been used up until that point, but it didn't serve to lower rates.

We worked then with the Conservative government at the time on the first round of Visa and Mastercard fee reductions, and those went into effect. There was a second round when the Liberal government took office, so that's two previous rounds of credit card reductions for businesses and merchants.

However, I have to say that both of those rounds were imperfect, with much of the savings being captured by larger players in the industry, with some trickling down to SMEs.

The reason we were so pleased about this most recent round of reductions that was announced and went into effect just a couple of weeks ago is that it is very much focused on small and medium-sized companies specifically.

This reduction is welcome news. These are hundreds of millions of dollars in savings that we are hoping will hit the bottom lines of small and medium-sized companies across the country. For this to happen, we need it to be universal and respected by the industry as a whole.

I'll turn it over to Michelle for a few additional comments.

• (1535)

[*Translation*]

**Mrs. Michelle Auger (Senior Policy Analyst, National Affairs, Canadian Federation of Independent Business):** The agreements reached with Visa and Mastercard represent a major victory for our members. However, we still have work to do.

For Visa, we estimate that, depending on the sector and card type, rates should drop by 25% to 35%. This amounts to savings of \$300 to \$400 per \$100,000 in sales. Our data shows that 56% of our members will be eligible for reduced Visa fees. For Mastercard, we estimate a reduction of 20%, or savings of \$200 per \$100,000 in sales. Our data shows that 66% of our members will be eligible for reduced Mastercard fees.

These changes mark a significant first step in easing the financial burden on small businesses. However, we also hope that the agreement will include other credit card companies, such as American Express.

We know that this reduction specifically concerns small businesses. We took the initiative at the end of the summer to send a letter to major purchasers and suppliers to ensure that small businesses will benefit from the savings.

I'll now give the floor back to Mr. Kelly.

[*English*]

**Mr. Daniel Kelly:** Thank you.

Look, the agreement and even the code are not perfect measures, but the structure has largely worked. It has delivered benefits, both in the past and in the present day, to small businesses. As Michelle noted, our primary focus right now is ensuring that all acquirers, all processors, pass on the savings to small firms.

So far, Stripe is the only processor that has publicly shared that it will not pass on the savings to small firms, and while we appreciate its transparency, this is absolutely unacceptable.

In earlier rounds—I will say in the first and second round of fee reductions—other processors did try to hang on to some of the savings themselves and not pass them on to small businesses. However, we worked with both the Conservative and Liberal governments at the time to bring them back to the altar to get them to reduce their fees as was promised, and it generally worked. We need the public pressure right now for Stripe to get back to the table.

I will note that just over the weekend we had confirmed for us that Shopify is now going to pass on the savings; it didn't look like it was going to at the beginning. However, Shopify does use Stripe to process its transactions, and it will pass on the savings. I'm not sure at this moment whether it is Shopify doing that on its own or whether it has negotiated a special arrangement with Stripe, but it is good news that many small merchants using Shopify will now see the savings today.

If Stripe is allowed to get away with not passing on the savings, we believe that other processors will begin to raise their fees to make up the difference. Given that one of Stripe's board members is the chair of the governing party's task force on economic growth,

this sends a very worrisome message to the payments community, and we at the CFIB take it extremely seriously.

I believe that everyone in the payments community would agree that my organization, the CFIB, has become the main enforcement agency for the code of conduct and the three rounds of Visa and Mastercard rate reductions. We're happy to take on this role, but we're counting on your committee and all parliamentarians to help ensure that these structures and the agreements are respected.

Thanks so much for your attention.

[*Translation*]

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

Mr. Stanford, you have the floor for five minutes.

[*English*]

**Dr. Jim Stanford (Economist and Director, Centre for Future Work):** Thank you very much, Mr. Chair and members of the committee, for the opportunity to meet with you today.

Let me begin by outlining some of the aggregate data regarding the scale of the problem of consumer debt in Canada and why excessive interest payments on that debt are contributing to the financial distress that so many households are experiencing.

Since interest rates began rising in Canada in March 2022, credit card debt has become the fastest-growing major source of new debt for Canadian households. As of August this year, Canadian households were carrying \$109 billion in outstanding debt on credit cards issued by the chartered banks. Including broader measures of credit card debt, like non-bank cards, total credit card debt was higher, at \$122 billion. Overall, non-mortgage consumer debt totalled \$770 billion for the same month.

We all know that mortgage debt, of course, constitutes the largest share of total consumer debt in Canada, at \$2.2 trillion, but credit card debt and other forms of non-mortgage debt are important contributors to the overall indebtedness of Canadian households, and since interest rates are higher on non-mortgage debt than on mortgages, the debt service burden is proportionately worse.

It seems that many Canadian households, hard pressed by the increase in mortgage interest rates, are increasingly turning to their credit cards to help cover monthly expenses.

Consumer interest payments on non-mortgage debt reached over \$60 billion at an annualized rate as of the second quarter of this year. That's an increase of \$25 billion per year, or over 70%, since interest rates started rising in early 2022. As a share of household disposable income, non-mortgage interest payments, including on credit cards, had increased by one full percentage point of disposable income, to 3.25%, by the second quarter.

Again, that is not as dramatic as the increase in mortgage interest costs, which more than doubled in the same time, but non-mortgage consumer debt charges have become a significant and secondary source of the financial stress facing Canadian households. This burden is more concentrated among lower-income Canadians, most of whom do not own a home and, therefore, do not face those higher mortgage interest charges.

Some of this trend in rising non-mortgage interest costs of course reflects macroeconomic developments, especially monetary policy, that is obviously beyond the purview of this committee, but that rapid growth in non-mortgage debt charges and their regressive distributional effects attest to the importance of enhancing transparency, fairness and choice for consumers, and thus I commend this committee for your inquiry.

I also commend some of the initial steps taken by the federal government in pursuit of those goals of transparency, fairness and choice, such as reducing the criminal rate of interest; strengthening enforcement of predatory lending practices and criminal interest; helping to negotiate reduced credit card fees for small business, as Mr. Kelly just reported; and exploring options to expand access to low-cost and no-cost banking services.

I think these measures need to go further. Specifically, I would recommend some of the following steps.

The first is strengthening responsible lending rules and enforcement of those rules for credit card lending and other forms of non-bank consumer lending, such as the various “buy now pay later” schemes that are popping up all over, to ensure that consumers are not provided access to more credit than is feasible for them given their incomes and interest rates.

The second is requiring all chartered banks—not just those that have agreed to do so—to provide access to low-cost and no-cost accounts, following that \$4 monthly fee model, to a broader range of customers, including lower-income Canadians of all ages, not just the specified groups, such as young people and GIS recipients, that are currently covered.

I also think we should require chartered financial institutions to contribute proportionately to establishing, capitalizing and operating a new nationwide non-profit, small-value lending agency to provide short-term and emergency loans to low-income Canadians on a cost-recovery basis. There are some promising experiments in the non-profit sphere and in other countries to show that this would be a viable alternative to the terrible exploitation experienced through payday loan firms and other predatory lenders.

• (1540)

I would like to see the criminal interest rate reduced further for credit cards, retail loans and other non-mortgage lending, to 2% per

month, or about 27% per year on an effective annual basis. We need to strengthen transparency in advertising rules for credit cards, retail loans, “buy now pay later” schemes and other non-mortgage lending.

Let me conclude, committee members, with a brief remark about the role of financial literacy in the broader effort to protect low-income Canadians against these practices. Coincidentally, today is the launch of Financial Literacy Month in Canada, sponsored by the FCAC and partner organizations. I'm a big believer in financial literacy, and I served for many years as a volunteer director of the Canadian Foundation for Economic Education. Certainly, consumers need to be fully informed about effective interest rates and other terms and fees in credit card loans, payday loans and other forms of expensive credit.

Frankly, though, we cannot count on financial literacy efforts to protect consumers against unfair practices. People are driven to participate in these schemes by desperation more than by lack of knowledge. Clearly, we need stronger regulations to limit unfair practices, rather than adopting a “borrower beware”, “blame the victim” or “inform yourself” approach. Therefore, stronger efforts to prevent Canadians from experiencing the sorts of financial distress and desperation that drive them to excessive consumer debt—including through predatory channels—are also critical for protecting Canadians against burdensome levels of unsecured personal debt.

Thank you again for having me. I look forward to the discussion.

• (1545)

[*Translation*]

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

Ms. Butler, you have the floor.

[*English*]

**Ms. Anne Butler (Chief Legal Officer, Peoples Group Ltd.):** Thank you for the opportunity to appear in front of the committee as part of its study on credit card practices and regulations in Canada.

My name is Anne Butler, and I'm the chief legal officer for Peoples Trust Company, Peoples Bank of Canada and their subsidiaries, which carry on business collectively under the brand name Peoples Group.

Peoples Group has been providing tailored financial services to the Canadian marketplace for more than 35 years. We have over 500 employees across the country, in Vancouver, Toronto, Calgary and Montreal.

Peoples Trust Company and Peoples Bank of Canada are federally regulated financial institutions overseen by the Office of the Superintendent of Financial Institutions. As a federal financial institution, we're subject to the Financial Consumer Agency of Canada's financial consumer protection framework. Peoples Trust is also regulated provincially and is subject to consumer protection regulation across the country.

Peoples Group provides residential and commercial mortgage lending, embedded finance services and deposits to customers in Canada. Through our subsidiaries, Peoples card services and Peoples payment solutions, we provide payment solutions to fintechs and other payment service providers across the country.

Peoples Group's roots are in multi-family residential mortgage lending. We provide commercial mortgage funding to multi-family landlords, real estate investors, developers, seniors facility operators and non-profit, affordable housing societies in communities across the country. We also provide single-family residential mortgages through a network of independent brokerages.

From our roots in multi-family residential mortgage lending, we've grown to become an important enabler for domestic and global fintechs in the Canadian market, providing them with banking and payment services and helping them to provide innovative financial products and services to Canadians. We are a strong supporter of financial innovators, underscoring our fundamental belief that a strong and competitive ecosystem will foster the development of new financial products and services and innovative ways of delivering them for the benefit of Canadian customers and businesses.

As the largest issuer of prepaid cards in the country, we have helped our customers launch products and services that have expanded access to digital financial services for Canadians.

We also have a thriving merchant-acquiring sponsorship business, in which we sponsor and act as the settlement bank for independent sales organizations, which we call ISOs, in their delivery of payment acceptance capabilities to their merchant customers across the country.

Given this committee's focus, I would like to now explain the role of Peoples in the payments ecosystem. I will focus on the acquiring side of the business, which I believe is most relevant to the committee's current work.

Peoples Group's role in the merchant-acquiring side of the credit card business is relatively unusual compared to the role played by most financial institutions that might appear before you. Peoples Group acts as a sponsor bank for ISOs. We act as their acquiring bank, enabling them to contract directly with merchants and use us as the settlement bank for payments processed through the credit card networks on behalf of those merchants.

In this model, our ISOs are responsible for signing up merchants and for offering merchants payment processing services and, often,

equipment to process card transactions. Peoples Group does not provide payment processing services directly to merchants. We provide ISOs with sponsored access to credit card network processing systems, for instance Visa and Mastercard, and we act as their settlement bank.

In this capacity, Peoples is an acquirer as defined in the code of conduct for the payment card industry. For this reason, we require that our ISOs, as downstream participants, comply with the code of conduct obligations as well as the payment card network operator rules.

Peoples has no direct role in setting the prices that ISOs charge to their merchants. This is determined by the ISO based on a variety of factors, and it varies from ISO to ISO.

All interchange fees charged to Peoples Group by the card networks are passed along by Peoples Group entirely to ISOs for payment. The ISO determines whether or how to factor those charges into the overall pricing to their downstream merchants.

Peoples Group's compensation for acting as the acquiring bank is through a fee paid by ISOs for the use of our services. Typically, this is calculated as basis points on gross payment flows through the account. Interchange rates or fees do not play a role in the compensation that Peoples receives from the ISOs.

• (1550)

I hope my explanation has helped the committee to understand Peoples Group's unique position within the Canadian financial system as an important enabler of financial innovation for Canadians.

Peoples Group appreciates the opportunity to appear here today. I look forward to answering your questions.

**The Chair:** Thank you very much.

To start the discussion, I'll turn it over to MP Patzer.

**Mr. Jeremy Patzer (Cypress Hills—Grasslands, CPC):** Thank you very much to everybody for attending today.

I'll start off with CFIB, if that's all right.

Mark Carney is a special adviser to the Liberal Party, but we all know he's advising the Prime Minister. He is the de facto finance minister of this government. He also happens to be sitting on the board of Stripe, as you alluded to earlier. He has also said that they will not be passing on savings to consumers through a government-led initiative.

Given that you guys represent small businesses that would stand to benefit from these cost savings, do you have any thoughts on Mr. Carney's effectively saying no to his own government's initiative?

**Mr. Daniel Kelly:** It is bizarre that we are in this situation, where we have somebody who is a special adviser to the governing party also serving on the board of a company that is in direct conflict with the stated objective and promise of the government with which he is currently associated.

I understand what a board member on a board of directors does, but this is super, super awkward. I have to tell you that our bigger worry is for.... All of the other acquirers watch closely what is happening. If this is allowed to stand, if Stripe does not change gears and actually flow the discounts that it's supposed to to small merchants, the whole process will fall apart. Whether it's Stripe, its board or Mr. Carney, somebody needs to move here and make this happen.

It was the Deputy Prime Minister who said in a recent statement that it is the expectation of the Government of Canada that all participants in the ecosystem will pass on these savings down to the small businesses that deserve them. Now we have a party that is not doing that, with this very close connection to the same players. It is really outrageous.

**Mr. Jeremy Patzer:** Yes, it really is. This is the finance minister trying to stave off a competitor for her own job—that's for sure.

I have one more question for you. It goes back to the whole point about the cost to payment processors here. I talked to a couple of small businesses back home in Swift Current. When it's the busy season, they pay over \$7,000 a month in their fees alone. That's crazy. They could hire three full-time employees, albeit for minimum wage or just above. They could hire three full-time employees.

Would it not be incumbent on them to make sure that people are adhering to these new initiatives?

**Mr. Daniel Kelly:** Absolutely. Look, I will say that this isn't the first time we've seen this. When the Conservative government put the first round of credit card fee reductions in place after negotiating it with Visa and Mastercard, there were a couple of processors that did decide not to pass them on, but I will tell you that at CFIB we worked closely with Minister Flaherty's office at the time. I think it was also in the transition to Joe Oliver. Those savings ultimately were passed on after some pressure from both the finance minister's office and externally from us.

That is what my expectation is for this round. I am waiting to see that happen at this point in time.

To your point about the aggregate savings, I've talked to tons of small business owners who say they pay more in credit card processing fees than they take home from their business themselves. That's how big a cost this is to SMEs.

• (1555)

**Mr. Jeremy Patzer:** That's crazy.

I'll turn it over to Mr. Généreux now.

[*Translation*]

**Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC):** Thank you, Mr. Patzer.

Ms. Auger, I would like to address the comments just made in English, but in French this time.

Mark Carney's presence on Stripe's board of directors violates the policy just announced by the government. It even poses a conflict of interest, given that he also serves as a special adviser to the government. What are your thoughts on this?

**Mrs. Michelle Auger:** Thank you for your question.

As Mr. Kelly said, a conflict of interest does indeed come into play. The situation leaves us in a somewhat strange position. We didn't really set out to create the current perception.

Like all other industry purchasers, Stripe should be passing on fee reductions to others. The company's decision, however honest, is a real disappointment. It's deeply disappointing for the small and medium-sized businesses that make up its client base. Minister Freeland said that every stakeholder in the payments ecosystem should play by the rules. It's all the more disappointing that some companies are choosing not to pass on fee reductions to their clients.

**Mr. Bernard Généreux:** Last week, the committee met with a representative of the Convenience Industry Council of Canada. Businesses in this industry will miss out on the lower transaction fees just announced by the government. What are your thoughts on this, since I imagine that a number of these businesses are members of your organization?

**Mrs. Michelle Auger:** It's a victory and a step in the right direction. Many small and medium-sized businesses in Canada will benefit from these reduced transaction fees. However, we know that many of our members can't access them because the thresholds aren't high enough.

**Mr. Bernard Généreux:** What percentage of businesses will miss out on these reductions?

[*English*]

**Mr. Daniel Kelly:** In our data at CFIB, we calculated exactly how many businesses will be under the threshold with Visa and Mastercard and how many will be over.

[*Translation*]

**Mr. Bernard Généreux:** How many members do you have?

[*English*]

**Mr. Daniel Kelly:** Roughly 60% of our members will see the reductions, because they are under those thresholds. About 40% of our members will not see the reductions, because they are more sizable small firms.

I will add this: Any time government puts in place any kind of threshold or rule, it never delivers benefits to 100% in its first year. We have a \$500,000 corporate tax threshold. We have a \$1-million lifetime capital gains exemption. Our goal, as an advocacy organization, is to see those thresholds raised each year.

However, this is good news for the majority of small and medium-sized companies. We receive it as good news. It's sad that this one aspect is going to prevent it from being delivered to a good number of small firms. That's why we need to get that reversed.

[*Translation*]

**The Chair:** Thank you.

Mr. Turnbull, the floor is yours.

[*English*]

**Mr. Ryan Turnbull (Whitby, Lib.):** Thanks, Chair.

Thanks to all of the witnesses for being here today. I have questions for all of them.

Off the top, though, I want to mention that Stripe confirmed, in multiple committee testimonies, that its board was not involved in any of the decision-making. I think that's important to mention on the record.

I want to pick up where we left off.

Last week, I had a great exchange with Sylvain Charlebois from Dalhousie University, a gentleman who is known, sometimes, as the “food professor”. What was interesting is that we came to an agreement. He agreed with comments I made about climate change being the number one challenge to, and biggest driver of, food price volatility. He also said it was the biggest threat to the agri-food sector.

Mr. Stanford, I wonder if you have any views on whether climate change is the biggest threat to the agri-food sector and is driving food price volatility.

**Dr. Jim Stanford:** Thank you, sir.

Well, I would certainly agree that climate change is one of the major disruptors in our overall production and macroeconomic systems, including, obviously, the food industry. We've seen the impacts of climate disasters on agricultural supply chains, food deliveries and food prices in various parts of the world, including Canada.

Whether it's more important than some of the other crises we face these days is probably a matter of judgment. There's a lot of instability and uncertainty out there. Certainly, however, climate change has had a very negative impact on food supply chains and food prices.

• (1600)

**Mr. Ryan Turnbull:** Thank you very much.

The reason I'm bringing this up is that it's related to the food prices Canadians feel. We often hear the Conservatives standing up in the House of Commons and talking about food prices as a key concern Canadians have. I certainly hear that in my community, too, so I don't disagree that food prices are something Canadians are still feeling a lot of household pressure around.

I want to ask you this, though: Some individuals keep claiming that carbon pricing is having a bigger impact on food prices than I think is merited, given the data. In fact, climate change is actually having a bigger impact on food prices, perhaps. I want to go back

to the carbon pricing issue, because it comes up a lot in our daily conversations in the House of Commons.

Mr. Stanford—

**The Chair:** Wait one second, Mr. Turnbull. I have a point of order by Mr. Masse.

**Mr. Brian Masse (Windsor West, NDP):** I know we have a wide scope in trying to deal with this, but I noticed, in this meeting and the last meeting, that we're getting very far away from credit card costs and so forth. I give the parliamentary secretary credit for raising an important issue, but could it at least be somehow tied to credit cards and those expenses for consumers? I don't want to dissuade discussion on anything. At the same time, we're getting into food pricing and carbon from a number of different members here. I think the last meeting was almost predominantly taken up by that argument.

I'll leave it at that.

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

It's a good point. However, regarding the last meeting, I'll say we had a witness who, in his testimony, talked about the idea of buying food now and paying later as it pertains to credit card rates and so on and so forth. I think that opened the door.

I will ask members to try to remind themselves of the topic of this particular study, though I've been pretty lenient with everyone across the aisles.

[*Translation*]

Mr. Garon, did you want to speak?

**Mr. Jean-Denis Garon (Mirabel, BQ):** I don't want to go into too much detail, Mr. Chair, but I agree with your comments. Furthermore, some witnesses here are lobbying parliamentarians to scrap the carbon tax. These witnesses include the Canadian Federation of Independent Business. I know that, at times, we may appear to be straying from the topic of the study. However, with all due respect to my colleague, Mr. Masse, I believe that letting Mr. Turnbull continue is entirely appropriate in this situation.

**The Chair:** Thank you for your input, Mr. Garon.

I'll let the members of Parliament use their time to ask the witnesses any questions that they see fit. Last week, I let Mr. Patzer argue against pollution pricing for a good ten minutes. Everyone is free to decide how they want to use their time, while sticking as close to the topic as possible.

[*English*]

**Mr. Ryan Turnbull:** Mr. Stanford, if I could, I'll just wrap up. I want to get your view on whether there's a correlation between carbon pricing and food price inflation.



Can you comment on that? It seems like there are a lot of overblown statements being made in the House of Commons. That's my view.

**Dr. Jim Stanford:** In other research I've done, sir, which is published on our Centre for Future Work website, I've shown there's no empirical correlation between the carbon price in Canada and the rate of inflation, period, including inflation on food items. I have identified other factors that are certainly more culpable for high food prices, including the fact that retail profit margins in the grocery industry have more than doubled and stayed unusually high since the pandemic.

I would conclude that carbon pricing is not relevant to the food price challenges that many Canadians have been facing.

**Mr. Ryan Turnbull:** Thank you, Mr. Stanford.

Going now more to the point of credit card pricing and interchange fees, Mr. Kelly said—actually, I think it was Ms. Auger—that 66% of your members were eligible for the interchange fee reductions that our government negotiated with Visa and Mastercard.

How much would the savings be? What would we expect for small firms for every \$100,000 in Visa and Mastercard sales?

Could you or Mr. Kelly speak to that?

• (1605)

**Mrs. Michelle Auger:** Sure.

What we mentioned is that for Visa, we're thinking it's going to be about a 25% to 35% reduction in economy savings. We're thinking it will be about \$300 or \$400 per \$100,000 in annual sales. That's for 56% of our members, based on our data.

For Mastercard, we estimate about 20% in reductions, which is about \$200 for each \$100,000 in annual sales. That's for about 66% of our members, based on our data.

**Mr. Daniel Kelly:** When you look at it as a whole, we feel that most firms that have about \$1 million or less in total sales will qualify for the savings. Credit cards, of course, are a big part of retail sales, but they're not the only way consumers pay. Debit, of course, is low cost in Canada, thank goodness. We have good rates there.

You could expect, as a small merchant, if you have a few hundred thousand dollars in savings, that you might save \$1,000 or \$1,200 a year. It's not going to change your life, but it certainly is nice to see one cost come down, especially when you're facing so many cost increases on other lines of your budget.

**Mr. Ryan Turnbull:** If you have \$1 million in sales, you would get approximately \$3,000 to \$4,000 in savings, or less, depending on whether you're with Visa or Mastercard.

**Mr. Daniel Kelly:** It is hard to say, of course, because it absolutely depends on the volume you have with Visa and the volume you have with Mastercard. The reductions are different between the two companies. I would say, safely, if you're at the maximum level of sales—\$300,000 with Visa and \$175,000 with Mastercard—you might save \$1,500, or perhaps \$2,000 on the outside. That's for in-store sales. If your sales are primarily online, the savings are very

small. There will be a fraction of that, about 10 basis points, or 0.1 of 1%.

**Mr. Ryan Turnbull:** Why is that?

**Mr. Daniel Kelly:** The savings are very much front end-loaded to in-store transactions. There was—and I'm pleased with it—a small reduction that was negotiated between the Government of Canada and Visa and Mastercard for e-commerce, but those savings are much more modest. The fees for e-commerce are dramatically higher than they are.... If you use Stripe, for example, I think you're charged 2.9% of the sale plus 30¢ per transaction, so almost 3% of your sale is going every time there's an e-commerce transaction. That's a lot of money.

**Mr. Ryan Turnbull:** I know I'm wrapping up here, but I have a quick comment. I know that CFIB had advocated for the Canada carbon rebate for small businesses. I know that's in addition to the interchange fee reductions that we've negotiated. I feel like these are two big wins for our small businesses across Canada—600,000 businesses getting \$2.5 billion that's going to go out between December 15 and the end of December.

Can you comment on that, Mr. Kelly?

**Mr. Daniel Kelly:** Sure. We are very relieved that after five years of steady pressure, the government is finally going to be passing on the money that it owes small businesses in the carbon rebate back to them. It is not an insignificant amount of money, but the only reason it is so big is that the Government of Canada sat on this for five straight years. It's going out this December. The timing is good. I'm very pleased that small businesses are finally going to get the money back.

I will say, as Monsieur Garon mentioned a second ago, unfortunately, because of what has happened and the delays in getting this money back, now a total of 82% of our members oppose the carbon tax fully and want to see it gone.

**The Chair:** That's interesting. Thank you very much, Mr. Kelly and Mr. Turnbull.

[*Translation*]

Mr. Garon, you have the floor for six minutes.

**Mr. Jean-Denis Garon:** Thank you, Mr. Chair.

I would like to thank all the witnesses for joining us today.

Mr. Kelly, we won't talk about the carbon tax. The federal tax doesn't apply in Quebec. I'll leave this matter to the people in the other provinces and territories. You can have your fun with the other parties that represent them.

That said, as I pointed out a number of times to the committee, saying that Visa, Mastercard and the federal government reached an agreement seems like a misuse of language. There hasn't been any agreement. The government threatened to impose regulations. The credit card companies then came up with their own proposal, and the government backed down. There wasn't any agreement. It was a waste of time. The credit card companies were then free to do what they had always done, which is just about anything.

However, we now need to impose regulations. The committee heard from the Convenience Industry Council of Canada, which told us that this agreement affected 0% of its members. We understand that it affects some of your members, the ones with low sales figures. We also heard from the Conseil québécois du commerce au détail, which is calling for federal regulations.

That said, I must admit that the Canadian Federation of Independent Business's documents stand out. It seems that you have the same concerns as the other associations. You wanted things to remain voluntary by means of a code of conduct, something that bypasses the regulatory power of the government.

This surprises me. The government didn't impose any regulations. In recent months and years, the government has completely abdicated its responsibility. Yet you come here and attack an adviser to the Prime Minister. I don't understand that. If you must come to the committee to attack a person who sits on the board of a United States-based company that hasn't passed on the reductions to its members, then surely this shows the need for regulations and that your preferred approach isn't the correct one?

• (1610)

[English]

**Mr. Daniel Kelly:** There is no perfect road anywhere in the world on this file. We followed closely the situation in Australia, New Zealand and Europe, where there, in fact, is price regulation for the credit card industry. The EU, for example, has a cap of 30 basis points, so 0.3 of 1% on credit card transactions. However, that isn't what the small business pays in Europe. When I've spoken to small business owners in France, in my travels, for example, they're paying dramatically higher rates than the regulated amount. One of the challenges with command and control regulation is that banks, typically, aren't the types to just say, "Oops, well, we lost \$1 billion. Oh well, we'll just move on." History has shown that if they're looking for this, they'll look for the revenue elsewhere, in other fees, and that's exactly what happened in these other markets. It's what convinced Jim Flaherty, I think, when he was finance minister, that we needed a different tool in Canada, and that's why we proposed the code of conduct.

[Translation]

**Mr. Jean-Denis Garon:** I'm not criticizing the approach. I'm trying to understand it. You're talking about the Flaherty period. I know that you were involved in preparing the code of conduct for the credit and debit card industry in Canada. By the way, I think that it's a fine piece of work. However, the world has changed.

Let me give you an example. The arrival of financial technology worries me when it comes to this type of code. Think of car repairs. There used to be a code of conduct among the major manufacturers and a type of open system for diagnostics. Then new electric vehi-

cle manufacturers, such as Tesla, came into the picture. The system changed. These new manufacturers said that they wanted to enter the market, but that they weren't interested in the code of conduct. This broke the system.

A Stripe representative spoke to the committee. He basically told us that he wasn't interested in the code of conduct for the credit and debit card industry in Canada. However, it isn't just Stripe. There's also the association of financial technology companies, which includes many small businesses. This isn't Visa, Mastercard, American Express or a handful of others. The representative told the committee that, if the government did one thing or another, its members would pay themselves back in another way. He also told us that the association wasn't interested in the code, that it wouldn't comply with the code and that it would work around the code. He said that directly to us.

Doesn't this show the need to reconsider the approach that you've been using for a number of years? Perhaps we should consider regulations, as requested by all the other associations.

[English]

**Mr. Daniel Kelly:** I do respect the other associations that have pursued more of a regulatory approach. My point is, though, that those approaches, where applied elsewhere in the world, haven't been perfect either. You're absolutely right, though, that this is messy. Our view is the best thing that can happen right now is to make sure that we get these companies, which are not following the rules as they've been laid out and the expectations that have been laid out, back to the altar by applying both political pressure and external pressure, like the beating that we are giving Stripe every day in the media and advertising with small businesses.

That, in my opinion, is what's going to get them back to the table. I will say that Square, during one of the previous rate reductions—I can't remember if it was the one under the Conservatives or the Liberals—did not pass on the savings to small firms. We freaked out. Some phone calls were made, and then they moved positively on this. It's messy.

• (1615)

[Translation]

**Mr. Jean-Denis Garon:** Clearly, for a parliamentarian, seeing an association appear before a committee and come down hard on a person close to the Prime Minister, deeming it unacceptable for that person to sit on a board of directors, is quite something. Furthermore, that association is telling committee members that it isn't even asking the Prime Minister to regulate the sector. It doesn't make sense.

Consider the case of credit cards in Europe. As you know, the European Union and Canadian credit card systems don't work the same way. We can look at English-speaking countries such as Great Britain and New Zealand, or the United States. The United States Federal Reserve recommended regulations. When we look at the interchange rates in OECD countries, Canada is roughly in the middle of the pack. Countries whose fees are lower than Canada's have regulations, while countries whose fees are higher than Canada's generally don't have any regulations.

Doesn't this somewhat contradict your approach whereby it's enough to make life hard for companies that disagree with you in the media and to adopt a code of conduct? Are you open to possible regulations?

[*English*]

**Mr. Daniel Kelly:** Look, I actually say our official position at CFIB has never been to oppose outright regulation. Our view has been, just as we supply to small businesses, that regulation isn't always the answer. It's often what governments look to first. We think about it from a small business perspective. We don't love it when government just jumps in with command and control regulations right away. We try other instruments first, and if those don't work, then, of course, regulation remains an option for government in these instances.

The only piece I would challenge, though, is that while the posted rate, the advertised rate, in Europe is 30 basis points, that is not the effective rate that is paid by small companies. The benefits are construed primarily to large merchants, and small firms have other fees that are added on by other players in the marketplace, which means that the rates are not dramatically different from what they are in Canada right now. It is not a panacea. Regulation is not a panacea for small firms. That's my point, but is there an openness on our part? Yes, there is.

[*Translation*]

**Mr. Jean-Denis Garon:** Thank you.

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

I'll now give the floor to Mr. Masse.

[*English*]

**Mr. Brian Masse:** Thank you, Mr. Chair.

Before I start my questioning, I just want to leave it to your opinion, Chair. There have been recent developments on the file on which we're going to have the Rogers CEO come, and I'm wondering whether there's the ability for you to ask without a new motion whether we can also get from Bell, BCE, Mirko Bibic, as well as executive director Darren Entwistle from TELUS to appear at the same time, since they're in the same position.

**The Chair:** Just so I understand and to be clear, colleagues, we passed a motion to invite the CEO of Rogers before November 1. We passed a motion on October 31, if I'm not mistaken. He was confirmed for the 28th.

Mr. Masse is proposing that, without going through the formal process of a motion, we add Bell and Telus to the witnesses we want to hear from, ideally on the same date, because that would be for just one meeting. That would be for the clerk to work through.

That's what Mr. Masse is proposing. If I have unanimous consent, I can expand...but I'm looking around the table and I don't have unanimous consent.

Mr. Masse, can you come back with a motion next meeting?

**Mr. Brian Masse:** Sure, I'll do that.

I'm surprised that the parliamentary secretary would deny having Telus and BCE come here. I don't know what their motives are anyway.

That's okay. I'll move to my questioning of Mr. Stanford.

With regard to the testimony, the reason I raised the point of order in terms of relevancy is not that climate change, carbon tax and all those different things can't impact the cost of groceries. That's obvious in many respects, but it distracts from the real problem that we have here.

What I've advocated for, Mr. Stanford, is a review of the borrowing practices of Canadians and the cost of those borrowing practices. Specifically, credit cards are now being used for essentials. They have high rates of interest on them, whereas, for example, at least a mortgage has a lower interest rate. Your concerns are well vetted in terms of the debt that's now on people.

My concern and question for you is, have we seen a shift in borrowing practices that Canadians have to do just to get by?

If we're leaving them in the situation—

[*Translation*]

**Mr. Jean-Denis Garon:** Mr. Chair, I have a point of order. We don't have any French interpretation.

**The Chair:** Mr. Masse, sorry, but we have a point of order.

I'm told that the situation has been resolved, Mr. Garon.

Mr. Masse, you may continue. I apologize for the interruption.

• (1620)

[*English*]

**Mr. Brian Masse:** Thank you, Mr. Chair. Thank you, Mr. Garon.

Quickly, Mr. Stanford, is there a change in borrowing practices for Canadians and their purchasing?

If they are having to move to the highest rates of borrowing—not lines of credit, mortgages or even car loans, which are lower, but moving those issues to credit cards—isn't there an obligation for government to regulate some of those rates or at least consider the consequences for consumers as they move those payments to methods that might have higher rates for them to borrow at?

**Dr. Jim Stanford:** Yes, sir, you're quite right. There has been a shift in overall non-mortgage borrowing toward credit cards.

As I noted in my opening remarks, outstanding credit card debt, even just on the chartered banks' cards, has grown by about a third since the Bank of Canada started increasing interest rates in early 2022. That's much faster than mortgage debt itself. Obviously, with mortgage debt becoming so expensive, the number of new mortgages issued has slowed down, so mortgage debt is not growing rapidly, but hard-pressed households are clearly relying more on credit cards to finance their purchases.

Now, which purchases are using the credit cards and which are still paid in cash? Ultimately, that doesn't matter. I'm sure that some of the credit companies, like Equifax and so on, can break down where the actual credit is being used—if it's at the grocery store, the appliance store or for entertainment purposes and restaurants. Ultimately, that doesn't matter, because money is fungible. The fact that they're going into credit card debt at an increasing rate is the key problem. The interest burden on that credit card debt, as you correctly point out, is much higher than for other forms of debt.

I do think that these trends over the last three years certainly reinforce the necessity of your committee's inquiry to consider the full range of regulatory options, including setting maximums on the interest that can be charged, as I suggested, and also more transparency and regulation on the fees that are built into those interest costs.

**Mr. Brian Masse:** You mentioned financial literacy playing a role. What we've seen in some of the testimony is that there's also a way to stream, especially young Canadians, toward using credit cards and higher interest payments. This could be marketing done on apps and phones.

We've also seen grocery stores move, in purchasing companies, to getting people to buy groceries and so forth using these high-interest-rate programs. For example, DoorDash, Uber Eats and all those different things are all paid on those systems.

Is there any concern that you might have with regard to young people? Is there any data or information that you have that suggests we're allowing a structural change to take place in the market toward using those high-interest options versus low-interest options?

Later on, people can get themselves into circumstances they never foresaw.

**Dr. Jim Stanford:** I think you're quite right to highlight the risk of a generational shift and a cultural shift, particularly around some of these app-based systems. Young people, of course, are the early adopters of many of these new apps and new services, and many of them are tied to credit cards, but many of them are not even tied to credit cards. Frankly, I'm alarmed at the growth of the “buy now pay later” types of schemes that have become very popular. Again, here's where financial literacy can play a role. They're often advertised as having no interest charged on them in the same way that there's no interest charged on a credit card if you pay the full balance every month, but that doesn't tell the whole story. It also doesn't protect consumers who think that this is a great way to buy all kinds of stuff without any kind of oversight regarding their ability to repay that.

Therefore, we are seeing people—more among young people, who have fewer financial resources and perhaps less access to other forms of credit—overusing these types of facilities that don't exercise the same sort of due diligence over the borrower's ability to repay, capacity and stress tests that are applied to conventional forms of lending.

I think that this is a gaping hole in our financial regulations, and I think it's going to end badly. However, I think it's symptomatic of a broader concern that you quite rightly highlighted.

• (1625)

**Mr. Brian Masse:** Last, and very quickly, we heard from the banks that they don't offer any breakdown of their profit margins on credit cards.

Do you think it's a fair expectation for Canadians to at least know the profit margin? It's a policy, so it's not actually a legislated requirement for them to hide it. It's just a policy, and miraculously, they all have the same policy.

**Dr. Jim Stanford:** Certainly, we don't expect companies to divulge more information about their proprietary business than they're absolutely required to, so I'm not surprised that none of them disclose it. However, I do think that they should. I think we should have more financial transparency on the sources and uses of funds through the chartered banks. They're given unique powers but also unique responsibilities by virtue of their business, and informing Canadians over the distribution of their revenues, costs and net profits is absolutely reasonable to expect, I think.

**Mr. Brian Masse:** Thank you.

[*Translation*]

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

Mr. Perkins, you now have the floor.

[*English*]

**Mr. Rick Perkins (South Shore—St. Margarets, CPC):** Thank you, Mr. Chair.

Thank you, witnesses.

I have a quick question to follow up on MP Masse's question for Mr. Stanford.

Mr. Stanford, I have sought from the banks through this hearing to ask for their return on equity percentage, which would not betray revenue, cost structures or any of that. We'd just know how profitable they are.

Do you see that as being proprietary, just having a return on equity percentage disclosed?

**Dr. Jim Stanford:** I believe that we should be able to see that from their overall corporate financial statements—the return on equity in the overall operation. However, to have it broken down according to the different divisions of it is a reasonable ask. They obviously don't want to share any more information with their competitors than they have to. If they're making a very strong return in one line of business, that's going to attract the attention of their competitors.

I understand why they don't want to release it, but again, my point would be that chartered banks are given a very special privilege: literally, the power to create money through new lending. In return for that, they should have special responsibilities to disclose to Canadians how that power is being used.

**Mr. Rick Perkins:** That's a great point. They're a government-protected oligopoly, and with that protection come responsibilities. Perhaps it would be different if it were a free and open market in financial services.

Mr. Chair, I would like to resume the debate, if I could, with apologies to the witnesses, on my production order motion for Mastercard.

Members will recall that I moved a motion earlier in this study:

That the committee order the production of all documents, emails, memos and any materials related to the Liberal government's \$50-million handout...to Mastercard, including all communications between ISED, PCO or PMO and Mastercard regarding the grant; and that the committee report to the House to express its concern regarding the value for money for taxpayers on the nearly \$50 million taxpayer dollars given to Mastercard by the Trudeau Liberal government.

The reason for that is that we learned in this study that they had about \$25 billion or \$26 billion of global revenue and \$11 billion of gross operating income, yet they were willing to take \$50 million from Canadian taxpayers to set up a cybersecurity centre, which is sort of the ante at a poker game. If you're going to be in the credit card business, you'd better be very careful on security and cybersecurity. They seemed shocked at the time, at the beginning of this study, that somebody would actually question them. I asked them if they would pay it back, since they don't seem to really need the money, and they baffled, skated and did all the things that a global company like that would do.

I would propose again that we could expedite this if we voted on it quickly. We could move on.

**The Chair:** Mr. Perkins, you are moving it, because there is no such thing as resuming debate when a meeting has been adjourned, if I'm not mistaken. Are you moving the motion?

**Mr. Rick Perkins:** Sure.

**The Chair:** It's been duly moved, and the members were given notice of the motion on Monday, October 7. Are there any comments on the motion?

You have the time, Mr. Turnbull.

**Mr. Ryan Turnbull:** Maybe I could just ask Mr. Perkins to clarify what the purpose of this is. Was it to recoup funding or something like that? Is that what you were...? What's the purpose of it?

**Mr. Rick Perkins:** Yes, absolutely. It's trying to find out the rationale and paper trail behind the government's giving this company \$50 million of taxpayers' money, and what special arrangements

were made for something that seems to be pretty basic to their operating business. If they don't have protection, security and cybersecurity, they don't have a credit card business. I don't know why they needed taxpayers' money for that, any more than Loblaws needed money for fridges.

● (1630)

**The Chair:** Okay.

Go ahead, Mr. Turnbull.

**Mr. Ryan Turnbull:** My understanding of this particular cybersecurity initiative is that the Global Payments network giant invested \$510 million in this to, essentially, prevent cybersecurity fraud, and it's providing 270 jobs to people. There were a significant number of student co-operatives created. Essentially, it's enhancing our security for consumers. My understanding is that the intention of the initiative is to ensure that the security required to protect consumers is being increased over time, and there's innovation happening, with the company having invested quite a significant amount in the process.

What I'm trying to glean is this: Is it the opposition's intention here that, somehow, there's a contribution agreement that has been violated, that the terms of that agreement have been violated? What would be the rationale for what is proposed here? It reads, "and that the committee report to the House to express its concern regarding the value for money for taxpayers on the nearly \$50 million...."

I guess this is what I'm trying to determine here: Is the intention to recoup those funds in some way? I mean, the government grants all kinds of dollars out for various purposes, and this one is to enhance cybersecurity for payment processors. Obviously, there is some benefit in that to Canadian consumers, and a sizable number of jobs. Is that the intention?

**The Chair:** I understand the questions, but that's not how it works, Mr. Turnbull. You can ask your questions, but then I have a speaking order.

Are you on your...?

**Mr. Ryan Turnbull:** I'm just posing the question in terms of debate. I think I can pose questions in my interventions. I wasn't suggesting that Mr. Perkins could answer right away.

**The Chair:** I was not as much afraid of that as I was of Mr. Perkins jumping in and there being a back-and-forth between the two of you guys. As much as I enjoy it, that's not how it works.

Monsieur Garon, go ahead.

[Translation]

**Mr. Jean-Denis Garon:** Thank you, Mr. Chair.

My issue with Mr. Perkins' motion is that we can hardly be against virtue. However, the motion almost implies that the government squandered \$50 million. We know that the government could do this in some cases, as we saw with projects such as ArriveCAN. However, given the wording of the motion, I get the impression that we—

**The Chair:** One moment, Mr. Garon. It seems that there isn't any interpretation.

[*English*]

**Mr. Rick Perkins:** Wait. It's okay.

[*Translation*]

**The Chair:** Okay. It's fine.

I apologize, Mr. Garon. You may continue.

**Mr. Jean-Denis Garon:** I get the impression that the Conservatives are on a fishing expedition. They're trying to find cases to fuel their election campaign. In some cases, we had good reason to believe that irregularities occurred and to demand accountability, and we did so. We asked for documents and reviewed them in camera, as in the Stellantis case, for example. However, in this case, we seem to have both a request for information and a trial.

The Conservatives are asking for emails and documents. You wouldn't ask for these things unless you strongly suspected irregularities. At the end, the Conservatives are already saying what they want us to report to the House.

In all cases of irregularities, whether they involve grants awarded when they shouldn't have been or violations of contribution agreements, or where we have reason to believe that things weren't done properly, I would like us to do this. However, in this case, the committee's role isn't to start a public trial of every company that benefited from a government program. It isn't to feed the election platform of the Conservative Party, which is fishing for new scandals. Our time is valuable and in short supply.

It's worth noting that the leader of the official opposition is against any industrial policy or grant. He said so himself. He lives in a world where other countries don't exist, where our competitors don't provide grants and where industrial giants don't relocate, for example. We live in a very imperfect world. As a result, we often see public money go down the drain. I can understand the frustration.

With all due respect to my Conservative colleagues, I don't see how their motion serves the public interest, even though the wording suggests that it does. They did the same thing with Mr. Carney last time. I don't particularly like him. We must avoid using committees to put people on public trial. We must avoid turning a committee into a people's court every time a person sees the potential to win votes. When I'm convinced that this motion serves the public interest, I'll support it. However, until I see proof to the contrary, I don't intend to support it.

• (1635)

**The Chair:** Thank you for your eloquent remarks, Mr. Garon.

Mr. Masse, you have the floor.

[*English*]

**Mr. Brian Masse:** Thank you, Mr. Chair.

Maybe I can propose an amendment to this motion that can get us over this and back to the witnesses.

I'm sorry, Mr. Garon, but this is going to be an English version, because I'm on the fly here and I'm unilingual, unfortunately. I don't have the skill of the two languages.

At any rate, the first sentence, still in English, would be the same. We would strike out "Liberal" and strike out "handout" and then finish with, at the end, "grant. And the committee report to the House." Then we would strike out everything else.

Make it simple: Strike out "Liberal", strike out "handout", and after "grant. And the committee report to the House", everything else is struck out.

[*Translation*]

**The Chair:** Okay.

Is everyone clear on the amendment proposed by Mr. Masse?

**Mr. Jean-Denis Garon:** Can I get a copy of the amended version of the motion in both official languages?

**The Chair:** Yes, you can. It shouldn't take too long, since we're talking about deletions. Perhaps we could suspend while the motion is distributed as amended.

Ms. Rempel Garner, do you have a question?

[*English*]

**Hon. Michelle Rempel Garner (Calgary Nose Hill, CPC):** I'm not sure if this would be a point of order on form or a quick comment, but if Mr. Masse cuts out the word "handout", it leaves a gap without an operative word. Perhaps he'd like to suggest a word that would be less.... What about "payout" or "grant"?

**Mr. Brian Masse:** We could go with "grant".

**Hon. Michelle Rempel Garner:** "Grant" means certain things to certain.... It's like spell-crafting here. "Contribution" is usually.... It could be "commitment".

**Mr. Brian Masse:** "Commitment"—sure, whatever. You're correct. I appreciate that.

**The Chair:** Would "commitment" be your amendment, Mr. Masse?

**Mr. Brian Masse:** Yes.

[*Translation*]

**The Chair:** Okay.

Mr. Garon, we can suspend for two minutes while the amendment is distributed to members, if you still need it. If not, we will continue the debate on the amendment.

**Mr. Jean-Denis Garon:** Let's suspend.

**The Chair:** Okay. We'll suspend for two minutes.

[English]

Mr. Perkins, I'm trying to gauge whether I should let our witnesses go so they do not have to endure these debates on motions here at the committee. You will have other motions after, I believe.

**Mr. Rick Perkins:** Yes.

**The Chair:** I will, then, thank you all for your very interesting, albeit brief, testimony and presence here at the committee.

[Translation]

Mr. Stanford, thank you for joining us by video conference.

I will suspend the meeting for a few minutes.

• (1635)

(Pause)

• (1645)

[English]

**The Chair:** Colleagues, I see everyone around the table, and MP Bachrach, who's joined us virtually.

Everyone's received the amendment via the clerk, so now let's debate the amendment.

Mr. Turnbull.

**Mr. Ryan Turnbull:** I'm sorry, Mr. Chair, did you say I have the floor?

**The Chair:** We're debating the amendment. I had a list for the motion before the amendment. I had MP Arya, MP Rempel Garner and Mr. Masse, who had to leave, but now we're on the amendment, so it's a new list, so to speak.

**Mr. Ryan Turnbull:** I thought Mr. Garon actually made some points that I agreed with, but I feel like this is a bit of a random selection of a company that's doing something that got a contribution that the Conservatives don't like, so they're bringing a motion to go on a fishing expedition to get as many documents as possible so they can bootstrap some narrative, like they usually do. That's fine; that's the intention of it. It's baked already right into the motion.

I understand that my colleague who's now not here, Brian Masse, tried to cleanse it of the very partisan language. I appreciate that to some degree, but I just think, is this what our committee becomes? We just randomly select a company that we don't like, and we do an investigation and order documents on everything about that company? Should we be looking into...? Do we all get to do that? Do we all just pick a random company? Is that the sort of thing that we do every week in this committee now—start investigations on any company that has a contribution of any kind we don't particularly like?

I think it just turns this committee into... I know that Mr. Garon called it the kangaroo court in French, which I don't know how to say in French—I apologize—but I think it struck me that that's what this committee starts to become with that. I don't agree with this. I just don't think it's a good use of the committee's time. I think if there was a really good, strong rationale for why we're looking into this...but I haven't heard that from any of the members opposite.

I think it's just that the Conservatives want to do this. They're saying, this industry is profitable; therefore....

Who is it who benefits, by the way, from the work and the innovation done in terms of cybersecurity? Who is most vulnerable and at risk? It's seniors, right?

Our seniors, in my riding, are the ones who have said that they've been taken advantage of. They're the ones who are vulnerable and subject to fraud and online cybersecurity threats. I think this work really stands to benefit individuals who are using these payment processors and online tools. They're not necessarily always that savvy in terms of digital literacy, and we can't blame them for that. They're using the tools that our modern-day age offers them and that are the most convenient.

For me, this doesn't seem right. It doesn't seem like the thing that this committee should be spending its time on. We have multiple other studies we're undertaking that I think are a good use of this committee's time. I think we've come to agreements on those, where we've built some consensus around the agenda and the schedule at this committee, and I find that's very productive.

Then we get these one-off motions. Some of them are quite reasonable. We've said, okay, let's incorporate this into our schedule. This one, though, seems like a very partisan fishing expedition that just feels like it's a waste of a lot of time and resources. I'm not sure whether that's really the intention here. I don't want to presuppose, but I just don't feel like there's a really good, strong rationale for this.

I feel like we could do this on a whole host of companies. Just think about how many companies and initiatives are getting contributions from the federal government of some kind or another. Is it that we would investigate every single one of them, or is this one special for some reason? What's the rationale here? No one's provided a good rationale.

Thanks.

• (1650)

[Translation]

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

Mr. Patzer, you now have the floor.

[English]

**Hon. Michelle Rempel Garner:** I thought I was—

**The Chair:** As I have mentioned, MP Rempel Garner, we're on the amendment, so we're creating a new list for the amendment.

**Hon. Michelle Rempel Garner:** That's correct. You're right.

**The Chair:** I had you on the main motion, but if you want, I can add you to the list.

Okay. I have Mr. Patzer, Mr. Arya, Monsieur Garon and Madam Rempel Garner.

**Mr. Jeremy Patzer:** Thank you, Mr. Chair.

I think Mr. Turnbull actually said it quite well right at the very end. Look at the number of people who are getting grants and contributions from this government. You wonder why it's scandal after scandal with these guys. You wonder why we're on the fourth week of the House of Commons being jammed up by the green slush fund issue here. It's on and on with these guys.

Of course, when we see this happening over and over again, I get people back home talking to me on a regular basis. I remember when this money first went out to Mastercard. At the time, I had a lot of people talk to me about why on earth they would be giving \$50 million to a company that is as profitable and has as much money available to spend on things as Mastercard. There was the \$12 million for refrigerators to Loblaws, which is a very profitable company as well and was going to make those changes itself anyway. It certainly did not need taxpayers' money in order to make those changes.

I think that gets to the heart of this. It is the fact that you have all this money going out to corporations and businesses that don't necessarily need it. It is the fact that they did not ask to have a repayment plan as part of the contribution. It is the fact that it was just a straight-up grant and not a loan. Those things speak to the issues here.

It leads you to wonder who on earth asked for this. Who initiated this? Did the government just blindly give them \$50 million? When we had Mastercard witnesses here, they sure seemed to not want to say who initiated this or why they wanted the \$50 million. They just kept talking about their investment in cybersecurity.

It leads one to wonder what the terms of the agreement were. What happened? That's what this motion gets to. I think it's a reasonable ask. It's not a fishing expedition. It's called accountability, given the large amount of money this government seems to be shovelling out so blindly.

It wouldn't surprise me if, next week, there's a whole other issue that comes up here that we're going to have to take a look at, because it happens over and over again with these guys. It never seems to end. They never seem to learn their lesson. I don't know.

That's the end of my comments.

• (1655)

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

Mr. Arya.

**Mr. Chandra Arya (Nepean, Lib.):** I listened carefully to Mr. Perkins and Mr. Patzer. I did not hear any valid reason we should go ahead with it.

I completely agree with Mr. Garon. He put it so eloquently, as you said—it's a standard I could never achieve in my life—and every point he made is quite valid.

If there is any improper administration in giving this grant or support to Mastercard, or, for that matter, any other organization, I would certainly support looking into it in depth and finding out the truth about it, but it is just a matter of time and a waste of our time—the committee's time and the government's work.

The objective of this motion is probably to gum up the government's work and the bureaucrats' work, so that the government can't function. Maybe that is the objective, like what we see happening in the House of Commons. It's probably the same objective here.

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

[*Translation*]

The next person on my list is Mr. Garon.

**Mr. Jean-Denis Garon:** Thank you, Mr. Chair.

I'd like to welcome Mr. Bachrach, who has now joined us.

I was going to say that I am grateful to Mr. Masse for introducing the amendment. Mr. Masse is often a voice of reason on the committee. I certainly think his amendment seeks to improve the original motion. It is therefore hard to oppose it.

That said, the argument behind the motion is that the \$50 million in subsidies given to Mastercard must be hiding something. What Mr. Perkins is implying is that he's trying to hone his arguments to explain why \$50 million was given to Visa and Mastercard. He probably thinks that since the credit card companies had to incur costs to enter into the agreement, the government gave them a subsidy in exchange. I don't know whether this is true or not, since I wasn't there when the decision was made. According to him, it follows that we have to look into it because the government is corrupt.

It's no secret that I'm not a big fan of the Liberal government. However, the announcement of this investment of approximately \$500 million, including a \$49-million subsidy, was made during the previous Parliament, in January 2020, when I was not yet an MP. Investing half a billion dollars is not the kind of thing that can be decided in a few seconds between Christmas and New Year's. That means that it was in the works in 2019, 2018, 2017 or earlier. Furthermore, after the investment was made and the subsidy was granted, it was announced that an agreement with Visa and Mastercard had been reached in 2023.

If someone can convince me that the \$50-million subsidy was used to reimburse Mastercard for the agreement, I am open to being swayed. However, according to the calendar, it's impossible. The agreement was reached by the current government in 2023, years after the project was set up in 2018, 2019 or 2020. It was not reached pre-pandemic.

I will therefore vote in favour of the amendment. I think it's appropriate, since it takes this idea of a people's court out of the motion. However, when it comes to the story I'm being told to encourage me to vote in favour of the motion, you'll have to do better than saying that the earth is flat and gravity no longer exists. If someone convinces me that the story is possible and plausible and does not defy the laws of physics, I may consider it. However, for the time being, I cannot believe, in my heart of hearts, that the story is remotely true.



• (1700)

**The Chair:** Ms. Rempel Garner, please go ahead.

[*English*]

**Hon. Michelle Rempel Garner:** Thank you, Chair.

Colleagues, we have the fiduciary responsibility as committee members to examine the government's expenditures. That's not a partisan thing. It's actually a privilege we have as members. In previous testimony, we did question Mastercard on why they needed \$50 million from the federal government, when they are literally one of the most profitable companies in the world. Their profits come off, frankly, charging nearly usury rates to the average consumer.

Here we have federal tax dollars going to Mastercard, so there had better have been a good reason for that. As my colleagues have said, under testimony that reason wasn't particularly compelling. That lack of compellingness was something that transcended political boundaries.

Now, pardon me for being a skeptic when my colleague from the Liberal Party says, oh, no, no, it totally created jobs, and everything was on the up and up. There has been so much scandal in this government already. He said it himself in his comments that, wow, we couldn't possibly scrutinize every transaction. That's because there have been so many scandals.

Given that Mastercard... It's Mastercard. The parliamentary secretary is defending Mastercard, giving \$50 million to Mastercard. That's problem number one. If there's nothing to hide, then the amended motion should present no problems for the government.

I just want to underscore something for my colleagues in the Bloc and NDP as well. The government predicated its argument that it needed to give \$50 million to Mastercard, one of the biggest and most profitable corporations in the world, on the fact that it was the only way they were going to open up a cybersecurity centre in Canada, but guess what? In May, in Belgium, what did Mastercard do? They opened up the exact same thing...without government handouts. Now, why is that? Why is that? Hmm. I would love to know.

Going back to the beginning of my speech here, colleagues, we have the right and responsibility to ask for documents—these are all government documents—on the rationale as to why the federal government, the federal bureaucracy, thought it was a great idea to give \$50 million of tax dollars to one of the most profitable companies in the world. I think that is a great use of time. I really do. I would love to know the thinking behind this.

To the Liberal government, \$50 million might not be a lot, but it's a lot to the people in my community. I would like to know why the government gave it to Mastercard.

Thank you.

[*Translation*]

**The Chair:** Thank you.

Mr. Van Bynen, over to you.

[*English*]

**Mr. Tony Van Bynen (Newmarket—Aurora, Lib.):** Thank you, Mr. Chair.

Something that we tend to overlook too easily is the fact that we're operating in a global marketplace. The fact that Mastercard also opened up a centre in Belgium tells me that they—

**Hon. Michelle Rempel Garner:** Without any money—

**Mr. Tony Van Bynen:** I let you speak and I don't interrupt you, Michelle, so please don't interrupt me.

When we take a look at other centres being established, if that type of an incentive makes Canada an attractive place for the investment, then I think that's a good investment. In fact, it creates jobs for Canadians. It creates all sorts of benefits in terms of developing technology.

We find it all too easy to overlook that, just because of a ripe opportunity to smear success and to smear an organization that makes money. Are we going to smear General Motors? We did smear Chrysler, didn't we? Someone did, because of their success when they started to build a battery factory.

Are we going to focus on creating such a toxic environment for investment in Canada that people don't want to invest here? Are we going to create an environment where people would rather go elsewhere? To me, that's a shame.

The intent of the incentive was to create jobs in Canada and to create technology in Canada. We're not doing Canadians a service by dragging every investment through the mud for political purposes. It's just not productive and it's not the kind of thing that creates an environment in which people will be investing.

Money is liquid. It can go around the world in a flash. That's just one example.

We need to make sure that we create an environment that continues to be an attractive area to invest in.

• (1705)

[*Translation*]

**The Chair:** Thank you.

Mr. Garon, you have the floor.

**Mr. Jean-Denis Garon:** I understand that a lot has happened in Belgium. Our colleagues have told us about it. There was an investment. There is an analysis centre in Belgium. The intentions and strategy of Visa, Mastercard and others about where to locate a centre that serves all of North America fall partly under the heading of trade secrets and strategic decisions. Belgium, where Visa has set up its centre, clearly isn't next door to the United States.

That's the difficulty I have. It's always the same thing: There must be something dubious about it since it exists. The Conservatives' argument is that their job is to scrutinize spending. Since there was an expenditure and it was the Liberal government that made it, it must be shady, and it's shady because there was an expenditure. There's nothing like chasing your tail. That means that every time there is an expenditure, it will be shady because the Liberal government made it. At the end of the day, based on that argument, every expenditure will be dubious. They're going to chase their tail every time there's an expenditure.

Am I a big fan of the subsidy? I'll be honest with you: It remains to be analyzed. Do I think the committee should spend time on this issue, given the argument I've been handed to justify going after emails and so on? Has it convinced me so far? The more we talk, the more I think this is another fishing expedition.

I would point out to committee members that today, because of this, we had to ask people from the Canadian Federation of Independent Business—which has tens of thousands of members and was prepared to answer parliamentarians' questions—to leave the meeting. Other witnesses had to leave for the same reason. These people are right to be insulted, given the timing of the investment announcement and the subsequent agreements with Visa and Mastercard. If that's the reason they were dismissed, they're right.

I repeat that the amendment is fine. However, as long as I haven't been shown that there is sufficient reason to believe that the government could have technically bought its agreement with that \$50 million, as long as it hasn't been proven that 2023 came before 2020—really, good luck—I am not going to vote in favour of the motion. Thank you.

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

Mr. Turnbull, you have the floor.

[English]

**Mr. Ryan Turnbull:** I'm not defending Mastercard at all. I'm defending the project and the funding for the project. If this committee is going to scrutinize every R and D investment that the government has made.... I note that when Ms. Rempel Garner was the minister, she gave \$300 million to SDTC, which is interesting.

For me, I don't hear the Conservatives wailing and upset when the federal government funds R and D for the oil and gas industry to do carbon capture, utilization and storage. They never make a peep—not a single sound—so the “why this, why now?” I can only speculate has to do with their partisan games. Certainly, they're trying to weaponize this in some way, and I'm not exactly sure how it benefits them, but that seems to be the intent. It's baked right into the motion's partisan language, which has been cleansed a little bit, but I still think it's just a waste of resources.

I agree with my colleagues that this gums up the work of government and of making investments to attract Mastercard, in this case, to do their research and development and to innovate here in Canada. On cybersecurity, I note that in 2022, Canadians lost just over \$530 million to fraud and cyber-schemes, which, according to the Canadian Anti-Fraud Centre, is an increase from \$338 million in 2021. That's a really significant jump in the amount of cybersecurity fraud that leads to direct losses from Canadians.

According to Jeff Horncastle, acting client and communications outreach officer for the Canadian Anti-Fraud Centre, this represents only the people who reported their losses. There are lots of people who would be embarrassed by having been subjected to one of these scams, such that there's severe under-reporting. He estimates the figures cover only up to 10% of the actual losses.

Here's the kicker for me. I know Mr. Garon cares about seniors. They also estimate that 20% of those people who reported losses were seniors. Just think about that: \$530 million in fraud and cyber-schemes. That's more than.... We invested \$50 million as a government to attract \$510 million of Mastercard investment to protect Canadians against \$530 million in fraud. To me, it suggests that perhaps there is a need for more cybersecurity and a focus on cybersecurity to protect our seniors.

I happen to think this investment is a good one. I don't see how it's a good use of our committee resources and time to go on a fishing expedition here. I totally get that the committee's and the opposition's jobs are to hold the government accountable. I get that, and we all have that power and ability, but this is just a random selection. I'm sure the Conservatives will come up with another one. If this one doesn't pass, they'll just have another one tomorrow or later this week; I'm sure they'll have another one. We see this repeatedly. I just think it's a waste of time and resources.

Thanks.

● (1710)

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

I have MP Rempel Garner next and then, finally, Mr. Badawey.

As a reminder to colleagues, we're still on the amendment.

Mr. Perkins, did you want to be added to the list?

**Mr. Rick Perkins:** I'm okay.

**The Chair:** Okay.

Michelle, the floor is yours.

**Hon. Michelle Rempel Garner:** Thank you.

Look, I think it is curious that the federal government, for nine years, has not moved on things like interchange fees, that they didn't formally regulate that, that they haven't moved on open banking. I think there is a lot of curiosity about why the government hasn't moved more aggressively when our peer nations and peer jurisdictions already have. It's odd to me.

Then, on top of that, it's odd that the government would give \$50 million to a massively profitable company, when they probably don't need to.

I think the timing is curious. I think the lack of regs, based on all of the testimony that we've heard to date on this study, is curious. I think this information may help us determine whether or not that curiosity is founded or not. A \$50-million contribution to a large company like this is odd, especially when they were likely going to do this anyway.

After all of the testimony we've seen on this credit card study, there are a lot of questions that have been raised about why the federal Liberal government has not moved on certain issues. My colleague from the NDP, Mr. Masse, raised this study, which I think has brought up a lot of questions that it's incumbent upon this committee to answer. I feel as though getting a bit more background on the government's rationale and conversations on this contribution might shed light on the broader issue.

Thank you.

**The Chair:** Thank you.

I have no other...unless, Mr. Badawey...I don't think you wanted to speak. Okay, so we are done with speakers on the amendment. I suggest we put it to a vote. I think we've heard it all.

Madam Clerk, let's put the amendment that Mr. Masse has proposed, that you received, to a vote.

(Amendment agreed to: yeas 6; nays 5 [*See Minutes of Proceedings*])

• (1715)

[*Translation*]

**The Chair:** That brings us to the motion as amended.

Mr. Arya, you have the floor.

[*English*]

**Mr. Chandra Arya:** Thank you, Chair.

As I mentioned previously, if there is any prima facie evidence or suggestion that things were not done properly, that things were not done according to the standards set when awarding grants like this, we should not proceed.

Secondly, as Mr. Van Bynen said, we have to make extraordinary efforts to have leading-edge technologies be developed in Canada. The advantages we have as a country because of our natural resources are getting eroded in the knowledge-based economy.

We have to convince various companies in technology sectors to use Canada as the base for their innovation, for their research and development, so that Canada continues to remain at the forefront of this knowledge-based economy.

If we start indulging in the thing that this motion proposes, that will put Canada in an unfavourable position when it comes to major international companies considering investing in technological developments within Canada.

Mastercard, I believe, has invested this in Vancouver. For them, it's very easy to cross the border and reinvest the same thing in Seattle.

These are the kinds of opportunities I think we should... In fact, we have to encourage more companies. We need more companies like Mastercard to invest in technological development within Canada.

Thank you, Chair.

[*Translation*]

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

Ms. Rempel Garner, please go ahead.

[*English*]

**Hon. Michelle Rempel Garner:** Chair, I said my piece on the amendment. My comments stand.

Thank you.

[*Translation*]

**The Chair:** Thank you, Ms. Rempel Garner.

Mr. Garon, you have the floor on the motion as amended.

**Mr. Jean-Denis Garon:** I'm going to tell you out loud what I was going to say to Mr. Perkins privately, because it's public knowledge now anyway. I would have said it no matter what.

I don't think it's just a motion calling for the production of documents and other things. It's not just the fact that we are requesting documents because we want documents and have the right to request them.

I understand that this is Mastercard, and I agree that it is hardly in dire straits. However, when we start acting this way, without reasonable grounds to assume that something untoward happened, what message are we sending to businesses that invest in our regions and negotiate with the government? Some companies negotiate with the provincial governments, with Quebec, with the federal government, and so on. What message are we sending businesses that we'd like to attract here? I think it's important to think about that. I am not defending anyone, but that's why I am skeptical.

Now, I understand that the Conservatives' reasoning is once again to say that obviously, after nine years in power, the Liberals never regulated the matter, they brought in this centre and they ended up going with an agreement rather than a law. We've heard so much from the Conservatives about "after nine years" that it's almost become a children's song with the refrain "After nine years, la la la". However, where will it end?

I'll give you an example. Today, the federal government announced a cap on industrial emissions that involves a mechanism. I haven't read the policy on that yet. Now that the government has announced its intention to cap industrial emissions by 2030, is it necessary for the next five or six years to monitor all the subsidies granted to all emitting industries in Canada? Does that mean that, if industries receive a subsidy, we're going to put them on trial to find out whether they received the subsidy in exchange for some policy? Do you see what I mean?

When you cast such a wide net, at some point, it borders on conspiracy, and that's what I have a problem with. I think that if we want to force a company or the government to produce these kinds of document, I don't see where it will stop. If our bar for requesting documents is this low, why not request data on all businesses in Canada using some kind of omnibus measure? It would be simpler.

Perhaps I've misunderstood the Conservatives' intention, but at this point, I am not convinced that what is proposed in this motion is in the public interest. I am not convinced that it will stop there and that this is the only time this will happen. For the time being, my opinion remains unchanged.

• (1720)

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

Mr. Bachrach, over to you.

[*English*]

**Mr. Taylor Bachrach (Skeena—Bulkley Valley, NDP):** Thank you, Mr. Chair.

Thank you, members of the committee, for allowing me to join you on this interesting topic, one I'm somewhat new to.

I'm inclined to support the motion as amended. I don't think it has to do with any assertion that there's been impropriety on the part of the government in making this contribution. It's an interesting way to get to the bottom of this question of how the government decides certain contributions are necessary to attract investment, and what level of contribution is deemed necessary to keep those investments in Canada.

I think every dollar beyond the value required is a dollar wasted. It's a handout to profitable corporations that don't need public money. I think getting some insight into how the government made this particular decision, handing Mastercard \$50 million, would be very useful, as mentioned by my Conservative colleague. If Mastercard is making similar investments in other jurisdictions without these kinds of handouts, this implies that those subsidies aren't required to attract that investment.

I think it's a topic worthy of inquiry. My colleague Mr. Garon raises a good point. The government makes many contributions at this level to corporations, and we can't dig into all of them, necessarily. However, let's dig into this one, because, on the surface at least, it seems like a lot of money is being giving to a credit card company. Perhaps this will provide some insight into how the government makes these kinds of decisions. Is there some sense of threshold or amount that the government is willing to invest in order to attract a few hundred jobs to Canada and \$500 million in investment?

I'm inclined to support the motion, with the caveat that I take Mr. Garon's point. There isn't really a prima facie case that something improper has taken place, in terms of legal impropriety, as there are a lot of other contributions at this level. I think it would be worth getting some more insight into how the government made this decision and whether, indeed, it was necessary. Maybe Mastercard was going to set up shop in Vancouver, regardless of whether or not it got 50 million public dollars.

I'll leave it at that. I'm going to support the motion on behalf of my colleague Mr. Masse.

Thank you.

[*Translation*]

**The Chair:** Thank you.

Mr. Badawey, the floor is now yours.

[*English*]

**Mr. Vance Badawey (Niagara Centre, Lib.):** Thank you, Mr. Chairman.

I'll start off by saying this: Although I do support or appreciate a lot of the comments that are being made, including from Mr. Perkins, in terms of the amended motion, I want to make very clear that, first, the motion is being allowed because of the study that we're doing today on credit cards. It's being discussed because of that study.

Second, it's a study, Mr. Chairman, that is ongoing, in which I have a great deal of interest, especially as it relates to some of the points I'm about to make—for example, points and questions that we were expecting to have answered by the CFIB today.

Third is a point I want to underline in bold: It's a process in which, while we embark on this study and complete this study in the interests of the outcomes for the witnesses and additional witnesses that we'll receive, other directions can be taken, like the one Mr. Perkins is suggesting today.

To add to that, Mr. Chair, what I was very much interested in today from the CFIB—and I'm somewhat disappointed that we didn't have them for the rest of the meeting—was focusing on issues that impact our small businesses, issues that, quite frankly, I would assume that Mastercard will be embarking on with respect to its interests with small businesses and some of the dollars it receives from the federal government. These are dollars, I might add, that were applied for through a program. Let's face it; when dollars are applied for through a program, the matrix kicks in. If they are successful, it's based on the criteria they applied and how those criteria were applied, regardless of who they might be and what their balance sheet might say.

However, I want to kick back to some of the interest I had today. Unfortunately, I was unable to get those answers from the CFIB that pertain to what we're actually supposed to be discussing right now.

One area would be economic support and relief. With regard to this money, what specific measures would organizations like the CFIB believe would be most effective in helping small businesses and individuals recover from recent economic hardships, including inflation and interest rate hikes?

Another area would be workforce development and skills shortages. What would these dollars be going toward, in terms of organizations like the CFIB, in order to address the skills gap within small businesses, and what support is available to help employers attract and retain talent?

A third area would be advocacy and policy priorities. What do some of these dollars go toward, or what would the CFIB or some of the witnesses today consider as a top priority in terms of their policies for the coming year? Are there any legislative changes that might come out of this process, these partnerships and these discussions in terms of advocating for and providing immediate relief for, again, small businesses and individuals?

Some comments were already made with respect to the digital transformation and innovation. How would some of this money attach to, and/or the witnesses give testimony for, support for small businesses in adopting digital tools and technology to stay competitive, especially given the rapid evolution of e-commerce and digital marketing?

There is also environmental and social responsibility in the context, Mr. Chairman, of sustainability. How do companies like Mastercard, or other companies that are part of this process with respect to this sector—the CFIB once again included, and other witnesses—support small businesses and Canadians in transitioning to greener practices? Are there specific resources or grants other than the one that Mastercard has received to help with sustainable transformations?

When it comes to health care and employee well-being, what are these partners' stances on expanding health care, benefits or mental health resources for small business employees, and how might this be achieved, Mr. Chairman?

There is supply chain resilience, which is my favourite. How are partners and, again, witnesses giving testimony in support of small businesses affected by supply chain disruptions, and what strategies do they recommend to improve resilience?

Mr. Chair, when it comes to—

• (1725)

**The Chair:** Give me one second, Mr. Badawey. There is a point of order.

**Mr. Rick Perkins:** It's just a time check. I think we have only three minutes left.

If the Liberals have finished talking, we can have a vote. If not, we'll have to deal with this again at the next meeting.

**The Chair:** I'm afraid it's not just the Liberals. I have Mr. Patzer and MP Rempel Garner on my list, but we are nearing—

**Mr. Ryan Turnbull:** I also want to be back on the list.

**The Chair:** Mr. Turnbull's on the list.

As you know, the rules are made so that until we've exhausted the list of speakers—and I have a few Conservatives and a few Liberals—we can't put it to a vote.

That being said, it is 5:30. As interesting as your speech was, Mr. Badawey, we'll have to pick it up later on.

Colleagues, the meeting is adjourned.

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