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• (1635)

[*English*]

The Chair (Hon. Karina Gould (Burlington, Lib.)): Good afternoon, everyone. I call this meeting to order.

Welcome to meeting number 14 of the House of Commons Standing Committee on Finance. Today's meeting is taking place in a hybrid format.

I would like to remind participants of the following points. Before speaking, please wait until I recognize you. For those participating by video conference, click on the microphone icon to activate your mic. Please mute yourself when you are not speaking.

[*Translation*]

For interpretation, those of you who are on Zoom have the choice at the bottom of your screen of either floor, English or French.

Please use the “raise hand” feature if you wish to speak. The clerk and I will do the best we can to maintain the speaking order.

For those in the room, you can use the earpiece and select the desired channel.

[*English*]

Pursuant to Standing Order 108(2) and the motion adopted on Monday, September 22, 2025, the committee shall resume its study on the use of offshore tax havens.

I would like to now welcome our witnesses.

[*Translation*]

I would like to welcome Professor Alain Deneault.

[*English*]

who is joining us, as well Jason Ward, principal analyst at the Centre for International Corporate Tax Accountability and Research.

You will each have five minutes for your opening remarks, after which we will open the floor to questions.

[*Translation*]

We'll start with you, Mr. Deneault.

You have the floor for five minutes. Thank you.

Alain Deneault (Professor, As an Individual): Thank you very much, Madam Chair.

Thank you for inviting me to appear before the committee.

First, I would like to note that I am a professor of ethics at the University of Moncton. I worked on tax havens actively from 1999 to 2015. Since then, I have been conducting historiographical, ethical and conceptual research on tax havens and what I more broadly refer to as “sovereignties of convenience”.

I'd like to take a few minutes to focus on the social costs of the use of tax havens primarily by the wealthy and multinational corporations, and then I will address two topics, which we can discuss at your leisure.

I'll start by looking at the costs of tax havens on the entire domestic and Canadian community. I would say that these costs can be summed up in six points and that an overall striking picture emerges when the issue of tax havens is addressed qualitatively and not just quantitatively.

The first cost is that obviously, tax havens represent a cost for the general public because public authorities cannot tax capital that is generated here, which ought to be taxed under the law. This represents a loss of revenue for the Treasury because huge sums of money—in the billions of dollars—elude taxation every year due to the accounting practices of major corporations.

The second cost is the issue of dumping between traditional states and tax havens. This cost stems from the fact that for 45 years, traditional states have been reducing corporate income tax rates to compete with tax havens. Thus, instead of fighting tax havens, they compete with them. However, to compete with tax havens, corporate tax rates are continually being lowered. This is the second loss of revenue for the public treasury since the remaining capital is taxed at a lower rate than before. This is true, by and large, in all countries in the Organisation for Economic Co-operation and Development, the OECD.

The third cost is a truly scandalous issue relating to debt servicing. When the government fails to balance its budget by the end of the fiscal year, it resorts to borrowing from financial and industrial institutions—entities that either no longer taxes or taxes insufficiently—in an effort to balance its budget. As a result, businesses no longer finance public institutions through taxation to ensure the existence of social programs and public infrastructure, and instead, citizens do so through debt servicing when they finance financial or industrial companies to help Canada balance its budget. This is the third major cost and it is almost exponential.

The fourth cost pertains to the tax rate for the middle class and small and medium-sized enterprises. I would add that it also pertains to taxes that impact the entire population, including the working class, thereby necessitating compensation. To achieve this, the burden shifts to captive taxpayers, who are primarily middle and working-class individuals who contribute through consumption taxes and thus pay more tax.

The fifth cost concerns the disappearance of public services. This means that when the state cannot balance its budget, it makes cuts to services and the budget so that services that people have been entitled to for years are phased out. People seeking these services are forced to turn to the private sector.

The sixth cost concerns the pricing of services, meaning that the public has to pay for public services twice, once as taxpayers and once as users.

These six costs are colossal and literally immeasurable, which means that it is impossible to put a figure on them. What we can see is a strong trend, and if we want to imagine a world without tax havens, we would have to assume that multinational companies would pay their taxes where they generate revenue, where they do business and where they are active. They would do so at a high tax rate, which was close to 50% in Canada in 1980 if we include provincial corporate income tax. Public debt would be lower, taxes on the middle class would be lower and public services would be better and free. This is what we can already envisage.

Now, if we want—

The Chair: Can you please wrap up quickly, Mr. Deneault?

Alain Deneault: In a nutshell, there are two solutions, and that is what I invite you to discuss. The solutions can be political and diplomatic, rather than technical. A technical solution may involve a discussion on an approach based on consolidated balance sheet taxation.

The Chair: Thank you, Mr. Deneault.

[*English*]

We'll move now to Mr. Ward for five minutes, please.

Jason Ward (Principal Analyst, Centre for International Corporate Tax Accountability and Research): Hello. Thank you very much for the opportunity to be a witness. My name is Jason Ward. I'm the founder and principal analyst of CICTAR. I'm usually based in Australia, but I'm currently in Washington, D.C.

CICTAR is an organization that has been around for about seven years now. We specialize in detailed forensic analysis of multinational tax avoidance. Less than a month ago, on October 22, I was a witness before the ethics committee hearing and responded to numerous questions in relation to our extensive work over a number of years related to tax avoidance and the use of tax havens by Brookfield Corporation. I provided links for that committee to our previous research, which also includes several reports related to tax haven abuse by large Canadian public pension funds. I won't attempt to go through those reports, but the links have been provided to this committee as well.

Tax havens, as our previous witness stated, are a huge problem for Canada and globally. I'm going to try to focus on the solutions

and not on the problem here, as I think many witnesses, previously and forthcoming, are going into details on the effects on Canada. I will cite one piece of research that was done by the global Tax Justice Network and released earlier this month, which I think was a very conservative estimate. It suggested that over a six-year period, from 2016 to 2021, \$103.4 billion U.S. in profits were shifted out of Canada, resulting in a tax revenue loss of \$27.3 billion U.S. That would be the equivalent to 3% of Canada's health budget. Again, almost half that estimate is related to U.S. multinational corporations.

Moving very quickly to the solution, the use of tax havens is not easy to find and is not readily disclosed by corporations, particularly those headquartered in Canada and the United States. It's very hard to fix a problem if you can't see it. Greater transparency is a crucial first step. We urge the Canadian government or opposition parties to immediately introduce legislation to implement full public country-by-country reporting for multinationals in Canada.

In Australia, public country-by-country legislation was passed in 2024. It now has the world's best reporting requirement for multinational corporations. We hope Canada can follow suit. Canada has the opportunity to go even further. In Australia, all multinationals with annual revenue of 10 million Australian dollars or over will be required to report basic financial information, including number of employees, profits, losses, taxes paid or not paid, in Australia and 40 jurisdictions around the world that are widely recognized as the most abused global tax havens.

The lobby groups representing the largest U.S. multinationals, also the world's largest tax dodgers, recently tried to persuade the Trump administration to threaten Australia over this simple transparency measure. I tell you this because it's an indication of how exposure of this information threatens the underlying business model of major U.S. corporations and other corporations that dodge taxes wherever and however they can, particularly with the abuse of tax havens and shifting profits offshore to where they are taxed not at all or taxed the least.

The European Union has also introduced a weaker version of public country-by-country reporting. Banks in the European Union have been doing public country-by-country reporting for a decade now with no impact on their competitiveness, with trackable increases in tax payments and revenues to governments, and with a declining use of tax havens.

We urge Canada to follow the Australian model and require this basic transparency measure so that government officials, lawmakers, investors and the general public can know which corporations are abusing the tax system, and where and how. Small businesses and responsible companies are at a huge competitive disadvantage if the world's largest corporations, many making record-level profits, can continue to avoid obligations to pay tax in Canada and around the world.

• (1640)

Tax authorities already get this data through confidential reporting through an OECD process; however, this information can't be shared and used for wider public purposes.

Making this basic financial data public also allows tax authorities to be held accountable and to make sure they are doing their job in collecting the revenue that should be paid by the world's largest companies.

The Chair: Thank you, Mr. Ward.

We're going to have to conclude there. Thank you so much.

We're going to begin now with six minutes for Mr. Kelly.

Pat Kelly (Calgary Crowfoot, CPC): Mr. Ward, in your opening statement, you referred to your testimony at the ethics committee about the abuse of tax havens by Brookfield. For the benefit of this committee and its report, we'll need perhaps some of that information here for the record at the finance committee. Can you give us more information about the scale and the details of that particular example of abuse of tax havens?

• (1645)

Jason Ward: Well, we've done extensive work on Brookfield, and we've also gathered previous work on Brookfield. It is clearly one of Canada's largest tax dodgers.

All of Brookfield's operations essentially are funnelled through Bermuda, and it has had a very low effective tax rate in Canada and, frankly, in countries around the world, for a very long period of time. That is a clear red flag of major tax avoidance and extensive use of Bermuda and lots of other different tax havens to reduce its taxable income in Canada. The potential revenue loss there is in the billions and is clearly at the top tier of Canadian companies in terms of its impact on reducing funding available for public services in Canada.

Pat Kelly: A relevant time period would include when the Prime Minister was chair?

Jason Ward: Our study was in 2023, I think, and looked back at the 10-year period up until 2021.

Pat Kelly: Okay. Thank you.

I'm going to go back to you, Monsieur Deneault. You appeared at this committee almost 10 years ago.

You talked about much of the same information that you talked about today: the effect of tax avoidance by the largest tax filers and the societal consequences of this. It shifts the tax burden to workers and to small businesses, and from income tax to consumption, so that regular Canadians who pay the consumption taxes are paying a larger proportion of tax.

Can you elaborate on the societal cost of aggressive tax avoidance and tax evasion?

[*Translation*]

Alain Deneault: You are absolutely right to point out that I said much the same thing about ten years ago.

Unfortunately, when you work on the issue of tax havens, you quickly feel like you are repeating yourself like a broken record. Since 2000, i.e., for 25 years, there have been many public reports, studies, surveys and compelling evidence on the issue of tax havens and yet from the point of view of governments, we are pretty much at the same point. There is a cognitive barrier among government officials who always pretend to be fighting abuse and fraud, when in fact much of tax avoidance is not legal, but legalized.

[*English*]

Pat Kelly: Let me jump in, if I may.

We have a really limited time, and I want to talk about then. Over this time period, the government was new, then, in 2016, and here we are, almost 10 years later. They talk a lot about cracking down on evasion and on aggressive avoidance, but we see no results. Can you comment on the track record now—over the last 10 years—for making progress on this?

[*Translation*]

Alain Deneault: When it comes to tax information exchange agreements with other countries, I have observed that we are legalizing transactions that ought to be considered fraudulent under the law. I have to sum up quickly, but I can send you more details on this subject in writing.

In short, the actions of government officials consist in reducing the geopolitical issue of globalization to technical tax matters and then using agreements to gain access to information, while legalizing transactions related to the information obtained. In other words, information about transactions taking place in tax havens is obtained, and steps are taken to ensure that such transactions are legal.

• (1650)

[*English*]

Pat Kelly: I'm going to just jump in because time is so limited.

Not long after the testimony you gave in 2016, the Auditor General delivered a damning report that revealed that the Canada Revenue Agency will grant months or even years when it requests information from tax filers if they have offshore dealings. If they do not have offshore dealings, they have 30 days or else the tax will automatically be set. Can you comment on how this punishes regular tax filers in favour of those like Brookfield, for example, that have offshore dealings?

[*Translation*]

The Chair: Please give us a very short answer.

Alain Deneault: Indeed. That is a technical subject. The information is difficult to find and concerns operations that have been legalized. To sum up, I would say that most Canadian government officials who claim to be fighting tax havens have very often benefited from tax havens themselves. I am thinking of our last ministers—

The Chair: Thank you, Mr. Deneault.

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

Carlos Leitão (Marc-Aurèle-Fortin, Lib.): Thank you, Madam Chair.

Hello, Mr. Deneault. It's good to have you here again.

In your opening remarks, you noted that the solution was essentially political and diplomatic, but you did not have time to elaborate on that idea. I would like to focus on political and diplomatic aspects.

Could you expand on that?

Alain Deneault: Thank you. I'll try to be quick.

There is no single solution to combatting tax havens, but diplomatic and geopolitical factors are certainly major issues. I think it is perfectly normal to discuss the issue of tax havens in the Standing Committee on Finance, but I also think it should be discussed in the Standing Committee on Foreign Affairs and International Development.

It is important to understand that companies are created under the law. For a company to exist, a state must have made it possible through legislation. Take the example of how the law is drafted in a tax haven like Bermuda. The Bermuda legislature passed legislation that allows the creation of tax-exempt entities. Under Bermuda law, a tax-exempt company can receive enormous benefits, such as pay no tax, demonstrate a lack of transparency about the identity of beneficiaries, have the potential to carry out an infinite number of transactions in all kinds of sectors, and so on. Tax-exempt companies are allowed, provided they do not have any activities in Bermuda. In other words, Bermuda makes laws that allow commercial entities to manage capital that must be located outside the country's borders.

That is literally political interference. This is a state making laws about how to manage capital generated outside its borders. That should be enough for Canada and other countries like France, Spain and Germany to intervene with this state. We are talking about Bermuda, a jurisdiction with an administrative structure the size of the Saint-Jérôme municipal council. States should put pressure on Bermuda's legislative body, and make it understand that this legal provision is an intrusion and that they are challenging it politically. Possible sanctions must also be considered.

Carlos Leitão: To minimize the adverse effects of tax havens, it seems that the solution must also come from the diplomatic side. Indeed, if Canada were to act alone, it would face challenges trying to change the laws of Bermuda or other countries. However, something can be achieved if Canada were to act in concert with the member countries of the OECD, the Organisation for Economic Co-operation and Development. I think this is somewhat in line with the reforms carried out by the OECD in recent years, thanks in

particular to the very interesting work of Pascal Saint-Amans, for example.

I think that we should continue and accelerate this international effort to limit the scale of the issue in these territories.

• (1655)

Alain Deneault: I would disagree with you. I'm not at all impressed with the OECD's efforts, insofar as Pascal Saint-Amans' approach is to say that the issue is technically complicated to an unimaginable degree, that 200 different tax regimes need to be harmonized, that it is a real headache, that there is such an enormous amount of synthesis work to be done that it will never be finished, and so forth.

Small measures are introduced that undoubtedly result in progress here and there. However, we need to keep in mind that we are dealing with multinationals that have armies of lawyers, accountants and tax specialists to circumvent the structures we are trying to put in place.

I am talking about something that is quite different. It is not good enough to say that the problem is technical and that tax regimes need to be harmonized. There needs to be a discussion at a political level, saying; you have passed laws on how a company operating in our country will be taxed. You have created a kind of buffer between traditional states and tax havens, where the money ultimately disappears and is no longer formally in the state where it was generated because it has been transferred to an entity in Bermuda and Bermuda does not want it in its country. There is this kind of no-man's land, which is problematic.

Canada has to do more on the political front, and, I would say, on messaging. It must stand up and say things loud and clear.

All western heads of government spoke out when the major leaks including the Paradise Papers, the Panama Papers, LuxLeaks and SwissLeaks came out. The German Chancellor, the British Prime Minister, the President of the United States and the President of France all made statements. Who spoke about the leaks in Canada? Ms. Lebouthillier, the Minister of National Revenue, who was in office at the time. The Prime Minister did not get involved, as if the issue were minor and technical.

Canada has a lot of work to do in this area.

The Chair: Thank you, Mr. Leitão and Mr. Deneault.

We will now continue with Mr. Simard, from the Bloc Québécois, for six minutes.

Mario Simard (Jonquière, BQ): Thank you very much, Madam Chair.

Thank you for your presentation, Mr. Deneault. It was very enlightening.

If I understand you correctly regarding the various costs you spoke about, including the social costs and the various effects of tax havens, to a certain extent, we may be able to adjust our policies and standards to compete with the tax sector allowed in tax havens. That is more or less what you meant.

Regulation 5907(1) of the Income Tax Regulations allows for the elimination of double taxation. A quick interpretation would tell us that the government drafted legislative provisions that contradict the spirit of its law.

Does that reinforce what you are saying in some way? Do you have any other examples of government regulations that contribute to this situation, where we may be adjusting our policies to suit the interests of tax havens?

Alain Deneault: I will focus primarily on the points you have raised, while staying within the allotted times.

First, very briefly, I would refer you to my book: *Canada: A New Tax Haven*, which tells the story of how the most controversial tax havens in the British Caribbean, namely the Cayman Islands, the Bahamas, Trinidad and Tobago, and the rest, are creations of Canada.

Canada was very influential in the British Caribbean. Canadians, and often the Canadian government itself, created tax havens in the Caribbean from scratch. We cannot then pretend to be unaware of what they are used for. Historically, sadly, we are their architects. This is Canada's historical legacy.

Tax havens later came up due to a double taxation treaty with Barbados in 1980 as well as other factors. This treaty would make sense if it were signed with a country that has a tax rate similar to Canada's. Bombardier can very well do business with partners in Germany, where it has operations, reap profits and transfer funds to Canada in the same year and tell the Canadian government that it has already been taxed in Germany at a legitimate and considerable rate and should therefore not be taxed a second time.

What is the motivation for a country like Canada to sign an agreement with Barbados, where the maximum tax rate is 1% and a double taxation treaty that allows financial funds to circulate in a completely artificial circuit, where funds are artificially transferred to Barbados? The funds are barely taxed there, and they come back to Canada, and a company can claim that these funds have already been taxed and should not be taxed a second time.

Canada makes these loopholes possible. Unless it takes us for fools, Canada cannot turn around and pretend not to understand what is happening internationally and tell us that we must engage with the OECD to develop a comprehensive framework that harmonizes the complex tax systems of approximately 200 jurisdictions.

• (1700)

Mario Simard: Earlier in your presentation, you spoke about political and diplomatic solutions. My colleague, Mr. Leitão, revisited that point. However, in closing, you spoke about taxes on the consolidated balance sheet.

What did you mean by that? Could you elaborate?

Alain Deneault: I simply believe that we need to move beyond 19th-century thinking when it comes to tax policies and recognize multinationals as a single entity. Often, depending on what we are talking about, a multinational does not exist in law. What exists is a myriad of entities that are independent of each other and can trade with each other, borrow from each other, even sue each other and go completely mad. The board of directors co-administers all these

structures, which are independent of each other and depend on the country where they are registered.

Now, if we wanted to enter the 21st century with a taxation system in step with the times, we could simply devise a method of calculation based on capital, number of employees and turnover, and then tax a multinational company directly on its estimated share of income in our country. In proportion to its presence in our country, it would owe our tax authority a certain percentage of its consolidated balance sheet, meaning of all its entities combined, regardless of whether the funds are in Hong Kong, Bermuda or Luxembourg.

This method presupposes a politically driven intent, coupled with a technical approach that specialists are well equipped to articulate.

Mario Simard: Are there currently any states that apply such measures?

Alain Deneault: I don't know of any, but I see that Mr. Ward is nodding, so I'll let him answer.

However, it is often said that we need to be part of a critical mass, otherwise we cannot act. Personally, I think we could put in place minimum legislation, meaning that the Government of Canada could pass a law stating that it will tax companies based on their consolidated balance sheet, and that this law will come into effect on the day that a certain number of countries in the Organisation for Economic Co-operation and Development, representing a certain percentage of the overall population, pass a similar law.

The Chair: Thank you, Mr. Deneault. We have to stop here for now.

[English]

We're going to continue now for five minutes with Mr. Lawrence from the Conservatives.

Philip Lawrence (Northumberland—Clarke, CPC): Thank you.

My questions will be mostly for Mr. Ward.

Mr. Ward, in your previous testimony at Ethics, I believe you agreed with the following statement. Please tell me if you still agree: Brookfield has been, over the last five years, one of Canada's most notorious and largest tax avoiders. Is that still your belief?

Jason Ward: That is still my belief, yes.

Philip Lawrence: Okay.

Would I also be accurate in saying that from 2021 to 2024 there was about \$23 billion U.S. profits reported, but Brookfield paid only \$2 billion, with an effective rate of about 8%, and if that money were reported in Canada, there would be a 26% tax rate? Is that correct?

Jason Ward: Yes. I mean, there are legitimate reasons why companies pay less than the statutory rate, but in the case of Brookfield, this is a pattern over a long period of time, which strongly suggests very aggressive tax avoidance. The use of tax havens in Bermuda, particularly by Brookfield, is very clear and apparent.

Philip Lawrence: Thank you.

In 2020, Prime Minister Mark Carney became co-chair of the Bermuda registered fund for Brookfield. From 2020 on, do you have any evidence that Mr. Carney attempted to reduce the excessive use of tax havens?

• (1705)

Jason Ward: I have no evidence that Brookfield or Mr. Carney attempted to reduce the use of tax havens, and the tax haven usage by Brookfield has continued wholeheartedly. That has impacted tax payments by Brookfield-owned or -controlled companies, both in Canada and in countries all around the world. I can give you numerous examples from Australia and many examples from Brazil and across Latin America where that's been the case.

Philip Lawrence: Thank you.

I come from a rural riding, so you'll have to excuse this country analogy. We would say that in this situation it looks a lot like the fox is actually guarding the henhouse here, in that we have an individual who presided over the usage of tax havens in an extraordinarily large amount. Now, he even still holds shares, or one would believe that he still holds shares, in a blind trust of Brookfield's, where he actually stands to make money if they continue to use tax havens.

With that in mind, have you seen any serious or significant efforts made by the federal government since Prime Minister Carney became elected prime minister to combat the use of tax havens?

Jason Ward: No, I have not. I will say it was a really backward step for the G7 when it met in Canada to exempt U.S. multinationals from the OECD's pillar two minimum tax, which was deeply flawed but a small, positive step in the right direction.

I agree with Professor Deneault that the OECD is another example of putting the fox in charge of the henhouse. The secretary-general of the OECD was a long-serving finance minister in Australia who sought to reduce corporate tax payments in Australia. He was the head of TaxNow and is also a former adviser to KPMG, which sold Microsoft a scheme of avoiding tax in Puerto Rico which is now the largest tax bill in the world's history. The U.S.'s IRS, prior to Trump, has been chasing Microsoft for \$30 billion in taxes because it shifted profits to Puerto Rico, which, under U.S. law, is a foreign jurisdiction.

We've done work in Canada that shows that Microsoft has done the same in Canada in shifting profits—maybe not to Puerto Rico, but via Ireland. There are lots of countries, like Ireland, Luxembourg and the Netherlands, that are also tax havens. Canada, the United States and the U.K. also function as tax havens.

Philip Lawrence: In your testimony, you talked about the Australian example of having reporting of foreign income made public, if I have that correct. Have you tried to socialize that with the current federal government? What response have you received?

Jason Ward: We have talked to our friends and allies in Canada about pushing forward proposals on public, country-by-country reporting. I haven't been involved in direct conversations with the government, but we have been talking to our allies and friends in Canada to push that with the government.

My understanding is that there was an openness to that consideration, but I can't speak to that because I have not been directly involved in those conversations. I will say—

The Chair: I'm sorry, Mr. Ward. We're going to have to end it there.

Thank you, Mr. Lawrence.

We're going to continue for five minutes with Mr. Sawatzky, please.

Jake Sawatzky (New Westminster—Burnaby—Maillardville, Lib.): Thank you, Chair.

Thank you to the witnesses.

Professor Deneault, Canada has adopted the OECD's common reporting standard and strengthened the general anti-avoidance rules. Could you comment on whether these have been effective in your view? Were they done in the best way to crack down on the offshore tax havens?

[*Translation*]

Alain Deneault: I reiterate that, at best, these measures are slightly effective in that they can only change a few variables and, at worst, they are cosmetic. I am not using all the technical terms, but I can provide them to you in writing.

With regard to Canada's tax information exchange agreements, as I mentioned earlier, Canada has made a regulatory change to ensure that transactions subject to mandatory information transfers are legalized by the Canadian government. In fact, we are legalizing the ability of beneficiaries to receive assets transferred to a tax haven that signs a tax information exchange agreement in the form of dividends.

This means that, as the minister himself said at the time, we need to find incentives for tax havens to co-operate with us. That is essentially what I understand from what he said. If we want to tackle tax havens, we need to consider the scale of the problem. This is not a technical issue that requires minor adjustments here and there; it is a fundamental problem that affects Canada's very ability to fulfill its social mission.

Do politicians want this? Are they embarrassed that Canadians don't have family doctors, that there is mould in schools, that poverty is on the rise, that there are no environmental programs, that our train service is so poor that travelling by train feels more like a journey into the past than a step towards the future, that our society is eroding? Are Canadian leaders ashamed that they cannot fund public institutions because they do not have the courage to tax businesses properly, in accordance with the spirit of the law? Have we reached a point where we are burying our heads in the sand and telling ourselves that it is only a technical issue and that we have signed a more or less insignificant agreement with a particular state?

• (1710)

[*English*]

Jake Sawatzky: Thank you for that.

Maybe you could also summarize what you think would be the best step forward in terms of increasing laws and being able to do more.

[*Translation*]

Alain Deneault: I reiterate the key measures.

Technically, it is about the state's ability to tax multinationals on the basis of their consolidated balance sheet, and not just their structures registered in the country. Every year, multinational corporations report to their shareholders on a balance sheet that is somewhat artificial in that it presents the combined capital and revenues of all the entities in the group, even though the group has no legal existence.

Legally, a multinational corporation is much like the fictional Santa Claus. These entities are distinct and independent entities. We should have the theoretical and conceptual capacity to say that a multinational corporation exists legally. It is incredible that we have to fight for this in 2025, but that is where we are. Considering the existence of multinational corporations should be a matter of law. Multinational companies should be summoned as such. If we could stop engaging the small subsidiaries here and there as though they operated independently, we might make some progress, at least within this scope.

The law would then apply to all of its activities, not just fragmented ones. It is as if, as an individual, I split myself into 3,000 pieces and told you that if you want to talk to me, you have to talk to 1/3000th of me. We would see what would happen. Yet this is what you, as legislators, are allowing multinationals to do. Ultimately, it is your responsibility.

[*English*]

Jake Sawatzky: Thank you.

We've had some previous witnesses mention how sometimes statements of public income can raise privacy concerns and sometimes even increase the risk of kidnapping and that sort of thing.

Can you comment on that? Are there any ways we can mitigate those concerns?

The Chair: Unfortunately, we'll have to hear your response another time because that concludes the five minutes.

[*Translation*]

Mr. Simard, you have the floor for two and a half minutes.

Mario Simard: Thank you very much.

I hope I'm not talking to 1/3000th of you, Mr. Deneault.

I really liked your discussion on the disappearance of public services. That leads me to ask you a question that may seem silly, but which I think is relevant. Who really contributes to government coffers?

Today, cynicism is on the rise, and people feel they are paying too much tax for the services they receive. In your presentation, you talked about social costs, dumping, the impact on debt and most importantly, the disappearance of public services. I now have a better understanding of the extent of public cynicism towards public services.

This leads me to a simple question: Today, who really contributes to government coffers?

• (1715)

Alain Deneault: I will answer your question, but first, I would like to add one about the beneficiaries of public services. Who benefits from public services? First and foremost, multinational corporations, because they enjoy an airport system, a network of motorways and roads, public services, a police force, a judicial system, a workforce trained to their specifications by the state, subsidies for job creation, virtually free electricity, etc. While they benefit from these services, they do not want to pay their fair share. The burden therefore falls on the middle class and, I insist, on the working class, about whom we talk too little. They also pay 15% more for every purchase, which is often for the most basic necessities.

The time has come to stop presenting the taxpayer as an individual. In public discourse, it is said that the poor taxpayer is over-taxed and that we are not going to add another tax, even when we are talking about a tax that is strictly tied to large fortunes or multinationals. We must consider that it is a problem to see the tax base split into several parts, with companies financing only about 10% of the state budget. Within that 10% are small and medium-sized enterprises that—

The Chair: Thank you, Mr. Deneault. We have to stop there.

Thank you, Mr. Simard.

[*English*]

We'll continue with Mr. Genuis for five minutes.

Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Thank you, Madam Chair.

It's great to be back at the finance committee for this study of tax havens.

I would like to set the context a bit. Tax havens are when rich and well-connected people and companies develop creative structures to try to avoid taxes. Tax avoidance is legal, but governments should try to prevent structures for tax avoidance that allow wealthy and well-connected people to exploit loopholes that aren't available to normal people.

I think a lot of these issues are technical in nature, which means that trust is very important—that the public can trust that their leaders are on their side, trying to solve these problems, trying to make the system fairer, and that they're not playing for the other team. This is why, when you have a prime minister or other leaders who are personally invested in tax havens and who benefit from the continuing existence of these tax avoidance structures, that obviously creates problems for trust. They are personally invested in outcomes that are contrary to the public interest, contrary to what most people would want—which are solutions to the problems of aggressive tax avoidance, keeping money out of the system and effectively requiring everyday hard-working Canadians to pay more taxes.

Mr. Ward, you've done a lot of work specifically on Brookfield, as we've discussed, which used to be a company that the Prime Minister led, and he's still invested in it. I wonder if you could speak to the issues of trust and conflict of interest around having a prime minister or leaders in general who are, on the one hand, maybe professing to be concerned about these problems but who are, on the other hand, personally invested in the continuing existence of structures that allow tax avoidance for their own advantage.

Jason Ward: To piggyback on comments made by Professor Deneault, I'll say that I think trust is deeply undermined. I think the general public in Canada is widely aware that some of the largest multinationals—Brookfield included and a lot of U.S. multinationals—pay such low tax rates when workers, who get paycheque and payroll deduction of their taxes, pay full freight and expect more for their dollar from public services.

It completely undermines trust in the system if you have small business operators who can't afford to hire “Big Four” accounting firms, who can't afford to hire a team of tax lawyers, who can't set up Swiss bank accounts and tax haven subsidiaries. They're paying the bills for the big corporations that are using those same services, and it completely undermines trust in the tax system and in public institutions overall.

I think this is the reason that you have people like Donald Trump and Bolsonaro; it's that people have been impacted negatively by globalization. They can see that the richest and most powerful in the world are benefiting from this system that they designed, that they continue to influence and that they continue to write the rules on.

I completely agree with Mr. Deneault in terms of a unitary taxation, where you're looking at a company as a whole and are taxing it as a whole entity. That does happen in 27 U.S. states. There's an opportunity to close a loophole in those states so that they're not able to shift income offshore. There's a model that exists. This was part of the OECD pillar one proposal, a small part of it. It's been legitimized as a practice, and it really needs to carry forward. I think—

• (1720)

Garnett Genuis: Thank you.

For a further point of precision, in the minute or so I have left... What you're describing is people who are designing the rules and also personally benefiting from the rules, allowing tax havens to continue to operate.

Having Mark Carney as our Prime Minister, coming from Brookfield and continuing to be invested in Brookfield, is effectively like having someone say, “Okay, now I'm the referee. Now I'm adjudicating the system—or am supposed to be adjudicating the system—in the public interest, but I'm still on the payroll of one of the teams.” It has someone coming from Brookfield, benefiting financially from Brookfield and using these aggressive tax avoidance structures while in a position in which they're supposed to be defending the public interest. However, they're personally invested in an outcome that is, at best, partisan to one side of it, but likely is contrary to the public interest and the common good in general.

The Chair: Give a very brief response, please. You have about five seconds.

Jason Ward: Absolutely.

I think you have to have trust in the system. If Mark Carney wants to come clean as the Prime Minister and move forward on this, I think that the government should be putting forward legislation on public country-by-country reporting.

The Chair: Thank you, Mr. Ward.

That concludes the time.

We'll continue with Mr. Turnbull, please, for five minutes.

Ryan Turnbull (Whitby, Lib.): Thanks to the witnesses for being here.

It's good discussion today.

I want to try to just ground our discussion here in some facts. From my perspective, the government has done quite a number of things over the last decade to address these issues. I think we should all acknowledge some good steps have been taken.

For example, Canada implemented pillar two, by enacting the Global Minimum Tax Act, effective beginning in 2024. The government also announced its intention to implement the secondary backstop rule, known as the undertaxed profits rule, which would be effective December 31, 2024.

We also have moved forward with country-by-country reporting. That's Action 13, introduced in Canada, in effect as of 2016. New limitations on interest deductibility, Action 4, were implemented in Canada under the excessive interest and financing expenses limitation rules, effective October 2023. We also moved forward with new hybrid mismatch arrangements, Action 2, adopted in Canada, in effect as of 2023. Enhanced mandatory disclosure rules, Action 12, were announced in budget 2021 and received royal assent in 2023. Exchanges among the CRA and other tax authorities of certain tax rulings that could give rise to base erosion and profit-shifting concerns have also been moved forward with; these are Action 5. Enactment in 2019 of the base erosion and profit-shifting multilateral instrument, Action 15, was moved forward with, and Canada has endorsed the changes made to the OECD's transfer pricing guidelines.

Budget 2025 also includes modernization of Canada's transfer pricing rules, including administrative improvements; strengthening the general anti-avoidance rule; a crypto asset reporting framework; and a common reporting standard, which would be effective January 1, 2027. We're also moving forward with a number of amendments to the Global Minimum Tax Act, which I think are positive steps in the right direction.

In budget 2025 we intend to limit the deferral of refundable tax on investment income. We're also moving forward in the budget with the Proceeds of Crime (Money Laundering) and Terrorist Financing Act, and a financial crimes agency, which will lead enforcement on financial crimes, including money laundering and complex financial crimes, often linked to offshore tax evasion.

Those are a series of things that this government has done, and I want both of you to acknowledge that those are steps in the right direction, if you're willing to. Obviously, it's up to you, but I think those are positive steps in the right direction. I understand that you want us to do more. You're very knowledgeable about this subject matter, but can you at least acknowledge the government has done some good things for us?

Mr. Deneault, and then Mr. Ward, give a short answer, please.

• (1725)

[Translation]

Alain Deneault: Thank you.

The short answer is that there are only three indicators that matter.

First, there are foreign direct investments. According to Statistics Canada data, multinational corporations continue to actively transfer assets to foreign countries. When we look at the top 10 countries or companies—

[English]

Ryan Turnbull: Mr. Deneault, I'm sorry to interrupt you. Could I just get you to answer yes or no to whether you think those things that I listed were positive steps in the right direction? That was the question I asked.

[Translation]

Alain Deneault: No. It's just posturing, because there are no consequences for tax revenues that would ultimately allow the gov-

ernment to implement social programs on the scale that is expected. Companies continue to actively transfer assets abroad, the tax base continues to be the result of middle-class taxation, and social programs remain underfunded and poorly funded in this country.

[English]

Ryan Turnbull: Mr. Ward, would you be able to answer with a short answer—yes or no?

Jason Ward: There has been progress, but it's not nearly enough.

Some of the progress has recently been unwound with, basically, the death of OECD's pillar two, the minimum tax. Exempting the U.S. makes it pretty useless. Pillar one, which was aimed at the largest companies in the world, is dead, because the U.S. won't adopt it.

There have been some steps forward and several steps backward as well.

Ryan Turnbull: Thank you very much.

The Chair: That concludes the time. I'd like to thank the witnesses on behalf of the committee for your appearances today. We will take a short break as we bring on the witnesses for the next section of today's meeting. I will suspend very briefly.

• (1725)

(Pause)

• (1730)

The Chair: I call this meeting back to order. We will resume.

I'd like to welcome our second set of witnesses for today. We have Silas Xuereb, an economist for Canadians for Tax Fairness, and Sasha Caldera, the campaign director, beneficial ownership project at IMPACT Transforming Natural Resource Management.

All virtual witnesses have conducted a mandatory witness onboarding test, and I would like to make a few comments for the benefit of our new witnesses.

Please wait until I recognize you by name before speaking and, for those participating by video conference, click on the microphone icon to activate your mic and please mute yourself when you are not speaking. For those on Zoom, at the bottom of your screen, you can select the appropriate channel for interpretation: floor, English or French. This is a reminder that all comments should be addressed through the chair. You will each have five minutes for opening remarks, after which we will turn to the committee members for questions.

We will begin with Silas for five minutes.

Please go ahead.

Silas Xuereb (Economist, Canadians for Tax Fairness): Thanks, Madam Chair.

My name is Silas Xuereb, and I'm an economist and policy analyst with Canadians for Tax Fairness. I'll begin my remarks today by explaining why we think that tax havens matter. I think that the use of tax havens matters because they destroy any semblance of a level playing field in the economy, and Canadians are aware of this.

On a radio show during the election, when Brookfield was the talk of the town, a host asked me why it was legal for megacorporations and the ultrawealthy to shelter their income abroad but not for working Canadians and small businesses. Afterwards, I felt a bit ridiculous because I tried to explain that, well, technically the laws apply equally to people like us and megacorporations. She's right. What does it matter if on paper the same laws apply if one group has millions of dollars to hire expensive lawyers to exploit the laws to the maximum, and the other group doesn't even know the laws exist? This needs to change.

Our tax laws, other witnesses have mentioned, should be based on clear principles that are openly and democratically debated. For this, we need transparency. We need to know how much revenue is being lost and where. We need to understand the latest strategies that multinationals are using to avoid taxes.

Right now, unfortunately, it's really difficult to estimate precisely how much profits are shifted abroad every year and how much tax revenue we're losing. A Tax Justice Network report estimated that Canada loses about \$15 billion in tax revenue a year to corporate profit shifting and undeclared offshore wealth. Again, it's uncertain, but if this is accurate, this is enough revenue to fully fund the long-awaited single-payer national pharmacare program and our recently implemented dental care program.

Canadians deserve better than the system as it is. We deserve to see the data for ourselves. We deserve a tax system where the spirit of our laws is upheld rather than just the letter. Of course, some meaningful reforms like the Global Minimum Tax Act and reforms to the GAAR have been implemented over the past few years. These are welcome steps but, from the data currently available, there's no evidence that the problem is getting better. In fact, it's only getting worse.

StatsCan data shows that in 2024, Canadian multinationals and wealthy individuals held over \$682 billion in 15 tax havens alone. This is a 165% increase over the past decade. In case there's any doubt as to whether this is real, tangible investment, Canada has more investment in these 15 tax havens, which are home to only about 50 million people, than the rest of the world combined if we exclude the United States, where over 7.5 billion people reside.

What can we do to fix this? We can close the loophole that allows corporations to return profits from tax havens to Canada tax-free. I think this has also already been mentioned in this committee. This favourable tax treatment was originally restricted to countries with which Canada had a comprehensive tax treaty, but a regulatory change in 2009 opened the door to much wider tax avoidance by extending this favourable treatment to countries with which we only had a tax information exchange agreement, which is a much simpler document that doesn't ensure alignment between our tax systems. We can also expand transparency through public country-by-country reporting, another thing that's come up already. Again, this is something that's already been implemented by the EU and Aus-

tralia. Third, we can support international processes to establish fair global standards for taxation. Now that the OECD process has stalled out, as we've already heard as well, we need to support a strong and fair UN tax convention. Negotiations for that are currently under way in Nairobi, and Canada should be supporting those as much as they can.

I'll leave it there for now. I look forward to your questions and to going into more detail.

• (1735)

The Chair: Great. Thank you so much, Mr. Xuereb.

We will now go to Mr. Caldera for five minutes, please.

Sasha Caldera (Campaign Director, Beneficial Ownership Project, IMPACT Transforming natural resource management): Madam Chair and fellow committee members, thank you for inviting me to speak today. My name is Sasha Caldera. I'm campaign director for the beneficial ownership project at IMPACT. IMPACT is a natural resource governance organization, based in Ottawa, whose mission is to tackle conflict minerals and illicit financial flows. We have staff and operations in Africa and in Canada.

For the past eight years, I've been leading a coalition of three civil society organizations to advocate for a public beneficial ownership registry with our partners Transparency International Canada and Canadians for Tax Fairness. We were successful, as Canada launched a publicly accessible and searchable beneficial ownership registry that is free of cost as of January 2024.

Today I'm pleased to share my thoughts concerning offshore tax havens. It's really important to take stock of the problem that we are trying to address. Tax havens are jurisdictions commonly used by nefarious individuals to aggressively avoid or evade taxes, robbing governments of the means to fund public services that citizens depend on, such as health care, clean drinking water and schools. Committee members have heard from a variety of expert witnesses. I want to offer a novel dimension to the conversation and discuss an aspect that tax havens have in common—namely, anonymous shell companies, transparency of the ultimate beneficial owners and money laundering.

In 2025 Finance Canada published “2025 Assessment of Money Laundering and Terrorist Financing Risks in Canada”. The report builds from prior assessments, and notes:

Money laundering linked to tax evasion deprives governments of revenues and capacity to spend on public infrastructure, goods, and services. Statistics Canada estimated underground economic activity, i.e., activity that escapes measurement due to being hidden, illegal, or informal, at \$68.5 billion, or 2.7 per cent of total [GDP] in 2021.

Canadian corporations possess a very high vulnerability to money laundering. There may be more than 2,000 organized crime groups operating in Canada, and transnational organized crime groups regularly use anonymous shell companies to launder the proceeds of crime. The assessment report goes further, stating:

Corporations can be structured to conceal the true ownership of property, businesses, and other valuable assets. With authorities unable to ascertain their true ownership, these corporations can become tools for those seeking to launder money, avoid taxes, or evade sanctions.

Noting the vulnerability of corporations in Canada, shelf and shell companies are a phenomenon that countries around the world are trying to tackle. World-class beneficial ownership registries have been identified as one policy tool to deter tax evasion and assist competent authorities with investigations.

Here at home, we recognize efforts by public servants at Finance Canada who are working with provinces and territories to implement provincial beneficial ownership registries. As British Columbia, Ontario and Quebec have already committed to implementing or have implemented their own registry systems, a pan-Canadian co-operative agreement to advance beneficial ownership transparency is needed so that there are no weak points across the country.

To accelerate progress, we recommend that Minister Champagne strike a collective agreement with provincial and territorial finance ministers. Provincially registered companies can send beneficial ownership information directly to provincial beneficial ownership registries. Subsequently, this information may be shared in a centralized registry system. It is worth noting that a similar agreement was reached by finance ministers in 2017.

To conclude, a pan-Canadian collective agreement will be a game-changer in the global fight against tax evasion, organized crime, corruption, bribery and terrorist financing. This is because tax authorities, law enforcement, civil society and journalists can use a public registry to pinpoint suspicious actors. Transparency-oriented policy tools are the best deterrent mechanisms to combat tax evasion, which naturally relies on secrecy.

Speaking as someone who was born in Richmond, British Columbia, a pan-Canadian agreement will mean a lot for my hometown and for communities across Canada. Richmond is one of the entry points for money laundering in Canada. The harm done to the province has been well documented, as home prices have been artificially inflated and are out of reach for much of the middle class and working class.

Thank you so much for your time. I'm happy to take your questions.

• (1740)

The Chair: Great. Thank you, Mr. Caldera.

We will now turn it over to Mr. Kelly for six minutes, please.

Pat Kelly: Thank you, Chair.

Mr. Xuereb, in the earlier panel we had today, testimony a couple of times referred to the fox guarding the henhouse. This was in reference to the fact that, for example, in Canada the Prime Minister had formerly been the chair of Brookfield, a company that your or-

ganization has identified as one of the leading tax avoiders through the use of offshore tax havens. His financial disclosure leaves one to conclude that his so-called blind trust, maybe closer to a Venetian blind trust, would contain long-term interests in Brookfield.

Do you agree that Canada is a country that does suffer from this phenomenon of the fox guarding the henhouse when it comes to offshore tax avoidance?

Silas Xuereb: It's certainly been a problem, not just for the current government, but for successive governments, unfortunately. We've seen a lot of people in power very closely connected to tax havens. Paul Martin was closely associated with them. We had policies under the Harper government that expanded this loophole for tax information exchange agreements, which allowed further tax avoidance.

Unfortunately, it's been a recurring problem in Canada that a lot of very powerful people have been very closely associated with the issue of tax havens. This is why we need transparency on this issue more than ever. It's so we can really see who exactly is benefiting from this and what we can do to close these loopholes.

Pat Kelly: I would think an absolute minimum level of transparency might be the CRA giving the information that successive parliamentary budget officers have asked for so that they can measure and assess the CRA's presumptions about the tax gap.

Do you think it's important that the parliamentary budget officers get the information they have asked for for years in order to measure the tax gap?

• (1745)

Silas Xuereb: It would definitely be great to have a second set of eyes on those numbers the CRA has published. If there's a way to get the PBO those figures so that we can have [*Technical difficulty—Editor*] analysis of the tax gap, that would be great.

If we were able to implement something like public, country-by-country reporting, we could have not just the PBO looking at these numbers, but also civil society organizations and academics looking at these numbers. They could estimate not only the tax gap from tax evasion, which I think is what the CRA is focused on, but also the tax gap from tax avoidance. That is technically legal, but it still costs us a lot of public revenue.

Pat Kelly: Right.

One of the ways it could be done is by passing a bill that is currently in the Senate. It's identical to the bill that was passed by the Senate and presented to the House of Commons. I sponsored it in 2019 in the House of Commons. This is Percy Downe's bill. It was also passed in the Senate in 2024 and tabled in the House of Commons. It did not pass then either.

I think we have the tool. We need the willingness of the members of the governing party to get behind it and allow it to pass.

In the couple of minutes we have left, I'll ask either witness if they want to comment on the societal cost of tax evasion, aggressive tax avoidance and systematic tax avoidance. How does that shift the tax burden within Canadian society? Does either witness think it creates a problem across the board with Canadians' attitudes toward tax compliance?

I'll start with Mr. Xuereb and then go to our other witness.

Silas Xuereb: It is a problem when we have large corporations and wealthy individuals who are able to use these very complex tax planning structures to minimize their taxes. Of course, the government is still going to pay its bills one way or another. It's just increasing the proportion of taxes coming from middle-class and lower-income earners who aren't able to use those same structures. It's definitely shifting the burden—

Pat Kelly: If I may, would it also increase the debt load?

Silas Xuereb: Yes.

Pat Kelly: Okay.

I'll give the last 20 seconds or 40 seconds or so to Mr. Caldera. Do you want to address the question?

Sasha Caldera: I fully agree with Silas.

What we're seeing is an accumulation of assets by the top 1% and 0.5% of folks who are categorized by net worth in Canada and globally. That means those individuals have greater purchasing power. They are able to purchase assets from the government and pass those costs down to the middle class and the working class, and then costs go up. That's why we're seeing so much commentary about the cost of living, food costs, veterinary costs and all of the other things that are—

The Chair: Thank you, Mr. Caldera. We're going to have to end it there.

Thank you, Mr. Kelly.

We're going to move now to Mr. Leitão for six minutes, please.

Carlos Leitão: Thank you very much.

Gentlemen, thank you for coming to our committee to talk about this very important issue.

Mr. Caldera, I'll start with you. You mentioned the beneficial ownership process and the fact that some of the bigger provinces have already implemented that. You talked about the necessity to come up with a pan-Canadian agreement.

Could you perhaps elaborate a bit on that? We have the three large provinces—B.C., Quebec and I think Ontario—already on board. How do you envision the federal government leading the process to make sure that we have a pan-Canadian system in place?

Sasha Caldera: Yes, after many years of work, three of the biggest provinces have come on board. Ontario just announced that it is committing to a beneficial ownership registry system that is going to be aligned with the federal government system. There's a planned implementation date of 2027.

In terms of a pan-Canadian agreement, in practice all it really boils down to is provincial and federal finance ministers agreeing to implement beneficial ownership registries in their own provinces. The design of these registry systems is aligned with the federal government's system, which is otherwise known as the individuals with significant control register. The information is then shared between the provincial registry systems and the federal system so that there's a single lookup function.

A similar agreement was already struck in 2017 with then federal finance minister Bill Morneau. He met with his provincial and territorial counterparts and required federal and provincial companies to document or hold beneficial ownership information internally, and this pan-Canadian collective agreement would be the logical next step.

This is what can pave the way not only for greater transparency but also for deterrence in money laundering and deterrence in tax evasion. It would end up making requirements under the automatic exchange of information a lot easier, and it's in line with public country-by-country reporting initiatives.

• (1750)

Carlos Leitão: You mentioned the 2017 agreement. I was there, in another parliament at the time.

In 2019, in fact, the Quebec legislature did pass a beneficial ownership law. It wasn't easy. There was a lot of push-back, but it was done. I understand why other provinces might feel a little reluctant to go that way, but I think that for this system to work we absolutely need to have all the provinces on board. Yes, I would certainly pass that on to the current finance minister that in the next federal-provincial finance ministers' agreement I think that issue should be on the agenda.

I think my time is going by, but you made some references to organized crime and to the fact that Canada is perceived by some international organizations as an easy target. In budget 2025, we do have provisions to fight financial crimes. Have you had a chance to take a look at that section of the budget? If so, what do you think of it?

Sasha Caldera: Yes. Thank you for the work you did on beneficial ownership during your time in Quebec. Quebec actually has one of the stronger beneficial ownership registries in the country.

As far as budget 2025 is concerned, there are some really positive developments in fighting financial crime, such as the financial crimes agency. I think it's a very good start. One modification is that it should go beyond just combatting fraud and should include broader corruption threats as part of its mandate. That's an area for improvement.

Some of the funding for the Canada Border Services Agency and the RCMP is very welcome and is badly needed right now, because enforcement is one of the weak links when it comes to money laundering and disrupting organized crime across the country.

Carlos Leitão: I just have a quick question, if we have time.

It's a little bit out of left field: What do you think about cryptocurrency?

I view that as the ideal way of laundering money. What do you think of it?

The Chair: Could we have a 10-second response, please?

Carlos Leitão: Is crypto bad?

Sasha Caldera: Crypto is bad, but conventional financial flows are where you still want to focus your attention.

• (1755)

The Chair: Great. Thank you very much.

[Translation]

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

Jean-Denis Garon (Mirabel, BQ): Thank you, Madam Chair.

I would like to ask you a question, Mr. Xuereb. Earlier this week, a researcher told us that in Canada, there was a certain lack of transparency regarding access to data, whereas several countries, such as France, Australia and the United States, have access to tax payments and more granular tax data. It seems that Canada is somewhat behind the times when it comes to data transparency.

Do you think this hinders researchers' ability to assess the extent of tax evasion and avoidance in Canada?

[English]

Silas Xuereb: Definitely, I think the lack of data makes it a lot harder to estimate exactly the scale of tax avoidance.

As Jason mentioned in the panel beforehand, the Australian example of public country-by-country reporting legislation is really exemplary. The data has not started coming out yet, but it's going to come out in the next few months. That will be a treasure trove for figuring out what exactly the scale of the problem is here, which particular companies are doing it and which countries are the links between that are the most important and that we need to be looking at.

Some data has already come out from Luxembourg from public country-by-country reports. Quebec's research institute, IRIS, has done some great work documenting all the Canadian companies that were found in their data, showing profit shifting that companies like.... Off the top of my head, Cenovus Energy is one company in that data that they found had shifted a lot of profits to Luxembourg subsidiaries. They were able to document over \$100 billion, I think, of profit shifting to Luxembourg just from that one country's public country-by-country report.

If we had all the public country-by-country reports coming from Canada, we would have a lot more data to see exactly which companies are shifting their profits and what loopholes they're using, so we could put a stop to it.

[Translation]

Jean-Denis Garon: Thank you.

Madam Chair, with all due respect and deference to the witnesses, I would like to put forward for debate the motion I gave notice of on Monday, November 17. It reads as follows:

That, given that, according to the Parliamentary Budget Officer's report, the projected deficit has more than doubled since the 2024 Fall Economic Statement, that the new spending measures transform what would have been a surplus operating balance into a deficit, that he considers that the overly broad definition of capital investments used by the government creates a major discrepancy with his estimates, that the lack of an objective definition of these investments directly influences budgetary decisions, and that the Parliamentary Budget Officer's stress tests indicate that it is unlikely that the government will meet its budgetary anchor of reducing the deficit-to-GDP ratio,

the committee invite the Parliamentary Budget Officer as soon as possible, for a period of two hours, to examine the current budgetary situation, the methodology surrounding capital investments, and the government's ability to meet its financial commitments;

and that the testimony of the Parliamentary Budget Officer must necessarily take place before the study of the budget implementation bill begins.

The Chair: Thank you, Mr. Garon.

Do any members of the committee wish to discuss this?

You have the floor, Mr. Garon.

Jean-Denis Garon: I would like to explain.

The budget has been tabled and passed. We must now study the budget implementation bill.

We must avoid overly partisan discussions about the budget. We are meeting here in committee, and we will have to study the bill clause by clause, so we need to start off on the right foot. Welcoming an independent officer of Parliament is the best way to get off on the right foot. The Interim Parliamentary Budget Officer is a credible officer of Parliament who was appointed by the government; he does not report to the government, but to Parliament. We have all worked with Parliamentary Budget Officers for several years, so we know how remarkably competent and independent they are. They are at our service; we are their clients.

When the Parliamentary Budget Officer raises criticisms and questions, or voices budgetary concerns, there are two possible reactions. The first is the Trump-style reaction, which is to disrespect the institution. It is a bit like attacking judges, commissioners or independent officers of Parliament. This must be avoided.

If we do not want to behave like some of our neighbours to the south, who show gross disrespect for institutions, we can adopt the second response and invite the Parliamentary Budget Officer, because we will have questions about methodology for him.

We are not opposed to innovation and redefining categories. We have had discussions with Mr. Turnbull and the Conservatives on this subject. We are innovating in the presentation of budget data, but it is important to understand the ins and outs of this innovation, especially since, as I understand it, the definition used by the government is not consistent with what is done in either the United Kingdom or Singapore. In any case, it is stated in the budget that it does not comply with generally accepted accounting principles. This means that if a private company decided to use the government's definition in its financial statements, no accountant with the title of chartered professional accountant would agree to sign those financial statements without risking serious professional misconduct and possible disbarment from their professional order. We sense this unease among professionals and government officials, and we also sensed it during some in camera meetings. We would therefore like to have explanations so that we can then study the budget on solid grounds. I therefore believe that this is the first step that must be taken and it should precede any work by the committee on the implementation of the budget.

That is the essence of this non-partisan motion, especially since the text is essentially a summary of the Parliamentary Budget Officer's independent report.

• (1800)

The Chair: Thank you, Mr. Garon.

Mr. Turnbull, go ahead.

[*English*]

Ryan Turnbull: Thanks to my colleague for his remarks.

Last time the interim PBO—he hasn't taken up the permanent appointment, and so he's the interim PBO—was here, the members of this committee didn't allow him to answer the questions that I had.

I did not personally attack him. I asked him good faith questions on some of his comments that he made.

What I have trouble accepting is that Jean-Denis is putting forward this motion. If members on this side of the table are not allowed to get good faith responses from witnesses, then it seems like there's a skewed sense of transparency. You're looking for transparency. You're looking for debate. You're looking for a critical lens. You want to hear from the interim PBO, but it seems as though....

Monsieur Garon, I don't know whether you were in the seat when the interim PBO was here last. I can't remember whether it was you or not. I don't think it was. One of your colleagues was here, but they certainly, both the Conservatives and the Bloc members who were here, made sure that I didn't get an answer to my questions from the interim PBO. I'll play the tape back for you if you need it, but it was very clear that they didn't want the interim PBO to answer my good faith questions.

I have a really hard time, given the fact that the interim PBO has just been here, that you want to call him again. It seems to me that there's an imbalance and an unfairness, I would say, in how that interim PBO would be treated and allowed to answer questions from members on this side.

I also would say that the interim PBO has made quite a few contradictory statements and remarks like the latest one. He actually said that our budget was sustainable. I have a quote here from him. He says, "Budget 2025 would be deemed sustainable over the long term", which was in his most recent report. Prior to the budget, he had made some broad statements about the budget in public that were inconsistent with his assessment now. Now, that's not me undermining him. In a sense, his own statements sort of contradict themselves, and it's for this reason that I think we need to have a very balanced approach. I think we should have the ability to have another parliamentary budget officer attend as well.

When Mr. Jacques was here, he said that he very much admired the former PBO, Kevin Page. What we know is that there are differences of opinion even among budget watchdogs, right? They have a difference of perspectives. I think, if we're going to have a lively debate about capital budgeting framework, which I appreciate you may have a difference of opinion on, we should have a fulsome debate on that topic if we want to have a fulsome debate. Perhaps we should consider having someone like Kevin Page come as well, who has said, for example—

Andrew Lawton: Then propose an amendment.

Ryan Turnbull: I will. I'm getting to that. Thank you very much, Mr. Lawton. You don't have the floor, but when you do, I'm sure you can urge us to do all kinds of things.

Kevin Page has said, "the separation of operating and capital spending is a reporting change, not an accounting change, and it increases transparency on capital investment", which is exactly what the government had proposed to do. This is exactly why we made the announcement prior to the budget and exactly why we've been clear about what that capital budgeting framework includes and what definitions of capital investment are included. I think, to me, this would more than balance out the conversation.

• (1805)

Chair, I feel bad for the witnesses here. We should maybe let them go because we're devolving into a debate on a motion. It's clear that the Bloc members don't really care about the current study on tax havens but, if that is their choice, I understand. Perhaps we should let the witnesses go so that we can continue this debate.

Jasraj Hallan (Calgary East, CPC): Are you saying we don't have to and we can just go to a vote?

Ryan Turnbull: No. I'm suggesting that we're not going to get to a vote on this. I have lots of remarks and I have the floor. I'm just suggesting that it might be a good idea, if members agree.

Pat Kelly: On a point of order, I think this is about the practice of the committee. If Mr. Turnbull is planning to talk for the next 23 minutes or longer, I agree that it would be appropriate to invite our witnesses to disconnect if they wish, but the rest of us are prepared to continue with the witnesses.

The Chair: It sounds to me like Mr. Turnbull is prepared to speak for a while, so I will apologize to the witnesses. Thank you. I will leave it in your hands whether you would like to stay and watch this debate, but you are also free to go. Thank you very much for taking the time to be with us today.

We'll go back to you, Mr. Turnbull.

Ryan Turnbull: As I was saying, for me, there's a good case to be made for having this request from Monsieur Garon be included in a BIA prestudy. I think he made a very good case for why this should be a part of a prestudy for the BIA. I know that members now have access to those documents because they were tabled yesterday. I know it's a lot of reading for us, but, Madam Chair, in my view, we have time and resources that are valuable and we should spend them to begin that prestudy.

It would be great to have members opposite agree to have the PBO and perhaps the former PBO, Kevin Page, as part of a prestudy for the BIA. I know that members all have critical remarks in the House of Commons on the BIA. Obviously, they now have the details, so there is a lot of opportunity to get into the details, perhaps hear from witnesses in future meetings and really start to undertake the work.

I know that members opposite had claimed at numerous points in the past that they sought or would seek to have witnesses come from their jurisdictions, like Quebec, and speak to the BIA and what's included in the budget. They had, at times, even said that there was not enough consultation done. In my view, we did a lot of consultation over the summer. I know I spent a lot of the summer travelling, so the budget is in direct response to a lot of input that was given by Canadians. It would be great to have some of those witnesses come forward and speak to what they think could be improved about the BIA.

I know that members opposite will have opinions on which witnesses we should hear from and what amendments they would like to propose when we get to clause-by-clause on the BIA. There is a lot of time for that. I know that in past parliaments.... I was PS to finance before, in the last Parliament, for a period of time. A lot of prestudy work happened that was really fruitful in terms of our efforts and time spent, so I think that would be helpful.

The other thing is that our government has focused, in budget 2025, on ensuring that we have a capital budgeting framework for a very good reason. We decreased operational spending. We've outlined two important fiscal anchors. The deficit-to-GDP ratio on a declining track is very important, as is balancing the operational budget or the spending of the federal government in the next three years. These are also tied to a goal we have, which is to mobilize about a trillion dollars in capital investment, so there's a focus on capital formation. Things like investment tax credits, I believe, help to spur and stimulate private investment. We've also offered immediate expensing, which we've called the "productivity super-deduction".

There's a list of things that we've offered to boost productivity in Canada that directly responds to the things we heard from the Governor of the Bank of Canada and the deputy governor, who were here not so long ago. They pointed to very specific things we can

do to boost productivity in Canada. Many of those things are actually in the budget.

The BIA outlines the details—the specific changes to tax law. For example, manufacturers and processors will be able to write off new machinery and equipment in year one. That's a 100% writeoff. This is clearly going to boost productivity in Canada. There's no doubt about it. As a business—I ran a business for many years—you tend to save money to pay your taxes at the end of the year.

• (1810)

When you do that...but you know that the government is moving forward with things—a 100% writeoff for new machinery and equipment, or protecting your intellectual property, or helping you expense, at a rapid rate, new information technology and new clean technology, or even investing in research and development so that you can offer new products and services—it allows businesses to take the money they've been saving and invest it immediately in their operations to be more productive and grow the economy.

Monsieur Garon may argue and take issue with that and say, well, that doesn't provoke capital expenditure, but as I think we heard from the deputy governor of the Bank of Canada, those measures specifically help to spur investment. She said that anything that spurs investment, that helps to get businesses to invest in themselves, would improve productivity in Canada. I know that the Conservatives agree with me on this, because they have time and time again in the House of Commons, for the last three years easily, said that we need to do something about GDP per capita in this country. That's going to increase the standard of living for Canadians.

I see that Mr. Lawrence from the other side emphatically agrees with me. That's great. What's interesting is that he now just voted in the House of Commons against all the measures we put in the budget implementation act in order to address GDP per capita, in order to raise the standard of living and in order to give real wage growth to workers across Canada that would outpace inflation. What's kind of hard to accept...but I understand. I'm used to seeing Conservative hypocrisy all throughout parliamentary proceedings. It's just the case that we find them saying one thing one minute and doing the exact opposite the next. That's something I've gotten used to over the years here.

For me, though, I think the opportunity here is to study the BIA, as Monsieur Garon says, and to have the Parliamentary Budget Officer, with his assessment of what should or shouldn't be included in operational versus capital definitions, come to the committee. We could also balance that out with a somewhat critical lens from his mentor Kevin Page, who now runs, I think, the centre for fiscal and democratic studies, if I'm not mistaken, and who I think has a varying view on how these things would play out.

For me, it makes sense to have this as part of a BIA prestudy. Perhaps the members opposite would agree to that if I were to propose an amendment. I'm not sure whether they would or not, but I'm hopeful.

I'm sorry, Madam Chair. I seem to be losing my voice.

Some hon. members: Hear, hear!

Voices: Oh, oh!

Ryan Turnbull: Kevin Page also recently said, "In the current economic environment, I'm comfortable with budgetary deficits in the 2.5 per cent range of GDP."

Let's remember, colleagues, that Canada has a lower deficit-to-GDP ratio than Germany, Italy, U.K., France and the United States. That's including all the generational investments—I know that Mr. Garon loves the term "generational investments"—in budget 2025. By the way, those are when investments in the economy that create capital formation have returns to taxpayers and Canadians for multiple generations.

• (1815)

I also would note that Mr. Page recently said, "We need to focus on economic growth. We need capital investment to boost innovation, improve our infrastructure and diversify trade." He also said, "We live in dangerous times, and we must meet our NATO spending targets."

These are comments by the first parliamentary budget officer, who was appointed by.... Remind me. Mr. Lawrence would know this. Oh yes, Stephen Harper. Thank you. Former Conservative prime minister Stephen Harper appointed Kevin Page.

I think it was a good appointment. At seven years...he was the first parliamentary watchdog, or the budget watchdog, as members liked to call him. He's really well respected. The interim PBO was here and said how much he admired Kevin Page. I would propose to have Kevin Page attend as well. I think it's more than reasonable, if we want to get clear on what should be considered a capital investment and the definitions around that, that we should balance out the witness testimony.

I already mentioned that the interim PBO had deemed our budget sustainable. Kevin Page has also said the same multiple times. He said, "I think the analysis that we've seen from finance, from the [Parliamentary Budget Office], and from the [IMF] last year is that Canada is fiscally sustainable." That's something that Kevin Page said recently.

He also said that he thought the language from the Interim Parliamentary Budget Officer, Jason Jacques, "is just wrong, and he should walk that back, quite frankly. He should tell people that our fiscal situation is sustainable."

Again, I think we have varying opinions from these budget watchdogs. By no means are they homogeneous in terms of what they believe and what their perspectives are. I think it's good for a democracy to have debates about these things, as long as there are various perspectives and members opposite don't try to shut down Liberal members when we ask questions, that we also get the opportunity, as is our right within parliamentary privilege, to pose

questions to witness, but also to have a witness list, even the way that we—

• (1820)

Pat Kelly: I have a point of order.

The Chair: I'm sorry, Mr. Turnbull.

Mr. Kelly, please go ahead.

Pat Kelly: I'm sorry to interrupt Mr. Turnbull, given the history we've had around struggling to end these meetings within the rules.

I want to be clear that Conservatives do not give consent to adjourn this meeting until this matter has been disposed of. We understand that there are resources. We're told five hours and 15 minutes of resources—

The Chair: I'm sorry, Mr. Kelly, but this isn't a point of order.

Thank you.

Pat Kelly: Just a reminder—

The Chair: No, I've just....

Thank you, Mr. Kelly.

Pat Kelly: Five and a half hours—

The Chair: Thank you, Mr. Kelly.

Mr. Turnbull, you can continue.

Ryan Turnbull: Thank you very much.

I appreciate MP Kelly giving me a slight break for my hoarse voice. It's always really appreciated.

Kevin Page also recently said, "If you put the deficit and debt in perspective, we are not in a bad place with respect to other countries. With respect to our credit rating, we are actually in a pretty good place."

These are important perspectives to have at this committee, I think.

I'd like to propose an amendment to Monsieur Garon's...and I'm going to read it in English—I apologize. I have it in French as well, and I can send it around.

[*Translation*]

Jean-Denis Garon: I would like to raise a point of order.

I was waiting for Mr. Turnbull to finish.

The Chair: Mr. Garon, you have the floor.

Jean-Denis Garon: My first point of order concerns decorum in committee. This is the first time I have raised one, but earlier Mr. Turnbull addressed me by my first name. Is that customary in committee? I do not call people "Ryan" or "Carlos". Is it part of parliamentary standards to call people by their first names?

I think my second point of order is a real point of order. It concerns the interim Parliamentary Budget Officer. In his own motion, Mr. Turnbull refers to him as the “Interim Parliamentary Budget Officer”. Isn’t it also disrespectful to an officer of Parliament to constantly remind him of his interim status in a condescending manner?

What do you think, Madam Chair?

The Chair: Thank you, Mr. Garon. I will check with the clerks.

Neither the first nor the second point are points of order.

Jean-Denis Garon: Is it simply a matter of respect, then?

The Chair: Please wait a moment. I would remind members that they must wait until I call their name before speaking. This is also a matter of decorum.

These are not points of order but matters of decorum. I would remind all members of the committee to observe the decorum of the Standing Committee on Finance.

Thank you, Mr. Garon.

Mr. Turnbull, you have the floor.

[*English*]

Ryan Turnbull: I know that committees operate informally and, from my perspective, having been here for six years and on, I don’t know in how many committees—seven or eight committees—we’ve often used each other’s first names on the record. No disrespect was meant to Mr. Garon at all.

Also “interim Parliamentary Budget Officer” is actually the title of the interim Parliamentary Budget Officer. That’s clear. That’s just fact. It’s not meant to be disrespectful at all to him. In fact, I’ve had very good conversations with him, and I respect him very much. There’s no disrespect intended, and I hope members don’t read anything into that.

I was going to propose an amendment to Mr. Garon’s motion. Now, if you’ll excuse me, I’m going to read it in English:

Given that budget 2025 and the Budget Implementation Act 2025 have been tabled in the House of Commons, the committee invite the Parliamentary Budget Officer and former Parliamentary Budget Officer, Kevin Page, as soon as possible, for a period of two hours, to examine the current budgetary situation, the methodology surrounding capital investments, and the government’s ability to meet its financial commitments; and that the testimony of the Parliamentary Budget Officer and former Parliamentary Budget Officer be included as part of the committee’s upcoming study on the Budget Implementation Act.

That’s what I’d like to propose. I think I’ve already argued for why I think that’s an amendment that’s a good, balanced and fair amendment to be able to proceed, but I’m more than happy to debate this for as long as members want.

• (1825)

The Chair: Thank you, Mr. Turnbull.

Have you sent that in to circulate?

Ryan Turnbull: I will shortly, yes.

The Chair: We’ll just take a brief suspension while that’s circulated and everyone has a chance to receive it.

• (1825)

(Pause)

• (1840)

The Chair: We’re resuming the committee.

Is there anyone who wishes to debate on the amendment?

Mr. Leitão, please go ahead.

[*Translation*]

Carlos Leitão: Thank you very much, Madam Chair.

Through the subamendment we have proposed, we agree that the interim Parliamentary Budget Officer and Mr. Page should appear before the committee.

We want to talk to both of them, and that would be—

[*English*]

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

I know there are several new members across the way—and the parliamentary secretary has lost his voice—so maybe I would remind the new members that they can just go to a vote at any time.

The Chair: That is not a point of order. Thank you, Mr. Lawrence.

Mr. Leitão, please continue.

Carlos Leitão: That is useful information. We know that, and precisely what we would like to accomplish is to go to what Monsieur Garon was saying at first.

[*Translation*]

This is a matter of disrespect for institutions, since the institution in question is the House of Commons, which voted on Monday to approve this budget.

The House now wishes to move on to the next stage, which is the debate, discussion and analysis of Bill C-15 on budget implementation. I therefore believe that this should be our mission. This should be our primary role, precisely to maintain respect for the institution that is the House of Commons.

In a spirit of collaboration, we have therefore proposed adding Mr. Kevin Page to Mr. Garon’s proposal. We have also proposed that this discussion, this analysis and this debate, which would take place at our next meeting, be part of the pre-study of the budget implementation bill. I do not think this is so far removed from what Mr. Garon is proposing.

Frankly, I don’t understand what the obstacle is and so I am somewhat mystified. In my opinion, it is important to move forward with this step because it is urgent that we do our job and implement the budget that the House has approved. It is urgent because the current situation is particularly complex. Obviously, the decisions made by our neighbours in the United States regarding tariff policy are, to put it generously, a little chaotic.

These decisions have had several impacts. First, they have created enormous economic uncertainty, not only in North America, but around the world. This uncertainty has caused a marked slowdown in the Canadian economy. Yes, the economy is slowing down. The second quarter was negative. We believe that, in terms of GDP growth, we will return to a positive situation in the third quarter.

It is obvious that the economy remains very weak due to this uncertainty and the chaotic economic policy of our neighbours. Very few companies are investing in anything until they know what the rules of the game are. This chaotic tariff policy has also put upward pressure on prices, particularly in a sector that our Conservative friends often mention, namely food. Food prices remain high, but this is really the result, the consequence of the American tariff policy, which has caused grocery prices to rise on both sides of the border.

• (1845)

Inflation remains a challenge. In Canada, it is under control and within the Bank of Canada's target range. However, given the real challenges arising from upward pressure on the prices of essential goods such as food, the situation remains complex. This not only has an impact on everyday life, but also has macroeconomic effects because if people have to spend a larger portion of their budget on essential goods, they are obviously less inclined to invest or spend on other things. This contributes to the economic slowdown.

In light of the foregoing, I reiterate the need to begin work on implementing the budget. What we are facing now is not a simple cyclical fluctuation that will resolve itself in two or three quarters. It is not that at all. As our Prime Minister has said many times, this is a disruption.

We are facing a disruption, a structural shock affecting the Canadian economy, which is why we need to act quickly. That is why our budget, which was tabled and passed in the House of Commons, provides for huge investments in the Canadian economy. The budget does indeed call for a \$78 billion deficit, but now is the time to face this uncertainty and help the economy to get through this period. The economy needs government support.

However, for this support to materialize and begin to take effect, we must do our job, and after a thorough analysis and study, implement the budget. I therefore fully agree with Mr. Turnbull's sub-amendment that we invite the interim Parliamentary Budget Officer and Mr. Page. We would then spend the next two hours in committee questioning these two individuals. This would be part of the preliminary study to launch the process of implementing the budget bill.

Another issue is also particularly important; it is a problem we have had in Canada for a long time, and that is significantly low productivity. There is a lack of productivity growth. Once again, this budget contains some very interesting measures to boost productivity.

This brings us to the heart of Mr. Garon's motion, in which he protests that the definition of capital investments is, at the very least, vague and seeks to hide something.

However, we are not hiding anything at all. All the information is there. And as my colleague Mr. Turnbull as well as Mr. Page mentioned, this is not a change in public accounting. What we are changing is the way the information is presented. We are not hiding any information. Ultimately, we are adding information so that Canadians are well aware of and well informed about government measures.

• (1850)

We have broken down government spending into operating expenses and investments. Everything is there. We are not hiding anything. The bottom line of the budget is clearly stated. It is a deficit of \$78 billion. We are not trying to hide the size of this deficit, which is significant. Once again, \$78 billion is a considerable amount, but it is 2.5% of Canada's GDP.

When it comes to changes in public finances, I suggest we don't look at them in absolute terms. We must always put them into perspective in relation to the size of the economy to determine whether they are exceptional, and whether we have the capacity to absorb such deficits. A deficit of 2.5% of Canadian GDP is not unprecedented. Unfortunately, in Canadian history, we have had other deficits that were much higher than 2.5% of GDP.

When we make comparisons with other countries, a deficit of 2.5% of GDP is quite manageable. I would remind you of the discussions that were held in Europe when they were trying to create the single currency, the euro. Mr. Garon might like me to mention this. The Maastricht rules were created. At that time, the Europeans clearly stated that European Union member countries should commit to having public deficits that did not exceed 3% of GDP. That was the golden rule of Maastricht.

Our deficit, which is supposedly huge, is equivalent to 2.5% of GDP. This deficit will decrease over the coming years.

• (1855)

[*English*]

Andrew Lawton (Elgin—St. Thomas—London South, CPC): I have a point of order.

The Chair: Yes, Mr. Lawton, go ahead on your point of order.

Please make it a real point of order.

Andrew Lawton: Absolutely.

I do not doubt my colleague's knowledge and interest in the Maastricht Treaty and the conversion to the euro. I fail to see what this particular line of the filibuster has to do with the amendment that we are supposed to be debating right now. It's a relevance point of order.

Philip Lawrence: That's a legitimate point of order.

Andrew Lawton: Are you saying the Maastricht Treaty is connected to Mr. Turnbull's amendment?

The Chair: Thank you, Mr. Lawton.

Mr. Lawton, Mr. Leitão has the floor.

Thank you very much.

Carlos Leitão: We're talking about the budget. We're talking about the deficit. We're talking about the necessity to move ahead with the budget implementation act, and we are suggesting that we include the discussion with Mr. Page and Mr. Jacques within the prestudy of that.

The reason I was trying to explain why that is necessary is that the government felt that we had to intervene. We had to support the economy with massive investments, which we did. We are not hiding anything.

The deficit of 2.5% of GDP is entirely manageable for the Canadian federal government. It is within reason, particularly since, for the most significant portion of that deficit, those funds are going to be used to invest and to improve the supply side of the economy to make sure that we do have sufficient productive capacity so that we can grow in the future and grow in a non-inflationary way.

Madam Chair, in the meantime, we also need to realize that if we do nothing.... What this international situation has already caused is a lowering of the growth path for Canadian GDP. Canadian GDP is already on a lower path. It will still be going up in a kind of cyclical way, but in the absence of government intervention and sufficient government fiscal impetus to the economy, we would not be able to return to the pre-shock level of GDP activity.

All of this is to say that there is a sense of urgency in proceeding with our analysis and discussion of the budget implementation act and that we do that as soon as possible. In the prestudy to that analysis, if we can have Mr. Page and Mr. Jacques come here to discuss it with us, then I think we would all be better off, and we could start this very important work.

One should not take things for granted. Without public support at this very critical time, the Canadian economy could slide into a situation where we really don't want to go. We already have some sectors that have been targeted by our neighbours with specific tariffs—namely steel and aluminum but also lumber and, of course, automobiles. These are important sectors in our economy. This just shows that we need to get going with our own process of redirecting and making sure that the Canadian economy is on a more resilient and more stable path for the future.

This moment is not the one in which to start imposing very restrictive fiscal policy, as our Conservative friends appear to suggest. In recent discussions and in recent statements in the House of Commons, they view that this deficit is way too high.

● (1900)

The conclusion I take from those statements is that they would rather have \$40 billion to \$50 billion less spending so that the deficit would be smaller. However, at this particular point, if we were to have such a drastic reduction in public investment, that is what some economists usually refer to—and Monsieur Garon knows this very well—as toxic austerity, and I don't think we want to go there.

That would certainly plunge the Canadian economy into a deep recession if we were to do that at this particular time and adopt a superrestrictive fiscal policy. That's one of the issues, for example,

we could discuss with Mr. Page and Mr. Jacques. What is their view of the role of fiscal policy? What do they think would happen to the Canadian economy if, in 2026, we were to cut \$40 billion to \$50 billion from planned investment, as we've stated in our budget? That's why it's very important to start this work.

I think there is general agreement that, yes, we should have Monsieur Jacques and then Monsieur Page appear before the committee. I think it's fairly consensual that we do that, but that appears to be something that our friends on the other side are not willing to accept, which is unfortunate. We think it's reasonable, on our side, to do it that way, to get the prestudy going and then to get going on the budget implementation act.

Madam Chair, for now, I would stop here, but I would certainly allow my colleagues to express their opinions as well, and I will return with some more comments.

The Chair: Thank you, Mr. Leitão.

Mr. MacDonald.

Kent MacDonald (Cardigan, Lib.): Thank you, Madam Chair.

I would just say to my colleagues that basically we're looking at a motion and an amendment to the motion that are going to inform us a little more on making decisions as we go clause by clause on the BIA.

Mr. Garon talked about the capital and operating expense definitions in his motion. I'm not a former minister of finance from Quebec, but I ran a business, and we all know that capital items are investments and that operating expenses are operating expenses.

We can debate the criteria on either side, but I think we have to follow the will of Parliament. There was a vote that was very close, but there was a decision made. They voted in a majority to support this budget 2025. There are many measures in budget 2025 that constituents in my riding, in my province, in Atlantic Canada are waiting for. Due to the uncertainty in the economy, which is caused by the tariffs, we need to implement the investments, get on with the program of governing and move forward.

I guess I question why we're not going right to a vote on this because we should have full support for bringing in more informed opinions. All that the parliamentary secretary has amended is to bring in Kevin Page, a well-respected former parliamentary budget officer, appointed by Stephen Harper way back in the day. Surely a second opinion or more information is not going to harm our ability to study the budget implementation act going forward.

I think we really need to bear down on what our role here is at committee. The BIA is tabled in the House. There's a sense of urgency in the country to get some investment going so that we can turn our economy around. For those reasons, I support the amendment. I want to get on with the business of governing and studying the BIA so that we can implement all those measures of investment as soon as possible for the Canadian economy.

I'll turn it over to my colleague here now.

● (1905)

The Chair: Is Mr. Leitão next on the list?

Kent MacDonald: Perhaps Mr. Turnbull can—

The Chair: Okay. We can add to the list.

Mr. Turnbull, please go ahead.

Ryan Turnbull: Thank you to my colleagues for chiming in and contributing to the debate. I know that it's an important debate to have on this particular topic. We should get down to studying the BIA.

Thank you very much, my friends.

Monsieur Garon, I appreciate you very much.

I'd like to start by saying that Canada has a very strong fiscal position when compared to our G7 peers. For example, we have the lowest net debt-to-GDP ratio in the G7. I know we often say that in Parliament, but I don't know if members opposite have had the chance to actually see how much lower our net debt-to-GDP ratio is than that of our G7 counterparts. Canada is at 13.3%. Germany, which is the closest to us, is at 48.7%. The United Kingdom is at 94.6%, the United States at 99.6%, France at 108.2%, Italy at 126.9% and Japan at 130.1%.

That's actually in the budget. It's a database that's collected by and published in "The Fiscal Monitor" of the International Monetary Fund. These are the latest indicators on who in the G7 has the lowest net debt-to-GDP ratio. That's a significant indicator of Canada's strength. As my colleague was eloquently saying earlier, this is one of the reasons why Canada has the fiscal space.

According to the managing director of the International Monetary Fund, Canada is focused on growth. I'll quote her: "The areas that Canada [has] identified—housing, infrastructure, energy...strategic projects. These are areas...[where] Canada can lift up productivity." She says, "...we have countries in the G7 that are in a better [fiscal] position. Germany and Canada stand up in that regard...[they] recognise that [this is a] very testing time, [and] they need to use their fiscal space."

This is an acknowledgement from the head of the International Monetary Fund, who recognizes that Canada and Germany, which share a AAA credit rating, actually have the fiscal space to invest in themselves, to invest in housing, infrastructure, energy and strategic projects, all of which will lift up productivity. Those investments are important.

Right now, at this juncture, obviously, because our country and its economy are being threatened by the trade war that has disrupted the global economy, and as our economy was intertwined with the United States for many years of integration between supply chains in Canada, there's a process of disentanglement that's going to need to take place. In order to do that, to counteract the drag on our economy, we need to make strategic investments, those investments in our industries that have strategic advantages to grow.

We're doing that with multiple very sizable investments, with a focus on capital investment. I know that some of my colleagues are interested in questioning the definition of what counts as a "capital investment" and I think that's a legitimate conversation to have. It's a legitimate conversation to start a study on the budget implementation act. I know that members would be aware that it was tabled in

the House yesterday and that there are copies available for members of Parliament.

There's certainly information that can inform this debate, and it would be great to start it out in the right way, to have the parliamentary budget officers, the interim one and the former one, come and present their perspectives. Certainly, all committee members could take the time to ask them questions.

● (1910)

I also mentioned earlier that Canada has one of the lowest deficit-to-GDP ratios as well. It's currently at about 2.2%. I have those figures as well here that I believe are very important. Japan is the only country in the G7 that has a lower deficit-to-GDP ratio than Canada. Canada is at 2.2%. But notice that Japan has a lot higher debt-to-GDP ratio than Canada does. Canada has a 2.2% deficit-to-GDP ratio and has committed to a declining ratio over time. Germany has a 2.5% deficit-to-GDP ratio, Italy, 3.3%, United Kingdom, 4.3%, France, 5.4% and the United States, the highest in the G7, has a 7.4% deficit-to-GDP ratio. Those are numbers that may not mean anything to members opposite, but they certainly imply that Canada has a healthy balance sheet.

Experts around the world, including the IMF, including the Bank of Canada governor, including former PBO Kevin Page, have all said Canada has the fiscal space. In fact, Kevin Page recently said, "I'm comfortable with budgetary deficits in the 2.5 per cent range of GDP." He indicates that our economy is weaker than it needs to be and that we need to help grow that economy. By making these investments that we're proposing in budget 2025, this will allow us to increase productivity and growth in Canada and make us more competitive.

I had mentioned earlier that there were "productivity super-deductions", which is a fancy way of saying that there are accelerated cost allowances or accelerated depreciation. These measures in our budget have made Canada even more competitive. We were already one of the lowest and most competitive in terms of a marginal effective tax rate. Compared to the OECD average we are now 4.5% more competitive and the United States is 4.4% more competitive. That to me is a good indicator of how much capital we'll be able to attract because that's what lots of investors will pay attention to. If Japan or the United Kingdom is around 30% of a marginal effective tax rate, that's significantly higher than Canada, which will now be at 13.2%. Those are significant differences that make Canada competitive in the race to secure foreign direct investment.

I think that we should all agree with a very rational proposal that I've made here on ensuring that we can have a balanced and fair debate, which is that we can kick off this budget implementation act pre-study with some experts. It would be great to also have the Minister of Finance come to committee. It would be great to have some fruitful, productive conversations with other committee members about how we could structure that pre-study. We could certainly divide up the budget into themes and have witnesses and experts come and talk about the BIA. I think it would be very useful for us to get their perspectives.

I know members opposite normally welcome those opportunities. I can't understand why they wouldn't at this point. I guess that's their prerogative. Maybe they're more interested in playing partisan politics instead of actually studying the BIA.

- (1915)

We know the drag on our economy has been pretty significant. The budget goes to great lengths to show just how our economy is being impacted. There's a whole section after the comprehensive expenditure review that shows how we're spending less on the government and more on capital investment to spur it.

It shows just how much Canada's economy is being impacted by the global trade friction and trade war that were unfortunately started by the new administration in the United States. The U.S. average tariff rate on trade counterparts in Canada is one of the lowest in the world. That's relatively good news for Canadian industries, but we know it is not felt the same way across Canada. In fact, there are key industries that are disproportionately impacted. We know that steel, aluminum, lumber and the automotive sector have all been drastically impacted by the tariffs placed upon their industries—and unfairly so.

We also know these tariffs have weakened Canada's economy. They've caused a degree of uncertainty in the marketplace that is felt globally. There's one point in the budget where we've included a table showing the world uncertainty index, which shows that investors and business owners are feeling a degree of uncertainty not seen since the 2008 financial crisis. It's actually greater than that. It shows up on graphs as greater than what people experienced in the 2008 financial crisis.

That crisis was a hard one for our economy, but I would argue that with what Canada's been through—the pandemic and the post-pandemic shocks to our economy—we're now experiencing more shocks throughout our economy. This one is even bigger because it requires a reorientation of trading flows and relationships all across the world.

We're seeing chronically low business investment because of an overreliance on U.S. demand for Canadian products in the past. We see a lot of these things impacting our economy. We've seen some job layoffs. The economy has been quite resilient and bounced back in other ways, with job numbers in the past couple of months exceeding expectations. We are trying to counteract a number of these things that are dragging down the Canadian economy by making investments, buying Canadian and ensuring that we can spur productivity gains and be more competitive from a tax perspective. We've done a lot of things in this budget to encourage greater resilience

and growth, ensure competitiveness, boost productivity and stimulate our industrial base.

Through the Prime Minister's economic growth caucus, we've heard from many stakeholders. In fact, all of the chief economists from the largest banks in the country came and made recommendations about how the Government of Canada could address many of the challenges we're experiencing based on the degree of uncertainty. Many of those were included in this year's budget.

- (1920)

We acknowledge that Canada has a lot of strengths. We have a lot of opportunities to diversify trade, and we have strategic sectors and industries that can grow, but we need investment to do that. We need to create certainty where there has been some uncertainty placed upon these industries. In order to do that, I think we've done our very best to ensure that there are things like investment tax credits. Those are clearly outlined for critical mineral projects, for mineral development in general and for those projects at the exploration phase, but those also ensure that there are funding and financing options at other critical phases for the development of those resources.

We've often said—and heard—that Canada is a natural resource-based economy: It is true, traditionally, but we also have other opportunities that exist across our economy. In fact, statistics show that our small and medium-sized enterprises actually contribute more jobs and trade with other countries. I think that could be a focus, as well, for when we get into discussing measures to support small and medium-sized enterprises across Canada and to continue to diversify trade with other countries because, of course, there are opportunities to grow businesses all across Canada. Buying Canadian right now really is a core part of our strategy because it ensures that, as we move forward with these major projects— attracting the capital needed from our pension plans, from global investors into key infrastructure that Canada needs, whether it's energy infrastructure, transportation infrastructure....

There are many forms of infrastructure. I'm sure the members have seen the list of projects and the rounds of those projects with the Major Projects Office. These are good news for our country. There is absolutely no doubt that these will bring jobs, attract investment, grow our economy and serve Canadians for generations to come. This is what my friend Monsieur Garon loves about the budget. He loves the term “generational investment”. It's his favourite term, he tells me over and over again in private. He really enjoys that because he understands how important the next generations are for our country and the fact that these investments will serve Canadians for many years to come.

Young people really need us to focus on growing the economy and unlocking opportunities for them, and I think this budget does that. There are opportunities: In my region, we have the Darlington new nuclear project. I was so grateful to attend this announcement with the Prime Minister. There are four small modular reactors, the first in the G7 that will be deployed. The four reactors, once they're built, will provide 1.2 million homes with clean energy. This is remarkable progress.

Yes, I know opposition members have, at times, said, "These projects were already going to happen." It's true that some of these projects were moving forward, but that doesn't mean that they can't be expedited, and that attracting the capital they need to actually get to completion won't serve them well. In fact, it will serve Canadians well to expedite these projects, to ensure the approvals necessary so that the Darlington new nuclear project happens and that the four small modular reactors, which will provide 21,700 jobs.... That is a significant number. A lot of those, about 18,000 of them, are in the construction phase, with 3,700 in the operations of those SMR facilities in the future. That's significant. In my region of Durham, where we have two nuclear reactors, Pickering and Darlington, which are being refurbished, we believe that these are....

● (1925)

I had neighbours who for many years worked at Ontario Power Generation. They were great hard-working people. I'm glad to see so many of them very supportive of the fact that our government has unlocked \$2 billion through the Canada growth fund. That's not just public investment. That includes private investment. Remember, the Canada growth fund was set up by our government to offer financing for major projects and to help pursue our climate objectives strategically across Canada. We've had a number of announcements. The mandate is focused on leveraging private capital to the tune of about a three-time multiplier to any public investment that's put in.

Again, when you think about what we're doing...and this goes to the heart of what I think Monsieur Garon wants to focus on by having the interim Parliamentary Budget Officer come to the committee. I'm arguing that obviously we should also have the former one, who is sort of the mentor to the interim PBO. When the government puts forward things like the Canada growth fund, we're using kind of a blended finance model where public investment is being used to de-risk private investment in areas where that's necessary. This helps to draw in private capital, to crowd it in, and helps to get these kinds of big projects funded and built. Obviously, with the regulatory review process being streamlined with the Major Projects Office, we have the ability to really pull together all the regulatory approvals that are necessary into one term sheet, almost, that says your project will be approved if you meet all these criteria.

That's the point of having a major projects office. It's to simplify a process that has been very arduous and onerous for many stakeholders who are trying to get major projects done in Canada. We've heard this from all kinds of stakeholders across the country for years. I'm glad we've stepped up to address that.

Getting back to the new nuclear project in Darlington as one of many projects that our government is investing in, again, this is part

of our commitment in this budget to build infrastructure, housing, defence and these strategic projects that I think will really boost our economy. Again, the Premier of Ontario, a good Progressive Conservative.... I never thought I would be saying that. I'm sitting here saying, wow, at this point, the person I thought for many years I had many differences with was there standing with us making investments in the new nuclear project. We had some Progressive Conservatives in Ontario standing up for the new nuclear project. It was great to see.

It's too bad the Conservative Party in Parliament at the federal level can't see the value in investing in Canada. It seems they have no regard for what it takes to get investment into our country and get Canada's economy moving forward. To me, the Conservative Party was always the party that claimed to be fiscally responsible and that claimed to boost the economy and to care about businesses, and yet they voted down deductions for businesses that would allow them to invest in themselves and boost their productivity and growth. It's like they don't want Canada's economy to grow. It's so apparent that they don't seem to really care about Canada's economy growing at all. They don't want to support our business community.

My business community in Whitby is very strong. We have roughly 900 members—I might be exaggerating, as it could be only 800 members—in the Whitby Chamber of Commerce. It's a significant community of small businesses. When they hear about immediate expensing, when they hear about mobilizing capital, and when they hear about major infrastructure projects, they are ecstatic. They can't understand why the Conservative Party of Canada won't support them in their times of need and won't help unlock capital for them.

● (1930)

Conservatives won't help mobilize, reduce red tape or streamline approval processes for projects. They can't understand where the Conservative Party is today. I don't think they understand what the party of the Conservatives at the federal level stands for at all.

They see a contrast. They see the Ontario Conservatives standing with our Prime Minister, making these big announcements and supporting our automotive industry. It's just a conundrum. I don't think many business operators and owners can understand these days where the federal party really is. Do they care about the economy? Do they care about businesses? Do they really want to grow the economy? It seems the answer is clearly "no."

There are so many other major projects on the list that are exciting. I got to travel to Iqaluit.

Is it Mr. Stevenson who is new to the committee? Welcome.

I'm very excited about the projects on the major projects list and the one in Iqaluit in particular. I got to go to Iqaluit during the pre-budget consultation process and hear from the Inuit leadership.

I think I'm getting my voice back.

A voice: Do you want a break?

Ryan Turnbull: Thank you. I'm almost done.

The project in Iqaluit is a hydro project. It's a very exciting project. It's going to ensure that Iqaluit and individuals in remote communities don't have to burn diesel to power their communities and heat their homes, which is what they do now. I hope I don't botch the number, but I think it's 13 million litres of diesel. I'm going to check that just to make sure. It's a very significant amount of diesel that will no longer need to be burned in those communities, obviously saving those emissions from entering our atmosphere. It's contributing to our action on climate change while also ensuring that those communities have renewable and reliable energy for many generations to come.

I think that's good news. There's no way to spin that as bad news. We had better than expected job numbers. I always say, "Well, there's no way the Conservatives could spin that as bad news," and they still do anyway. They stretch it and they contort it into bad news somehow. They find a way. When the economy grows, they're going to spin it into bad news. It's always the way. I guess it's just something I've gotten used to over six years of being in Parliament. There's no missed opportunity to turn good news into bad news when it comes to the Conservatives today.

I really believe in our budget. I believe in the trade diversification work that the Prime Minister is obviously today in Parliament being criticized for. Conservatives don't want our Prime Minister to be out there diversifying our trade, disentangling our economy from the U.S. and actually counteracting the significant drags on our economy that we're experiencing.

It's as if, at all costs, our economy needs to fail so that their narrative can stay in existence and that we don't take the wind out of their narrative. It's a shame that they don't really care about Canadians actually being successful but rather just seem to want us to fail. They think that owning the Liberals is a way to somehow support Canadians, but it's not. It's not support for anybody. It's actually just disrupting the progress and the growth in our economy that will be achieved by passing the budget implementation act.

There are so many measures in the BIA. I've had a chance to go through it. I'm very lucky as Parliamentary Secretary to the Minister of Finance to have had the chance to dive into the details on the BIA. There are so many tax deductions and very useful aspects of the BIA that relate to so many things that Canadians want to see. There are so many aspects of our economy and society that will be strengthened.

• (1935)

Just on the defence portion of it, our defence industrial strategy continues to support that industrial base that I talked about. I remember when we met with National Bank's chief economist—

An hon. member: It was Stéphane Marion.

Ryan Turnbull: Yes. They said that the best thing that the federal government can do is support an industrial base to grow again in Canada. There are diverse perspectives across the chief economists at our banks, but I think many people agree with the perspective that our industrial base in Canada is so important for the success of our economy.

I see Mr. Lawrence agreeing. It's so great to hear that in committee. I do appreciate his support. I wish it converted to a vote of actually supporting things that support our industrial strategy.

The defence industrial strategy is related to the industrial strategy, of course, because Canada can continue to differentiate itself and invest in defence and innovation.

I recently showed my support for Ontario Tech University, which is in Oshawa, right next door to my riding. It's a really great university that does all kinds of great work. It's sort of like the technology epicentre for Ontario. They're doing work on nuclear and on defence innovation. They have all kinds of stuff going on in terms of research, like the ability to work on drones and other technology that can apply to our defence strategy, which is really key.

What's surprising to me is that I watched as Conservatives voted against raises for our armed forces members. I don't know how they can look in the mirror when they go home at night or in the morning when they wake up. I don't know how I would look the Canadian Armed Forces members in the eyes when voting against significant pay raises that they've been waiting for and have been rightfully deserving of for a long time.

We've also committed to updating the facilities. CFB Trenton, for example, and all of the other military bases and barracks are going to be upgraded. They've fallen into disarray from underinvestment under past Conservative governments. We're stepping up to ensure.... Remember that defence spending was under 1% under Stephen Harper. We've brought it to 2% in this year and it's going up significantly from that to meet our NATO target five years ahead of schedule.

I don't know how the Conservatives cannot support the men and women who serve in our armed forces and who essentially sign up to protect our sovereignty. That they wouldn't support a pay raise, support them to have upgraded facilities or support the innovative technology and equipment that—

• (1940)

Pat Kelly: I have a point of order.

The Chair: Go ahead, Mr. Kelly.

Pat Kelly: I apologize, Mr. Turnbull.

Chair, I wonder if you would, at this moment, grant a suspension for a few minutes to see if we have a solution for how to amend this motion.

The Chair: It would be my pleasure.

• (1940)

(Pause)

• (1947)

The Chair: Mr. Turnbull, you have the floor.

Ryan Turnbull: It looks like we've agreed on a compromise here with an amended motion. I think the Conservatives have a version of that, if I'm not mistaken, that they can read into the record.

I'll cede the floor to have that introduced.

The Chair: Let me just check that the clerk has the motion.

I understand there might be some agreement.

Mr. Kelly, go ahead.

Pat Kelly: I was going to suggest that procedurally—of course we're in your hands, Chair—it will be up to Mr. Turnbull to proceed.

I understand that the first step is to withdraw the amendment, so that we would then have the ability to create the compromise amendment.

As chair, you would have to ask to him withdraw and ask for unanimous consent.

The Chair: Thank you.

Mr. Turnbull will you withdraw—

Ryan Turnbull: Yes, I ask for unanimous consent to withdraw my amendment under the condition that we will be proceeding with an amendment that was agreed upon by all parties.

Thank you.

Pat Kelly: Agreed.

The Chair: Do we have unanimous consent?

Some hon. members: Agreed.

(Amendment withdrawn)

The Chair: Now, we'll go to Mr. Kelly.

Pat Kelly: The clerk is in possession of the text, and I'll be as accurate as I can be.

I propose that we amend Monsieur Garon's motion by deleting the preamble:

Given that, according to the Parliamentary Budget Officer's report, the projected deficit has more than doubled since the Fall Economic Statement of 2024, that the new spending measures transform what would have been a surplus operating balance into a deficit, that he considers that the overly broad definition of capital investments used by the government creates a major discrepancy with his estimates, that the lack of an objective definition of these investments directly influences budgetary decisions, and that the Parliamentary Budget Officer's stress tests indicate that it is unlikely that the government will meet its budgetary anchor of reducing the deficit-to-GDP ratio.

I'm deleting those words and adding the words in the third paragraph: "That the testimony of the Parliamentary Budget Officer must"....

I'm sorry, we've already deleted the reference, so the only other part that we add is in the third paragraph: "That the testimony of the Parliamentary Budget Officer must necessarily take place before the study of the budget implementation bill begins". We also add: "that this testimony be considered part of the budget implementation act study".

• (1950)

The Chair: Is that what you have?

A voice: Yes.

[*Translation*]

Jean-Denis Garon: Is it possible to read the French version, please?

The Chair: Yes, it has just been distributed.

[*English*]

Has it been sent by email?

The Clerk of the Committee (Jean-Luc Plourde): I think you have just received it.

The Chair: I will suspend for two minutes.

[*Translation*]

In fact, it seems that it is not necessary.

[*English*]

Is there debate?

No.

Can we pass this on unanimous consent?

(Amendment agreed to)

The Chair: Look at that. Okay, we did a good job.

Can we pass the motion on UC, as amended?

(Motion as amended agreed to [*See Minutes of Proceedings*])

The Chair: Do I have consent from the committee to adjourn?

Some hon. members: Agreed.

The Chair: There we go. That was a good job, everybody.

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