



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

45th PARLIAMENT, 1st SESSION

Standing Committee on Finance

EVIDENCE

NUMBER 026

Thursday, February 12, 2026

Chair: Karina Gould



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• (0820)

[English]

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

Good morning, everyone. Welcome to meeting number 26 of the House of Commons Standing Committee on Finance.

Today's meeting is taking place in a hybrid format. Because we have a lot of people joining us online, I want to reiterate the process and the procedures for 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, and please mute yourself when you are not speaking.

[Translation]

For those on Zoom, you have a choice for the interpretation. At the bottom of your screen, you can select floor, English or French.

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

[English]

For members participating in person or via Zoom, please raise your hand if you wish to speak. The committee clerks and I will do the best we can to maintain a consolidated speaking order. I will give a reminder that all comments should be addressed through the chair.

Pursuant to the order of reference of Wednesday, December 10, 2025, and the motion adopted on Wednesday, December 10, 2025, the committee will resume consideration of Bill C-15, an act to implement certain provisions of the budget tabled in Parliament on November 4, 2025.

I would like to now take a moment to welcome and introduce the witnesses who are joining us today.

We have Carol Wilding, chief executive officer, from the Chartered Professional Accountants of Ontario.

[Translation]

From the Fédération des chambres de commerce du Québec, we have Hubert Rioux, economic director, and Mathieu Lavigne, acting vice-president, public and economic affairs.

[English]

We have Adriana Vega, the executive director of Fintechs Canada, as well as Jessica Oliver, the head of government and regulatory relations at Wealthsimple.

You will have five minutes for your opening remarks.

We will begin with Ms. Wilding, please.

Carol Wilding (Chief Executive Officer, Chartered Professional Accountants of Ontario): Thank you, Madam Chair.

Good morning, everyone.

Thank you, honourable members of the committee, for inviting me to speak today.

As president and CEO of the Chartered Professional Accountants of Ontario, I'm here to bring the perspectives of more than 105,000 CPAs in Ontario, which is almost half of all CPAs in the country, to this important discussion on budget 2025, Bill C-15 and the future of the Canadian economy.

At Davos, Prime Minister Carney laid out the stakes. Canada's economy is facing a “rupture,” not a “transition”. He said, “We have a recognition of what's happening and a determination to act accordingly.”

Given the foundational role that CPAs play in Canada's capital markets and the economy, the profession is ready and willing to step up and help drive the economic growth that Canada needs now more than ever.

As tax practitioners and advisers, CPAs understand the important role that tax policy plays in empowering growth or constraining it, which is why we were pleased to see Bill C-15 propose some important measures to address long-standing issues with Canada's tax system.

For instance, CPA Ontario has advocated the restoration of the accelerated investment incentive through the productivity superdeduction. This reinstatement will help to boost investment and allow faster depreciation of capital assets. It will enable firms to recover capital costs more quickly, enhance cash flow and encourage reinvestment into Canadian businesses and Canadian workers.

Capital is always looking for stability. In times of upheaval, certainty would be a competitive advantage for Canada, which is why the accelerated investment incentive and other provisions in the productivity superdeduction would be even more impactful if they were made permanent. Investment is key to Canada's future, but that investment needs to go to the sectors where it will yield the greatest benefit.

Our natural resources are still essential for building Canada's future, but we all know that the global economy has changed. Intangible assets, such as intellectual property, artificial intelligence and data now play a critical role in economic prosperity and national sovereignty. Our tax system must evolve to reflect this reality.

The simplification and expansion of the SR and ED tax credit in Bill C-15 was a welcome change, and one that Canada's innovators and entrepreneurs have long advocated, but this is not a moment that can be met with incrementalism. Canada must be bold, ambitious and willing to act. We must recognize that after decades of a piecemeal approach to tax policy, we have a system that is unwieldy and complex, and that complexity is a barrier to investment and growth.

As tax specialists, CPAs can see the consequences first-hand as capital is diverted away from where it can be put to the best use. Bill C-15 makes some efforts to address this, including through the proposed elimination of some inefficient tax expenditures, but we are still a long way off from a necessary and, frankly, overdue broad review of Canada's tax system—a robust expert review that could be used as a blueprint for a tax system that drives growth, competitiveness and productivity for Canada. Reforming our tax system will help Canada attract the investment, entrepreneurship and talent that will grow our economy, create jobs and raise the standard of living for all Canadians.

Echoing Prime Minister Carney, “Nostalgia is not a strategy”. He also said, “Now we need to execute. Fairly. And fast.”

Thank you. I look forward to answering any questions you may have.

The Chair: Thank you so much, Ms. Wilding.

[*Translation*]

We will now hear from the representatives of the Fédération des chambres de commerce du Québec.

You have the floor for five minutes.

Mathieu Lavigne (Acting Vice-President, Public and Economic Affairs, Fédération des chambres de commerce du Québec): Good morning.

I'd like to thank the House of Commons Standing Committee on Finance for inviting us to speak today as part of its study of Bill C-15, an act to implement certain provisions of the budget tabled in Parliament on November 4, 2025.

The Fédération des chambres de commerce du Québec has more than 1,000 member companies and 120 chambers of commerce. In all, we represent more than 40,000 organizations in every region of Quebec and in all sectors of the economy.

We were in Ottawa last fall to analyze the budget and react to it. Furthermore, every year, we submit pre-budget briefs in both Quebec City and Ottawa to express Quebec companies' consensus on fiscal and budgetary policy.

I want to come back to the budget and the bill being studied today.

As we've heard, the budget was meant to be transformative and focused on investment and defence. I would also reiterate how important it is for Canada to quickly implement a defence industrial strategy, since Quebec is in an excellent position to secure a significant share of defence investments.

Let's start by highlighting a number of good measures that address some of the requests we'd also made.

The scientific research and experimental development, or SR and ED, tax incentives will finally be enhanced and modernized. That's great news. Support towards increased private investment in innovation must continue.

The productivity superdeduction, which the previous speaker talked about, is also a good measure along the same lines.

Then, there's the elimination of the luxury tax applicable to aircraft which is very well received. This tax applied to one of our strategic industries, and its elimination was very well received by the Quebec aerospace industry.

I would also like to highlight the build communities strong fund that was announced. It will invest \$51 billion over 10 years in local infrastructure. We're obviously hoping for a rapid rollout, and the Quebec regions will have to receive their fair share of this fund.

When it comes to business succession, we totally support increasing the lifetime capital gains exemption to \$1.25 million. This is particularly significant in Quebec. It is expected that more than 50,000 companies will go through a transfer of ownership by 2030. That's like tomorrow. It is therefore very important to implement those types of measures.

That said, we are disappointed to see that the Canadian entrepreneurs' incentive introduced in the previous budget is being cancelled, as it would have reduced the capital gains inclusion rate.

Regarding Bill C-15 in particular, we also support the proposed amendment to the Red Tape Reduction Act, which would allow ministers to grant temporary regulatory exemptions, known as regulatory sandboxes. This logic must be systematized, both in Ottawa and Quebec City, as long as it's done in a transparent way and with well-defined objective criteria.

Now, here's what we would have liked to see either in the budget or in Bill C-15, or in both.

Regarding general corporate taxes, there is no relief planned for companies as a whole. The One Big Beautiful Bill Act in the U.S. is a turning point for our tax competitiveness and our ability to attract investment. More specifically, we asked for an increase in the small business deduction that could have helped all small and medium-sized businesses, or SMBs, in Quebec and Canada.

Also, regarding development, research and innovation, there are still some tax incentives missing to help market patented innovations. Quebec offers such a deduction, the incentive deduction for the commercialization of innovations, or IDCI. We would've liked to see something similar in Ottawa.

As the previous speaker said, the accelerated incentive is a good thing. It needs to be made permanent rather than sunseting after 2030. The U.S. has made it permanent. We have to be competitive. Eligibility could also be increased.

Also, you can't talk to federal parliamentarians without talking about temporary foreign workers. We're still asking for a complete moratorium on the imposed restrictions. They are having real-life impacts. Quebec businesses are terminating contracts and abandoning investment projects because of the lack of temporary foreign workers.

When it comes to government procurement, policies on reciprocal procurement, such as buy Canadian, should apply to some strategic open bids, namely those of Via Rail.

Regarding exports, the target of doubling exports outside the U.S. is very ambitious. That said, we feel the announced support measures are insufficient to meet this goal. The government could have exempted some of the revenue derived from selling products in new markets. Various measures could've been adopted to facilitate exports.

As for the financial assistance granted to the various sectors affected by the U.S. tariffs, companies have been telling us that the criteria are too restrictive and the funds are difficult to access. That's an important element.

I will conclude by talking about the telecommunications sector.

In all, 188 local and regional media outlets disappeared in Quebec between 2008 and 2026. We would've liked to see more related measures. Recent decisions by the Canadian Radio-television and Telecommunications Commission, or CRTC, will discourage regional investment. Reform in this area is badly needed.

There you go. That covers some of what we discussed in our brief and what we reacted to in terms of the budget. We'll have an opportunity to come back to all this during the question period.

Thank you for inviting us.

● (0825)

The Chair: Thank you, Mr. Lavigne.

[*English*]

We will continue with Ms. Vega from Fintechs Canada for five minutes, please.

Adriana Vega (Executive Director, Fintechs Canada): Thank you, Madam Chair.

Good morning. My name is Adriana Vega, and I am the executive director of Fintechs Canada. Fintechs Canada is the leading voice for Canada's financial technology sector. Collectively, our more than 50 members serve millions of Canadians across the country every day.

Thank you for the invitation to appear today to discuss Bill C-15. If passed and implemented, the financial sector reforms included in this budget bill will help make life more affordable for Canadians and will make our economy more productive.

As we know, our financial sector is highly concentrated, and over time, this has had real impacts on Canadians' ability to hold agency over their money. It has also limited access to capital, both for individuals and, critically, for our small businesses.

Canada has not kept up with the rest of the world in boosting competition in our financial sector, limiting Canadians' access to broader choice and to bespoke and affordable offerings.

The reforms included in Bill C-15, concretely those introducing Canada's open banking regime, are hugely welcome and are long overdue. When in force, the consumer-driven banking act will make the financial sector work better and harder for Canadians.

By way of example, research by the Competition Bureau estimates that, in the insurance sector alone, a data portability framework could save Canadians between \$1 billion and \$3.8 billion annually.

Also, in the BIA is the stablecoin act. This is an ambitious piece of legislation that responds to industry calls for a federal framework, and it is one that we believe will support Canada's sovereignty in the future of finance.

However, the road ahead is still long. Regulation still needs to be developed, and we now need to focus on striking the right balance that provides clarity, certainty and safety and that preserves the pro-competition spirit of the law.

Canada has a unique opportunity to leverage consumer-driven banking and transformative technologies like stablecoins to provide a long overdue boost to our economy, and delaying is not an option.

Thank you for the invitation, and I look forward to your questions.

● (0830)

The Chair: Thank you, Ms. Vega.

I will now turn to Ms. Oliver from Wealthsimple for five minutes.

[*Translation*]

Jessica Oliver (Head, Government and Regulatory Relations, Wealthsimple Investment Inc.): Thank you, Madam Chair.

I would also like to thank the members of the committee for inviting me to testify this morning. It's a pleasure to be here.

[English]

Founded in Toronto in 2014, Wealthsimple is now one of Canada's most trusted financial institutions. We serve more than three million clients from coast to coast to coast, holding over \$100 billion in assets on their behalf. We've pioneered products that have driven down the cost of financial services, from commission-free stock and ETF trading to no-fee, interest-bearing chequing accounts. In 2025 we saved our clients an estimated \$1.3 billion in fees and paid out more than \$200 million in interest in everyday chequing accounts.

The budget implementation act that your committee is considering enacts key legislative changes we regard as critical to building a more competitive, dynamic and consumer-centred financial sector. These include the completion of the open banking framework, which, when combined with the launch of real-time payment settlement, will make managing money faster, safer and cheaper for Canadians; and the creation of legislation regulating stablecoins, which will enable Canadian companies to bring Canadian dollar stablecoins to market, offer settlement efficiencies and bolster our monetary sovereignty. We're pleased to see Parliament thoroughly considering the legislation and hope to see the process conclude promptly.

The most immediately impactful change for Canadian consumers of financial products in budget 2025 is the government's promise to introduce measures this spring to prohibit exit fees on investment and registered accounts. These fees have skyrocketed in the past decade. In February 2016 a CBC consumer report found that the last of the big banks had introduced an exit fee on TFSAs, moving from zero to \$75. Less than a decade later, transfer fees are a near-ubiquitous \$150 per account. At the same time, the number of accounts Canadians hold has increased dramatically thanks to the wonderful popularity of the TFSA and FHSA.

While Canadians have some of the lowest rates of chequing account switching, competition among investment platforms is healthy. This is a good thing. It means consumers are engaged and making decisions. We continue to see record inbound and outbound transfers, because consumers are shopping around, but last year, clients transferring accounts to Wealthsimple were charged more than \$60 million in exit fees. In January 2026 it was \$10 million. These flat fees fall hardest on younger Canadians and those with smaller balances—the very people these accounts are designed to protect. It costs Wealthsimple about two dollars to process an outbound transfer, and we don't charge a fee.

I want to share two real examples of what this looks like for regular Canadians. A 25-year-old man from Calgary transferred four accounts—a TFSA, RRSP, FHSA and non-registered account—from a major bank. All four transfers were processed electronically in under a week. The administrative cost to the bank was a few dollars. He was charged \$600. These fees bear no relationship to the actual cost of processing a transfer.

Meanwhile, a 71-year-old retired bank executive in northern Ontario transferred her savings—a TFSA, RRSP and LIRA. Investments in the amount of \$2 million were liquidated, and cash was

withdrawn from her account. The funds didn't arrive at Wealthsimple for 26 business days, costing her more than \$10,000 in foregone interest and exposing her to market volatility. She paid \$459 in fees.

These are not isolated examples. When inbound transfers peaked in March 2025, our clients had \$3 billion in transit from other institutions.

Putting aside the discussion on execution costs, delays benefit the sending institution at the client's expense. During a manual transfer, the client's capital is removed from their account and placed on the sending institution's balance sheet, available to be deployed for profit as loans or to meet liquidity requirements, without any corresponding benefit to the client. It's not acceptable.

The federal government regulates registered accounts through the Income Tax Act.

• (0835)

The Chair: Ms. Oliver, could I ask you to wrap up, please?

Jessica Oliver: Yes.

We recognize that there is some jurisdictional complexity, but the absence of a panacea within the purview of a single level of government or regulator—

The Chair: Thank you, Ms. Oliver. I have to cut it off there. We've concluded the time.

Jessica Oliver: Okay. Thank you.

The Chair: We're going to begin our first round of questioning.

[Translation]

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

Eric Lefebvre (Richmond—Arthabaska, CPC): Thank you, Madam Chair.

I want to thank all the witnesses who are here, as well as those participating by video conference.

I'm going to take advantage of the representatives of the Fédération des chambres de commerce du Québec joining us by video conference to ask them questions. Good morning to you, by the way.

I have here the recommendations you made. One of them relates to a hot topic, which is the temporary foreign worker program, or TFWP.

This week, I asked the Minister of Finance if he supported a grandfather clause, as they are commonly known, and he never answered my question.

What do you think of a grandfather clause for Quebec entrepreneurs?

Mathieu Lavigne: Good morning, Mr. Lefebvre. Thank you for the question. I welcome the opportunity to speak with you.

We were in Ottawa last week with business leaders to talk specifically about the changes to the temporary foreign worker program.

Right now, the federal government is not renewing licences because of the restrictions that were put in place just over a year ago. In concrete terms, companies have to cancel contracts and suspend investment projects because of a labour shortage. Extremely difficult decisions have to be made in many regions and sectors.

What we're asking is for the federal government to, at the very least, retain and reassure the workers who are already working here, in companies, and who are integrated. It must be done. These are extremely difficult decisions for our economy right now.

We see this situation in Montreal and in the regions, and in many sectors such as hospitality, manufacturing and food services. There is no short-term solution, other than retaining these workers. The government must act now.

Eric Lefebvre: Thank you for that. That said, has the government committed to anything?

We know the problem is in the regions. When the unemployment rate is below 5.5%, it's critical.

Did you get a commitment from government officials during your meetings?

Mathieu Lavigne: No.

Actually, we think the issue is that that the federal government and the Government of Quebec are playing political football when it comes to temporary foreign workers. What we're asking both governments is to come to an agreement or implement the measures they manage. The federal government manages the temporary foreign worker program, so it can take action.

I'd like to add something on this subject, because we're talking about financial aspects. We consulted companies on this program, and those affected have already suffered financial losses because of the new restrictions. On average, they lost \$500,000. Businesses expect losses of \$2 million on average over the next two years. That's just an average, because the bigger the company, the more temporary foreign workers it employs, the bigger the financial impact.

This is obviously a humanitarian issue, but it's also an economic issue for businesses. They use the TFWP because they can't find local workers. It's that simple. The program is complicated and expensive. They only turn to the TFWP as a last resort.

We must prevent this exodus, because the consequences will affect all local and Quebec workers in the company. Without a program for welders or electromechanical engineers, the company's accountant and sales manager will also be at risk of losing their job. One-third of affected businesses tell us they fear for their survival if these restrictions are not lifted.

• (0840)

Eric Lefebvre: I'll give you the example of Ideal Cargo, a company in my region. You talked about welders, temporary employees who've been in the country for a few years and who do a tremendous job. I'm talking about jobs in small villages, where the spouse works at the convenience store or restaurant, keeping our small villages alive. It's important to point that out. The children have also integrated.

I used to be an entrepreneur in the manufacturing sector, more specifically in roof truss manufacturing. We always hear that what's important is predictability. Right now, businesses can't predict what will happen next.

I'll go back to the example of Ideal Cargo. In the coming months, another six employees will lose their jobs if their contracts aren't renewed. It's really dramatic. As you say, the order books are full.

Mathieu Lavigne: You mentioned Idéal Cargo. We were in Ottawa last week. Representatives from CIF Métal were there as well. Their company is experiencing the same thing. If it can no longer rely on certain workers for a part of its production or a specific link in its value chain, that will affect the rest of the company.

That particular company has workers from the Philippines. The program is very important because some of those workers can't apply for permanent residence yet. They don't yet have the level of French the Government of Quebec requires.

We can't just tell them to apply to the program to become permanent workers. They can't do that yet because they don't have the required level of French. That's exactly why this program was created.

Eric Lefebvre: Thank you.

Can you talk more about balancing the budget?

You talked about how important it is to balance the budget.

I asked the Minister of Finance about this. He told me that the world has changed and that no time horizon has been set for balancing the budget.

Talk to me about that.

The Chair: It will have to be very brief, Mr. Lavigne.

Hubert Rioux (Economic Director, Fédération des chambres de commerce du Québec): I'm going to answer the question. My name is Hubert Rioux, and I'm the economic director of the Fédération des chambres de commerce du Québec.

We are indeed asking Ottawa for balanced budget legislation similar to Quebec's, because that will make budget policies predictable over time.

We know that Canada is in a relatively good debt-to-GDP position. However, when we look at government debt across Canada, it's a different story.

The Chair: I'm sorry, Mr. Rioux, I have to stop you there, because time is up.

Thank you, Mr. Lefebvre.

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

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

Welcome, everyone. Thank you to the witnesses for being here.

I only have six minutes, but I think I'll get another turn in the second round of questions at the end if we all behave ourselves. We'll see if I get more time.

I'll start with the Fédération des chambres de commerce du Québec representatives.

Gentlemen, thank you for being with us. I have a lot to say, but the goal is not for me to speak; it's for you to tell me your opinion.

Mr. Lavigne, generally speaking, how would you describe your members' opinion of the federal budget?

Mathieu Lavigne: Thank you for the question, Mr. Leitão.

Overall, it's positive, because, as I said, it focuses on two important issues: increasing private investment and defence. We identified those two priorities in our pre-budget submission.

I also listed a number of positive measures in my introductory remarks. Overall, our members view the federal budget positively.

• (0845)

Carlos Leitão: Thank you for your concise answer.

In terms of defence, our plan was to announce our defence industrial strategy yesterday, but that was postponed in light of recent events. We're ready, and it's coming soon. It's definitely an important part of our strategy. It will be very important for Canada and for Quebec.

Private investment, of course, is a key aspect of the budget. We want to accelerate investment.

As such, I'll save some time at the end to talk to you a bit about temporary foreign workers as well, because that's important. I want to address another point first.

You briefly alluded to business succession, also known as transfers, and to the fact that Quebec and Canada as a whole will see a very large number of business transfers. I know that's something the federation has been saying for a long time.

Can you tell us, briefly, what you think would be the most effective measure the federal government could implement to facilitate business succession?

Hubert Rioux: Good afternoon, Mr. Leitão. My name is Hubert Rioux, and I'm the federation's economic director.

Indeed, as my colleague mentioned, we expect to see 50,000 businesses transferred in Quebec by 2030. We were actually

a bit disappointed that the Canadian entrepreneurs' incentive was cancelled, because the net opportunity cost for those transferring their business will be significant despite the increase in the lifetime capital gains exemption. Indeed, the taxes to be paid on capital gains greater than \$1.25 million will be higher than they would have been had the incentive been maintained.

At the federal level, there's also what's known as the 50% + 1 rule, which requires family businesses to transfer more than 50% of the voting shares in the first year if they want the capital gains exemption.

What we've been seeking for a long time is the gradual transfer of voting shares to reduce the financial burden of business transfers for family businesses that, as you know, are very important to Quebec's economy.

Carlos Leitão: That's great, thank you.

I'm sure we'll talk about the small business deduction another time. We've had a lot of conversations about that. It's very important.

I was intrigued by one of your proposals. You talked about a tax incentive that would help double exports to countries other than the United States and enable businesses to make their exports more attractive.

Can you tell us more about that, please?

Hubert Rioux: Yes, that's an interesting subject.

The government's goal, as you know, is to double exports to countries other than the United States by 2035. Diversification is an important goal. Other countries, including the United States, have tax incentive models for that. For example, the United States has the Foreign-Derived Intangible Income, or FDII, which allows companies to pay less tax on a portion of their revenue from exports to new markets in the goods sector. We think it would be a good idea for Canada to do something similar.

Another way to do that would be to grant tax credits to cover a portion of the business development expenses that small and medium-sized businesses incur to develop new international markets.

Those are two approaches the government could consider to move in that direction.

Carlos Leitão: Thank you.

I'll take note of that, because it does indeed seem interesting. As you know, there's a budget every year. There will be another one this year as well, so we're taking note of these things.

I think my time is almost up.

Regarding temporary foreign workers, I'm well aware of the issues. It's complex, and it involves both levels of government. Our government is working on temporary solutions. All I can tell you is that there will be announcements soon.

The Chair: Thank you, Mr. Leitão.

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

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

Good morning to my colleagues and all the witnesses who honour us with their presence today.

My questions are for the representatives of the Fédération des chambres de commerce du Québec.

You talked about the importance of the federal government's role in infrastructure transfers, and you applauded the build communities strong fund. However, even though the Minister of Finance announced something like \$150 billion for infrastructure investments, the amount of new money invested is between \$8 billion and \$16 billion, according to the analysis.

The build communities strong fund is \$51 billion over 10 years, which is \$5 billion a year for all of Canada. That includes \$500 million dollars for Quebec for hospital infrastructure. That doesn't even cover Maisonneuve-Rosemont Hospital.

What do you think of the federal government's role in infrastructure transfers?

You applauded what has already been done, because it's better than nothing, but do you think it's enough?

● (0850)

Mathieu Lavigne: I don't think amounts like that will ever be enough, because Quebec's infrastructure needs are huge.

A little over a year ago, a study was done on the importance of asset maintenance. It seems as though there's a lot of investment, both by the federal government and by Quebec, in new infrastructure. However, what is most lacking is investment by the federal government and Quebec in maintaining existing infrastructure.

I use the Montreal metro every day, and there are more and more problems. The Saint-Michel station was closed not long ago.

We're seeing the impact of infrastructure in poor condition, so it's important that some investment, be it from the federal government or elsewhere, be devoted specifically to that. Before embarking on all kinds of other projects, it's important to make sure that the ones we already have are working properly.

Jean-Denis Garon: We're still going to point out that there is fiscal capacity in Ottawa and that almost all infrastructure is provincial or municipal. It always comes back to dysfunctional federalism getting in the way.

I would like to talk more about the accelerated capital cost allowance. As an economist, I know that Great Britain, for example, conducted an analysis called the Mirrlees Review a few years ago. Some countries conduct periodic reviews of their tax system. A common finding is that this should basically be applied across all

sectors. For the immediate accelerated capital cost allowance, the government chooses who benefits; it chooses sectors. It takes a position.

Some sectors are completely left out, such as telecommunications, even though we need to strengthen our fibre optic sovereignty. We also know that this may put the smaller players, the small businesses, at a disadvantage.

If you could make a change to immediate and accelerated capital cost allowance, what would you do?

Hubert Rioux: Thank you, Mr. Garon.

Yes, I think this incentive should be extended to all sectors, perhaps starting with the mining sector. I'm thinking of critical and strategic minerals, or CSMs, and the defence sector, given the significant investments that will be required in the coming years.

It should also be made permanent. As people have said from the start, Canada has a lot of catching up to do in terms of private investment and productivity, and that will take steadily increasing investment over the years.

Jean-Denis Garon: I would just like to ask you a follow-up question, Mr. Rioux.

Do you think that's the government's strategy? Did it make this temporary so it can tell businesses to take advantage of it while there's still time?

Hubert Rioux: That's the impression I get.

I imagine it's also a matter of budget capacity, obviously. Predictability is important for businesses. The idea isn't to encourage businesses to invest now and then rest on their laurels. Investments need to grow year after year to catch up to where we should be.

Jean-Denis Garon: Mr. Rioux, you said that regulatory sandboxes are not a bad idea and that they're being used elsewhere. The government still allows a lot of freedom, actually.

What are the main restrictions that should be in place to ensure that the will of Parliament is respected?

Hubert Rioux: Yes, we think it's a good idea to move in that direction. As you said, this is being done elsewhere in the world. However, we need objective criteria that are better defined than what is currently in Bill C-15, which is quite broad. It talks about risk management, the public interest and so on, but that doesn't mean much as things stand.

Jean-Denis Garon: What you're saying is that it needs to be more specific.

Is that correct?

Hubert Rioux: Yes, that's right.

There's an interesting model, France Expérimentation. It has very specific criteria. You can check the website. This model has worked well for a number of years.

Jean-Denis Garon: Thank you. We'll look into that. It may inform our work on amendments.

I have a question for Ms. Wilding of Chartered Professional Accountants of Ontario.

In the budget, the Minister of Finance separated operating expenditures and capital investments. We're a bit skeptical about what the minister considers investment.

Does Chartered Professional Accountants of Ontario agree that everything the Minister of Finance considers investment is generally interpreted in the same way based on an accounting approach or generally accepted accounting principles?

Are these investments in the accounting sense?

• (0855)

[English]

Carol Wilding: Thank you for the question.

I'm really here to talk more about the tax policy than about the actual accounting treatment of the federal budget. I think that's something which, down the road, as the budget becomes implemented and, obviously, the—

[Translation]

Jean-Denis Garon: I understand that the question makes you uncomfortable, so we'll save time.

I'm going to go to the representatives of the Fédération des chambres de commerce du Québec, the FCCQ. We can continue in the next round of questions.

[English]

Carol Wilding: No, it's not that I'm not comfortable. I just don't think I'm here to opine on the accounting treatment versus the underlying tax policy.

Thank you.

[Translation]

Jean-Denis Garon: We're here to talk about the budget, and I think accountants are qualified to tell us what an investment is. Thank you very much.

Thank you, Madam Chair.

The Chair: Thank you, Mr. Garon.

[English]

We will now continue with Mr. Kelly for five minutes.

Pat Kelly (Calgary Crowfoot, CPC): No. I think...

The Chair: I thought you said you were switching.

Pat Kelly: In the second hour.

The Chair: In the second hour. Okay.

We're going with Mr. McLean for five minutes, then.

Greg McLean (Calgary Centre, CPC): Thank you, Madam Chair.

I'm going to direct my questions to Ms. Vega and Ms. Oliver.

First of all, open banking has been far delayed in Canada for a long time. I remember working on it in 2017 and 2018, and somehow it's been stalled ever since then. That is not a good thing.

Ms. Oliver, do you know why it has stalled as long as it has in Canada?

Jessica Oliver: I think in terms of support, there's only been growing support over the last number of years—

Greg McLean: I apologize for interrupting, but I'm not asking about support. I'm asking what took the government so long, between 2016 and 2018, to get to any kind of open banking framework when every other country in the world was moving much more quickly.

Jessica Oliver: I couldn't say.

Greg McLean: Thank you.

Australia has had real-time rail since open banking was introduced over eight years ago. Do you think real-time rail will be relevant once crypto trading, Bitcoin and stablecoin issuance replace it? Is it going to be more expensive than the alternative at some point?

Jessica Oliver: We absolutely see the RTR as critical and complementary to other innovations. Stablecoins, we think, are also very important, but digital assets are in their infancy.

Every other G7 country has a real-time rail. All of those countries had the government leading that and mandating participation to ensure that consumers would benefit and that competition would increase. We absolutely see a role for the RTR in Canada to do the same.

Greg McLean: What are the costs of a real-time rail versus a stablecoin transaction?

Jessica Oliver: I'm not sure. I know the vast majority, well over 95%, of stablecoin transactions are in USD.

Greg McLean: Okay, but we're talking here about legislation that's going to be set up in Canada.

That leads to my next question on the importance of having this infrastructure in Canada so that we abide by Canadian law. Do you think that's adequately laid out in the government's framework here about how they're going to establish a crypto stablecoin regime in Canada?

Jessica Oliver: I think the step to assert jurisdiction over stablecoins as a payment instrument is certainly in line with how our consumers use it. If you were to look at Bitcoin, which we offer our clients and is regulated as a security, in a given month, 10% of the total volume that we hold.... Let's just say that if you had \$1 million in Bitcoin, \$100,000 would transact in a given month. USDC is the most common stablecoin transacted on our platform and it moves on and off at 250%. We see that it is being used to settle transactions, not to buy and hold.

We are supportive of federal jurisdiction over stablecoins, and we hope that provinces—

Greg McLean: Thank you.

If I could move on here, just quickly, please, the last question for you is the one about the Bank of Canada as the regulator here. Do you see a problem if there are other issuers of stablecoins, if the Bank of Canada, which is also a potential issuer of a stablecoin here, is the regulator of those entities?

Jessica Oliver: We are comfortable with the Bank of Canada as a regulator of payments.

• (0900)

Greg McLean: Do you think there's an issue with privacy if the Bank of Canada, the Government of Canada, is the regulator of the stablecoins? I'm thinking about issues like we had in Canada when the government froze bank accounts. The Bank of Canada being able to freeze stablecoin issuances is a gross overstep, as the Federal Court has said. Do you think this leads to that risk?

Jessica Oliver: No. I don't see a correlation.

Greg McLean: Okay.

I'll go to Ms. Vega now for a quick follow-up question.

The issue with this act is that there is no interest payable on the stablecoins and yet most of your issuers give bonuses and interest in order to move over. Do you see this being a problem in terms of getting a stablecoin established with your members?

Adriana Vega: I think the devil is in the details. Even in the U.S., in the GENIUS Act, just because of the way it was drafted, they also prohibit yield payments. I think it's still early days.

What matters to our members, as you rightly mention, is that if you're a wallet, if you're providing the service, the competitive advantage or disadvantage that a yield or a rewards scheme, if you like, will allow is what's going to determine whether or not we remain competitive as a country in the stablecoin framework. I think a lot of the details are still left to be seen in the regulation, but in the conversations I've had with the folks at the Department of Finance, it is well understood in terms of the dynamic and the sort of impact this could have on competition—

The Chair: Thank you, Ms. Vega. We're going to have to end this round there.

Thank you, Mr. McLean.

We will continue now with Mr. Sawatzky for five minutes.

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

Thank you to all our witnesses for coming today.

Ms. Vega, I wonder if I could start with a general question.

Could you summarize what from budget 2025 you think will be most beneficial for Canadians?

Adriana Vega: Quite frankly, I think the big picture, this spirit of competition in some of these reforms for the financial sector, is something that I mentioned in my remarks as long overdue. It's something where you can see the impact across the economy more broadly from a consumer perspective, but also from a small business perspective.

On open banking, I think everybody in this room and some of the members themselves have already mentioned it. A lot of us have been waiting for this for a long time. I think that it's really time to move to implementation, execution and making sure that it works in the way that it's meant to work in that pro-competition spirit. Once we have that, you will see impacts in the reduction of friction in financial transactions. You will see an impact in participants having to show up and offer better offerings, and different participants being able to offer more beneficial loans and services to their consumers.

I would say specifically that I would point to small businesses, because right now, transacting as a small business is very complicated. I am convinced personally that it prevents small businesses from entering global trade. As you know, if you're a small business and you're facing a payment that's going to be delayed for several weeks, you think twice before you even enter those transactions. I think that both open banking and the stablecoin act, from our perspective, are the ones that are going to be most impactful.

Jake Sawatzky: Thank you very much.

I guess you would say that this budget is on the right track. Is that correct?

Adriana Vega: Certainly, and I would encourage the members to approve it.

From our perspective, it's a robust package of reforms for the financial sector. If there are any gaps to be addressed, we are very committed to working with the government on regulatory development. I'm happy to talk more about that.

Jake Sawatzky: Thank you very much. That's wonderful to hear. I certainly hope it passes soon as well.

Going over to you, Ms. Oliver, in Wealthsimple's pre-budget consultations, there was a note that:

...exit fees have risen from \$0 to \$75 in the early 2010s to near-ubiquitous \$150 per account in 2025—costing Canadians hundreds of millions of dollars annually and borne disproportionately by Gen Z and millennials.

I was wondering if you could speak broadly on the exit fees.

Jessica Oliver: Yes. The disproportionate impact on young people I think is very important. We talk a lot about reductions in trust and confidence in government and in large institutions. I think it's important to think about what contributes to that. If you have \$5,000 in a first-time home savings account and you are moving, you're getting married or for whatever reason you've decided that you would like to move that account, when you are being levied a \$150 fee on a \$5,000 balance, that feels defeating. It feels like large institutions are able to take advantage of you and get you coming and going with impunity.

They feel that way because that is what they are living. That is what they are experiencing. The people who are able to have these fees reversed or reimbursed are wealthy clients.

For the vast majority, we try to reimburse. We used to reimburse fees that other institutions charged. We do not charge exit fees. We used to reimburse fees for clients with accounts above \$5,000. It was not sustainable. We increased it to \$15,000. It was not sustainable. We increased it to \$25,000, but we made it automatic instead of having people have to request it.

We realized that only 35% of clients who were eligible for reimbursement were asking. We looked into who had not been asking or the reverse. The wealthier you were and the older you were, the more likely you were to ask for the reimbursement you were entitled to. Don't forget that half the clients transferring to Wealthsimple were not above the \$25,000 threshold. According to CRA, the average TFSA does not reach \$25,000 until the age of 50, which means that the average client under 50 moving a TFSA is not eligible for reimbursement. Even if they are, they are unlikely to know to ask.

• (0905)

Jake Sawatzky: Thank you.

Especially at a time when a lot of young people are having issues with affordability, I think there would be some welcome change there.

Wealthsimple's pre-budget consultation also called for completing consumer-driven banking—

The Chair: My apologies, Mr. Sawatzky. That completes your time.

Thank you very much.

[*Translation*]

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

Jean-Denis Garon: Thank you, Madam Chair.

I'll continue with the people from the FCCQ.

I want to talk about the digital services tax, a tax that we welcomed, even though it may not have been perfect. The Liberal government decided to repeal it to please Donald Trump. In the end,

they realized that nothing pleases Donald Trump and it was all for naught.

I'd like to know your thoughts on getting rid of the digital services tax and, more generally, on what's happening with our print and television media, particularly in the regions. Those things are the backbone of our local democracy in many ways. The government could have used the tax revenue to create a fund to help our local media.

What do you think?

Hubert Rioux: Eliminating this tax is indeed a missed opportunity, because it would have benefited our telecommunications companies, since they wouldn't have been subject to it.

That said, as my colleague mentioned, many regional and local media outlets have closed in Quebec over the past 20 years. We think measures can be put in place to compensate for the elimination of the digital services tax, or DST, which would have helped re-establish a competitive playing field.

For example, the scope of the refundable journalism labour cost tax credit could be expanded to all platforms, so that it applies to all platforms, not just print media, but also radio and television broadcasters. We could also increase government advertising spending in our Canadian media and amend section 19 of the Income Tax Act to prevent Canadian advertising expenses from being deducted when they're placed on foreign digital platforms.

So—

Jean-Denis Garon: I'm sorry to interrupt. Time is a rare commodity for the second opposition party.

Are you still concerned about seeing large platforms that aren't taxed, that essentially get free fiscal access, and that end up making money from content produced by local media that are struggling to get by? Does it frustrate you a bit to see that?

Hubert Rioux: What I would say is this, Mr. Garon. Quite simply, the competitive playing field has to be fair and equitable for everyone.

Mathieu Lavigne: I want to add something on that point. The current legislation, including that of the CRTC, dates from a time when the big players were the big Canadian players. Now the big players are the big international ones. Our Canadian and Quebec companies, even the biggest ones, are no longer the big players they once were in the overall landscape. We need to adapt to that reality.

The Chair: Thank you, Mr. Garon.

[*English*]

We will continue with Ms. Cobena for five minutes, please.

Sandra Cobena (Newmarket—Aurora, CPC): Thank you, Madam Chair.

I will be directing my questions to Ms. Wilding.

Thank you for sharing your time. I used to be an adjudicator in the mid-market space, in the commercial space, so, naturally, accountants were my best friends for many years. Thank you for sharing your expertise with us.

Generally speaking, where do you see the biggest compliance cost for SMEs?

• (0910)

Carol Wilding: From a small-to-medium market perspective, one of the biggest hurdles is the corporate tax, which is a disincentive to growth. Small businesses hit that threshold of \$500,000 pretty quickly. We're actually disincenting small businesses to grow at a time when, critically, we need to be seeding them. That truly is the largest impediment from a small business perspective in terms of their ability to grow.

Once they hit that threshold, it significantly increases their tax; it's just disincenting them to invest. We see that in the conversations we have with our practitioners who are tax advisers to the small-to-medium market space, which is obviously a very big component of Canada's economy.

Sandra Cobena: Exactly.

I always say it's the small businesses that become medium businesses that become large businesses, so of course—

Carol Wilding: Exactly.

Sandra Cobena: —we want to make sure that we are supporting the small businesses.

In that light, are there any federal tax rules that disproportionately hurt start-ups or that small business—that family business, perhaps—from your perspective?

Carol Wilding: I'll go back to some of the comments I made at the beginning, that we really are moving into—we're already there, although our tax system has not kept up—an innovation, an intangible, as a digital economy, yet we're trying to operate in a modern economy with a tax system that is 60 years old. The tax system doesn't really reflect or understand things like the movement of IP.

Take, for example, a patent box regime. That was in the fall economic statement, so it's curious that it didn't find its way into this. I'm hopeful it will, because those are some of the examples of bold tax reform that we need. We need broad-based tax reform, both at the corporate level and the personal level, if we are going to incent small businesses and entrepreneurs, particularly in the innovation economy, to step in, to invest and, more importantly, to stay in Canada, because things like IP and intangible assets move very easily across borders.

Sandra Cobena: Yes, you're right.

I recall from my times in lending that cash flow was a big piece beyond any other metric. Oftentimes, cash flow in uncertain times is the most critical, the most important, aspect of the business for a small business. Right now, you could say that we are in those uncertain times economically.

What legislative changes would you recommend we consider to improve the stability of that cash flow, particularly for SMEs?

Carol Wilding: Yes, cash flow is critical. If you're trying to make your payroll, and quite literally, some of the small businesses are, in terms of their ability to go payroll to payroll. I think some of the things that are in there in terms of the writeoffs—the ability to have some of those accelerated writeoffs—do help in the short term.

The bigger piece is the uncertainty of some of these that are going to potentially encourage investment and therefore help cash flow but that are not actually permanent, right? They will hold back from additional capital investment, which will inhibit in terms of... Cash flow just follows in terms of where the actual capital will flow as well.

I would bring it back to where the policies are that incent, the permanency of the ability to actually invest and see that over time. That—and we're back to the superproductivity—is fine, but it's very short term, and there are many other things that need to be done there, along with the SR and ED. SR and ED would be another example of that.

Sandra Cobena: Thank you for that.

I recall having a number of conversations with business owners who sometimes found it inconvenient and an administrative burden to have that volume of reporting and compliance. It forces them to allocate resources to that.

Do you have any recommendations for us to alleviate that burden?

The Chair: Answer very briefly, please.

Carol Wilding: First, it's startling. In a recent research report, it was over \$4 billion a year, which is 0.15% of GDP in terms of the actual cost of compliance and administrative burden.

The Chair: I apologize, Ms. Wilding. I'm going to have to end it there.

That concludes the time for this round.

Thank you, Ms. Cobena.

We'll continue now with Mr. MacDonald for five minutes.

• (0915)

Kent MacDonald (Cardigan, Lib.): Good morning, Madam Chair.

Good morning to all the witnesses attending this morning.

I'll direct my first question to Ms. Vega.

Bill C-15 has consumer-driven banking provisions and provisions for the development of real-time rail. It's obviously intended to modernize our banking system in Canada. It may be long overdue. On the other side of this, many rural Canadian seniors rely on that face-to-face meeting with their banking institutions.

Can you speak to how we get the best of both worlds? Do we need education? Who has to provide it? Seniors are the most vulnerable to banking charges because of the nature of doing transfers upon retirement and then more transfers upon death. Is there a way we can get the best of both worlds?

Adriana Vega: Financial technology companies are digital first. Many of them don't have a bricks and mortar presence like a traditional bank, for example. Disruption is affecting everybody. Banks sometimes are closing branches, etc.

You raise a good point. Seniors in rural communities are, perhaps, more vulnerable. There's a big education piece that needs to happen both on the government side and in industry.

You raised things like the RTR, for example. It's important for us to think about it as an ecosystem. No single technology is operating in a silo, and no single market participant is operating in a silo. We see this even on the regulatory side. If you're developing regulations for open banking or stablecoins, a lot is dependent on whether we have a system that allows for the real-time movement of money. All these things are stacked. They're not separate things.

I would equally consider the risk equation as part of that shared responsibility for the entire ecosystem. From our perspective, we have been very much pro-regulation. We have been an advocacy voice in favour of regulation. One reason we supported the RPAA so strongly is that we believe trust underpins our sector. It's important for customers to be protected and not be held liable when things go wrong. That applies to all customers across Canada.

To your point, does this require more education and collaboration? Absolutely. I have personally taken that on to make sure we are reaching across the aisle to the different participants so we're all in it together to protect the Canadian customer.

Kent MacDonald: There you go.

I'll go to Ms. Oliver next.

I'm very encouraged. You spoke about the fees and your goal with Wealthsimple to reduce banking fees. I ran a business for over 40 years before I came to Parliament Hill. Banking fees annoyed me very much while running that business, especially for the simple things, which you addressed in your opening remarks.

Can you give me your opinion on the presence of more options? We all hear that competition is good. Is it going to make—I won't name anyone—the big five more responsible in their fee charging?

Jessica Oliver: I see a real parallel with your comment about running a business and how things add up. Everything adds up.

To touch on your comment about seniors, there are people who are much more comfortable in person and there are people who have mobility challenges who are grateful they can manage things remotely. Technology also brings security options. My mom loves being able to go into her Wealthsimple app and lock her credit card

so it cannot be used. She can turn it on and off in her app. Lots of institutions have those features. As long as there is a market demand, the market is well positioned to fill it. Whether that is in-person service for people who prefer it or....

We have a group retirement savings plan that we initially launched to serve our own business. You heard last week C.D. Howe saying that only 19% of small and medium-sized businesses offer workplace retirement savings plans, and that's a concern.

• (0920)

The Chair: Ms. Oliver, could you wrap up quickly, please?

Jessica Oliver: Yes.

We now serve 1,000 small and medium-sized businesses with retirement savings plans for their employees. Their employees have saved \$1 billion—

The Chair: Thank you, Ms. Oliver.

Jessica Oliver: —and 95% of them did not offer those plans.

The Chair: We're going to have to end it there.

Thank you very much, Mr. MacDonald.

That concludes the first hour of our meeting today.

On behalf of the committee, I would like to thank all of our witnesses, both in person and online.

We will now briefly suspend as we change over for the next part of our meeting.

Thank you very much.

• (0920)

(Pause)

• (0920)

The Chair: I call the meeting back to order.

Colleagues, we are going to get started with our second hour.

I would like to take a moment to welcome our witnesses for this hour.

We have Mr. Ehren Cory, the chief executive officer of the Canada Infrastructure Bank. He is joined by Mr. Frédéric Duguay, the general counsel and corporate secretary of the CIB.

I would like to make a few brief comments for the benefit of our new witnesses.

Please wait until I recognize you by name before speaking. For those participating by video conference....

Actually, it's just Monsieur Garon. You know what to do, so that's fine.

This is a reminder that all comments should be addressed through the chair.

Mr. Cory, you have five minutes for opening remarks. Please go ahead.

• (0925)

Ehren Cory (Chief Executive Officer, Canada Infrastructure Bank): Good morning, Chair and honourable members. Thank you for the invitation to address the committee in relation to your study of Bill C-15.

As the chair mentioned, I'm joined by our general counsel and corporate secretary, Frédéric Duguay.

[*Translation*]

We welcome the opportunity to speak to you about the proposal in budget 2025 to increase the Canada Infrastructure Bank's capital from \$35 billion to \$45 billion.

[*English*]

As many members of this committee know, the CIB was created to help get infrastructure projects unstuck. Through our flexible financing, we address risk and affordability gaps that get in the way of important projects moving forward. By crowding in private financing and coordinating with government granting programs, we make public dollars go further and deliver more of the infrastructure Canada needs to grow.

With \$28 billion of our \$35 billion initial appropriation either committed under binding financing agreements or allocated to ongoing public energy procurement, the success of the CIB to invest in infrastructure products across the country means it is starting to reach financial constraints. This additional allocation, therefore, is very much welcome and necessary. It will allow us to continue on our ambitious program of investments in projects that deliver benefits to Canadians.

Before we get into the questions, let me take a step back and share a bit of background on the CIB and our progress for committee members.

[*Translation*]

Since I joined the CIB in 2020, we have consistently made 20 to 30 investments annually—that's \$3 billion to \$4 billion of CIB money invested every year—and we expect this pace to increase given the critical importance of infrastructure to Canada's economic future.

[*English*]

I am proud to report that as of today, we have made 108 loans to projects, with a total project value of over \$55 billion. We have projects in every province and territory. Our pipeline of future

projects is healthy. More than 80% of our projects are currently in construction, supporting more than 300,000 Canadian jobs and other downstream domestic benefits for Canadian companies, workers and supply chains. Eleven of these projects are completed. This number is growing each quarter.

Different from a grant, the CIB makes loans and investments that are repaid with interest. Since July 2024, we have collected sufficient revenue to cover 100% of our operating costs. We are now a self-sustaining organization.

[*Translation*]

In short, the CIB is a model that is working and delivering tangible benefits for Canadians, getting greenfield infrastructure built with minimal cost to taxpayers.

[*English*]

Our projects range from a rail terminal in Alberta's industrial heartland to help move goods to Canada's west coast and onward to international markets; to a wind turbine and energy storage system in Nunavut to get an island community less reliant on diesel; to a biomass plant in a remote first nation community in northern Quebec to ensure long-term energy security and economic development. For each project we finance, we look at the public benefits this infrastructure delivers to Canadians—growing the economy, decarbonizing key sectors, strengthening and diversifying trade corridors, building out the electricity grid and energy supply, and closing the indigenous infrastructure gap. These impact measures form the core of our investment decisions.

This brings me back to budget 2025 and the proposal to increase the allocation by \$10 billion. As I mentioned off the top, the CIB has almost \$28 billion of its \$35 billion allocated. If I could just describe that for a second, this represents \$18 billion in legally binding credit agreements with project proponents and projects that are in construction, and an additional \$10 billion in CIB term sheets with provinces and provincial utilities to support their ongoing renewable energy procurements. This pace of investments was confirmed by the PBO in their 2025 report, which concluded that the CIB is on track to reach \$37 billion in financial closes by 2029-30.

Beyond our current mandate, budget 2025 asks the CIB to do even more to address the country's infrastructure gaps.

• (0930)

[*Translation*]

The additional budget allocation is required for us to deliver on this expanded role.

[English]

For example, the CIB was directed to consider investments in any project referred to the Major Projects Office. As committee members will understand, these are large, complex projects that will likely require financing from multiple public and private sources to advance. Opening up access to financing from the CIB is just a natural, logical move to advancing these major projects.

We have also been asked to consider investments in AI and data centres. This sector has significant infrastructure needs to support our long-term competitiveness and growth. We have also been asked to continue and accelerate our investments in indigenous communities.

The Chair: Mr. Cory, could you briefly wrap up, please?

Ehren Cory: I shall.

To date, we have 33 projects being financed that are benefiting first nations, Inuit and Métis communities. Last year we surpassed our initial \$1-billion goal, and the budget increases this target to \$3 billion.

Thank you, Chair.

[Translation]

I welcome your questions.

[English]

The Chair: Excellent. Thank you, Mr. Cory.

We will begin now with Mr. McLean for six minutes.

Greg McLean: Mr. Cory, welcome. Thank you for being here.

I take note of your comments that you've invested about \$18 billion—according to your website, \$17.9 billion—and you have terms out for potentially another \$10 billion. Out of a \$35-billion allocation, you've allocated \$18 billion and you might allocate \$10 billion more, yet the government has given you \$10 billion more in this allocation for your needs or your wants down the road here about what you want to do to move forward an agenda that, can we say, might not be working.

I'll ask you some questions about that, but first, is the \$18 billion reflected anywhere in the government's deficit?

Ehren Cory: The way the CIB works, as the member points out, is that the CIB receives the allocation or appropriation from government. As we make loans, we draw on our appropriation and lend that money to borrowers. Then we get paid back over time. The long-term fiscal impact of this should be, in our modelling, positive for the country.

Greg McLean: Okay. Thank you.

Let me quickly move there. If you were to do an audit of your investments right now, of the \$18 billion you've put out, would you have \$18 billion of assets if they were accounted for on an evaluation basis, at this point in time?

Ehren Cory: It's an interesting question. In our current modelling, when you net three things—investments minus all of our operating costs historically to date, minus any losses on loans for projects that have had challenges or risk, plus the interest we've

currently accrued, which is \$18 billion, using round numbers—it would be something in the range, I believe, of \$17.8 billion. That's slightly below.

When you forecast the interest to be earned from all the existing loans, though, we are growing that portfolio. Our financial audit statements would show that, over time, we will be positive to the fiscal plan.

Greg McLean: Let me ask about something. Last week the government gave you another \$1.5 billion. I presume that's on top of the \$10 billion for your electrification network strategy. You've already been involved heavily in electrification through electric school buses, which we call zero-emission buses.

Looking at your investments, particularly with the Lion Electric Company in Quebec, it seems that they have been an abject failure because the company has gone bankrupt. The \$50 million from the strategic investment fund went into Lion Electric, along with \$140 million from the Government of Quebec. The company quickly did a pump and dump, and the president took out \$33 million and put it in his own pocket just before the company went bankrupt.

To suggest that this is a success as far as your electric vehicle strategy goes—the electric bus strategy—would be a stretch. Would you say that?

Ehren Cory: Madam Chair, there are two things. I'll talk about electric vehicle charging networks, and then I'll discuss fleets, if I may.

On charging, just to clarify, the announcement in the auto strategy that came out last week increased the government's target for us to invest up to \$1.5 billion in electric vehicle charging. That is not new money. That is of our \$45 billion as requested in the budget. That is the government as a shareholder saying that, of our \$45-billion portfolio, they expect, in the long term, \$1.5 billion of that to be in electric vehicle chargers. Previously, that target was lower. They're just increasing that target from \$500 million to \$1.5 billion.

We're a portfolio that's investing in sectors. Therefore, the government's job is to tell us where we should prioritize and how to allocate that portfolio in trade, energy or EV charging. That's what the EV charging money is for.

● (0935)

Greg McLean: No, the question is, effectively, has this been a success, as far as what you've shown in zero...electric buses goes?

Ehren Cory: On fleets, the question conflates two things. Just to be clear, we have no loans to Lion Electric or no investments in them. Our loans are to the owners and operators of electric fleets—municipalities, municipal transit corporations, private school bus operators, for example—so that they can accelerate their transition from diesel to non-emitting fleets.

This program has been taken up by, as I said, municipal fleet operators and school bus operators across the country. Over 5,000 buses are under procurement and will be on the road. We think it's a success. Those buses are being bought from a range of companies, and many are Canadian. They are creating a supply chain and jobs. Yes, we think the program is a success.

Greg McLean: Thank you.

Let me point out that the Lion Electric vehicles were pulled off the road because they were catching fire. The last thing I want to put my kids on when I send them to school is a bus that catches fire. Would you agree?

Ehren Cory: Our job is to support fleet operators, municipal companies and school bus operators in making their fleet choices. We're a lender to their projects, but our job is to help them accelerate fleet investment and transition.

Greg McLean: Yes, thank you. I noticed you did invest in a fleet operator called Highland Electric Fleets, which is based in Beverly, Massachusetts. There was \$50 million from the Canada Infrastructure Bank that went to a U.S. company this past year, so effectively, we're subsidizing a U.S. arranger to buy buses for fleets, potentially in Canada or potentially elsewhere.

Do you have any comments—

The Chair: Thank you, Mr. McLean. That concludes your time.

We will continue now with Mr. MacDonald for six minutes.

Kent MacDonald: Thank you, Madam Chair.

Thank you, Mr. Cory and Mr. Duguay, for attending today.

I was reading your bio before I came here today. You have a lot of years of experience at the Canada Infrastructure Bank. You've been there since 2020. Can you speak to what you have learned from those experiences, the lessons learned, over the years?

Ehren Cory: I just passed my five-year anniversary, and I believe Frédéric is at seven.

The CIB was launched.... Our first employee was hired in 2018, so we're still a relatively young organization. We've learned a lot along the way. I'll tell you three things that I think have made a big difference for us in our journey.

First, we have learned the power of collaborating with the provinces, territories and municipalities. Canada is a vast country with a sparse population. The infrastructure needs across our country are varied. They're not the same in B.C. as they are in northern Quebec or the Northwest Territories. Working with local owners of infrastructure.... Lots of the infrastructure in our country is owned by the provinces, municipalities and territories, including first nations, Métis and Inuit governments. That's lesson number one. If you look at all of our big successes, they've come when we've worked really closely with others. That also includes working really

closely with federal counterparts to make sure we're aligned to the policy goals of the shareholder.

The second thing we've learned is that, with our investments, we can help solve two of the main reasons infrastructure projects get stalled in this country. There are many reasons that infrastructure projects get stalled, but there are two that we can really address. One is the affordability of projects. Infrastructure projects often last 50, 75 or 100 years. There are huge upfront costs to building them. We can help to smooth that out by managing them and easing the burden on today's ratepayers or users of the infrastructure.

The other way is in helping to share the risk that comes with projects. Oftentimes, you're building something for a long-term future. You're building a port for growth in traffic from now until 2050. The world is an uncertain place and it's hard to know how much traffic is going to grow. The CIB can help share in that risk. We can provide financing that says they will pay us back as the traffic ramps up or as the demand grows.

That's the kind of financing that a typical bank, which isn't a Crown like us with a long-term view, couldn't take. That idea of affordability, managing the costs and risk sharing are the lessons we've learned. We look at every investment through those lenses. How can our money help manage costs and manage risk of the project?

Those are two, at least, that I'll share with you.

• (0940)

Kent MacDonald: Thank you.

We heard from my colleague across the way, and he was trying to identify a black sheep.

Can you speak to the golden child of your program?

Ehren Cory: Indeed. That question is kind of saying to pick your favourite child, so I don't know. We like all of our projects, but I'll tell you about two.

The first project the CIB invested in is the REM, the new transit line in Montreal. I mention this one only because it has many of the hallmarks I mentioned. It's a collaboration, obviously, across levels of government and with the private sector, including an institutional investor, in this case, the Caisse de dépôt. It's a project that is now partially in service. Two of the three lines are operating. People are riding the transit. It is delivering real benefits, so you can see the other side of it. It's transforming housing availability, commutability and livability in the city of Montreal in really meaningful ways. That is one which I continue to point at.

A more recent one would be our intertie project, which is a new transmission line between Nova Scotia and New Brunswick. The reason I would pick this one is that it has, again, all the hallmarks of a great project. The project is owned, actually, by a consortium, including the power utility, Nova Scotia Power and the CIB as an equity investor. The Mi'kmaq first nations of both Nova Scotia and New Brunswick are also owners of the project.

Together, from the start, they're designing where the line will go and how it will get built, creating jobs, economic development and, eventually, ownership of the line. All of the indigenous communities of both Nova Scotia and New Brunswick are going to own this line alongside us. It's going to connect the grids, create more reliability, allow us to grow electricity supply and move towards decarbonizing the energy supply in both Nova Scotia and New Brunswick.

Those are two.

Kent MacDonald: I'm really pleased you identified that one from Atlantic Canada, because I was probably going to bring it up. Thank you for that.

You said in your opening remarks that you're in a position where you're self-sufficient today.

Can you tell Canadians, the people listening at home, how the Canada Infrastructure Bank's revenues and its requirements for government appropriations work and how you're covering your costs?

Ehren Cory: As I was mentioning in response to an earlier question, the way we work is that we have this appropriation from government. We draw it down as we finance projects and then we get repaid. As we get repaid, of course, we're charging some form of interest.

We were talking earlier about \$18 billion in financing agreements. As our book of business grows, it draws money. Eleven of those projects, as I said, have been completed. Those projects are now paying us back with interest.

That flywheel, the idea of this, is a fund. It's an investment fund. Eventually, all \$45 billion will come in. We'll put it out and we'll charge interest. We'll do that again and again and finance hundreds of billions of dollars of projects in this country over the long term.

The Chair: Thank you, Mr. Cory.

Thank you, Mr. MacDonald.

[*Translation*]

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

Jean-Denis Garon: Thank you, Madam Chair.

Once again, I would like to welcome all the witnesses to the committee.

I'm going to start with Mr. Cory from the Canada Infrastructure Bank. I'm going to continue a bit on the topic of electric buses and the electrification of transportation.

In 2021, the CIB committed to investing \$1.5 billion in zero-emission buses.

How much of the \$1.5 billion has been invested to date?

Ehren Cory: Sorry, are you asking me how much of that \$1.5 billion has been invested to date?

Jean-Denis Garon: How much of the \$1.5 billion that you promised for electric buses has been invested?

[*English*]

Ehren Cory: Madam Chair, Mr. Duguay might be able to help me with this in a moment.

Our program, to the best of my recollection, has fully invested the \$1.5 billion. It is committed, as I said, to partners across the country, and I believe—

[*Translation*]

Jean-Denis Garon: What percentage was invested in Quebec?

[*English*]

Ehren Cory: I'm sorry, Madam Chair. I don't know the percentage of those investments that are in Quebec. If it's the committee's will, I can certainly provide that afterwards. On our website, we show each of our investments, so I could pull that information, but I don't have it.

[*Translation*]

Jean-Denis Garon: Thank you.

We would appreciate that.

How much of the investment went to Lion Electric?

Ehren Cory: As I said earlier, Madam Chair,

● (0945)

[*English*]

our investments are all loans to the buyers of fleets, so they go to the municipalities and school bus operators. They don't go directly to any one bus manufacturer. Actually, the decision of where to buy their buses is the City of Edmonton's, the City of Ottawa's, the Durham Region's—

[*Translation*]

Jean-Denis Garon: We would like you to provide us with the list of carriers in Quebec that you've done business with.

As I understand it, the program announced in 2021 consisted partly of loans from the Canada Infrastructure Bank, with the rest being a grant program. It was jointly administered with Housing, Infrastructure and Communities Canada. However, in Quebec, the provincial government already had its own policy, so the federal program didn't apply.

Do you know whether Housing, Infrastructure and Communities Canada reached an agreement with Quebec to transfer its share of the grants so it could support businesses like Lion Electric?

[English]

Ehren Cory: I'm sorry, Madam Chair. That's beyond my understanding or role.

What I can say is that in Quebec, when we have worked on both the municipal fleets and, in particular, the school bus fleets, which is where we've had a lot of traction in Quebec, we have done so directly engaging with the provincial government in Quebec to align our programs with another grant program.

[Translation]

Jean-Denis Garon: I'm sorry to interrupt, but you're not answering the question.

This is right in the middle of your business ecosystem. You know that there's a Quebec program in place. Do you really have no idea?

This is the market you're in. You're investing \$1.5 billion, but you have no idea whether an agreement has been reached between Housing, Infrastructure and Communities Canada and Quebec. You've never heard about this in your life.

Did I understand correctly?

[English]

Ehren Cory: Madam Chair, what I can say is that in our loan program, our loans align with and complement the program the Government of Quebec has offered to school bus operators so that the financing works together and they can go ahead and change their fleets.

Agreements between Infrastructure Canada and the province, as I said, are not part of my role.

[Translation]

Jean-Denis Garon: You don't know. That's fine.

I want to talk to you about the Alto high-speed train project. It's a major infrastructure project, and I think it meets a lot of your criteria. You also mentioned the Réseau express métropolitain, or REM.

Is the Canada Infrastructure Bank currently a partner, or could it become a partner, in a project like high-speed rail?

[English]

Ehren Cory: Madam Chair, on the high-speed rail in the Quebec City to Toronto corridor, yes, I can confirm that the bank, early on in the analysis of that project in 2020-21, worked very closely with Transport Canada and Via to analyze the potential for private capital and institutional investment in that project.

[Translation]

Jean-Denis Garon: What did the potential look like?

[English]

Ehren Cory: Yes, I absolutely think that's a project that meets all of our criteria. Of course, there's development work going on. It's not an investment of the CIB today, but it certainly could be in the future.

[Translation]

Jean-Denis Garon: Are you still, to this day, having discussions with Alto about possible funding or involvement?

Is this something that's actively moving forward on your end right now, or is it on ice?

[English]

Ehren Cory: Yes, Madam Chair, we stay in ongoing touch with our colleagues at Alto. When the time comes and they're at the stage of raising the equity and debt to finance the main project, it's something that we will obviously look at. Yes, we have regular—not frequent, but regular—contact with them as they progress their project.

[Translation]

Jean-Denis Garon: We're interested in this project, obviously. It's a major project with real potential. Alto told us, for example, that by mid-century—which is fast approaching—25 million people would be taking the train. An analysis was done. We know those numbers can sometimes be optimistic, although we have no reason to believe them or not believe them.

At the Canada Infrastructure Bank, you're looking for some profitability. You have to be accountable. Have you done a cost-benefit analysis?

Is it because of insufficient profitability that you decided not to get involved yet and are waiting for the next round?

[English]

Ehren Cory: Madam Chair, the interesting thing about public transit projects at all levels—high-speed rail, and it's true for municipal transit as well—is that the direct revenues they generate—fares, or development around the line—are never going to fully pay for the transit, so you're always going to have a blended finance solution.

The CIB has looked at the early stages of studies on what the traffic volumes and profitability could be. We think there's an investment opportunity for both us and the pension funds for the project.

The Chair: Thank you, Mr. Cory.

[Translation]

Thank you, Mr. Garon.

[English]

We will continue with Mr. McLean.

Mr. McLean, you have five minutes.

Greg McLean: Thank you very much.

I'll go back to Mr. Cory.

You talked about the \$50 million you loaned, as you would say, to Highland Electric Fleets in Beverly, Massachusetts. You also loaned \$400 million to Quebec's Bus Carriers Federation and \$15 million to Autobus Séguin. More than \$1 billion has gone out for these zero-emission buses, and I suppose some of those may include Lion Electric buses as well.

Regarding the ones that are definitely Lion Electric buses, would you say those loans are a writeoff at this point in time, including the one to the U.S. company?

• (0950)

Ehren Cory: Madam Chair, if I may, I'll address that question and also address the member's question at the tail end of his last comments.

To be very clear, every one of our investments is in, or partly in, Canada. If it is a bridge between Canada and the U.S., we can invest in that. It must be infrastructure in Canada, and it must be infrastructure that benefits Canadians.

Now, as to the companies that deliver this, we live in a global world. There are companies that come from around the world and do business in Canada. As Canadians, we benefit from that, but our loans benefit Canadians and Canadians only. To your earlier question, they could not use the loan, for instance, to buy buses that would be on the roads in the U.S. They must benefit Canadians. That's what the purpose of our financing is and always is.

Greg McLean: Is it a writeoff?

Ehren Cory: Madam Chair, to the second part of the question, no, our financial statements are very clear about what our current financial writeoffs are.

However, I can confirm that our investments in electric fleets continue to be viable investments, and we intend to collect.

Greg McLean: Okay.

I would like to go now to the president of the Canada Infrastructure Bank.

Lion Electric went bankrupt, so any taxpayer money that funded the acquisition of these vehicles is effectively null at this point in time.

I'll pivot here, if you don't mind, Mr. Cory. There was an arrangement made behind the scenes with Lion Electric regarding vehicles, which included a bank syndication with the Bank of Montreal. BMO is one of the signatories on there. It's interesting that the Bank of Montreal has an arrangement with Export Development Canada to make sure they never have to suffer any losses on their loan portfolio. Effectively, the people of Canada are underwriting bad investments facilitated by your organization without any oversight.

Is this proper due diligence on your organization's part, or are you part of the effort to work through the capital here and make sure Canadian taxpayers are always at risk in these programs?

Ehren Cory: Madam Chair, I'm not sure I fully understand the question.

I'll say this. We conduct, on every loan, full due diligence. In the case of electric fleets, our borrowers—who are the fleet operators—sign on to acquire electric buses, decarbonize their transportation and pay us back out of the operating savings that come from the reduction in fuel use and maintenance. That's the due diligence we focus on and do on each and every investment.

Greg McLean: It looks like you've written off a \$50-million loan to a U.S. entity that was going to look at doing some business in Canada. You've written off what might be \$400 million for another investment in electric vehicles in Quebec, as well as another \$15 million. It's probably more for this whole fleet of zero...electric buses, a concept you've leaned towards. The beneficiaries of this, of course, are a bunch of intermediaries. With Lion Electric, as we've clearly shown, the beneficiaries were the insiders.

Is one of those insiders, Andrée-Lise Méthot, on your board?

Ehren Cory: First of all, just to dispute the very premise of the question, I've never said anything.... Your comments about what we have or haven't written off are not matched. Just to be clear, those are not all projects we've written off.

Greg McLean: A bankrupt company, you haven't written off your investment in them.

Ehren Cory: We don't have an investment in that company. I think I've been quite clear. I don't have a loan to them. The premise of the question doesn't feel—

Greg McLean: Do you have a loan to the people who were arranging to buy those vehicles?

Ehren Cory: We have a loan to people arranging to buy non-emitting buses and put them on the road.

By the way, this is an important point. The way our loans all work is that when we sign a financing agreement, the agreement is that they can draw money as they actually make progress, as buses are on the road. To pick a different example, if I made a loan to someone doing broadband, I may make \$100-million financing, but they only draw money as they build the infrastructure.

Greg McLean: Mr. Cory, what's the writeoff?

Ehren Cory: Our financial statements are very clear on what writeoffs we do and don't take. I'm happy to provide those to the committee, if you wish.

The Chair: Thank you, Mr. Cory.

Thank you, Mr. McLean. That concludes the time.

We will continue with Mr. Sawatzky for five minutes.

Jake Sawatzky: Thank you, Chair.

Thank you for coming today, Mr. Cory and Mr. Duguay.

I'm very excited to hear about investing in the right way. You mentioned the electrical intertie and growing the electrical grids and supply. I think that's really important going forward. I come from British Columbia, where of course we have a lot of hydroelectric.

I'm wondering if you could speak to the importance of expanding the electrical grid and maybe tie it into B.C. In my own municipality of New Westminster, the municipality actually has its own electrical grid. Maybe just speak to the importance of growing our electricity supply at this moment in time.

● (0955)

Ehren Cory: It is such a critical time for us to be investing in our electricity supply—generation, storage and grid—for two basic reasons. One, electrons are the lifeblood of a growing economy. In British Columbia, for instance, our investments in electricity are also investments in growing the critical minerals sector in the north-west, or the energy sector in the province, or the competitiveness of businesses who are manufacturers. It's the same in other parts of the country, whether that's data centres or energy production. Electrons are the lifeblood of that.

Two, we need to grow our grid while also decarbonizing the stuff we do have—moving off of coal, for instance, not in B.C. but in other parts of the country. To put it simply, we have to replace a bunch of the stuff we have and then build a bunch of new stuff. That is what's putting a real burden on the affordability of these investments on Canadians, because all of that eventually falls on ratepayers, electricity payers, in the country.

We're very focused on this. Building good transmission grids also helps that, because you can now spread out the generation and build reliability. Those interties and grid investments are also really important. Battery storage and other forms of storage also form the balancing act. Those investments are core to the CIB. Recently we passed \$5 billion in investment in that space and continue forward.

Jake Sawatzky: Absolutely. Thank you very much.

Can you maybe dive in a little bit further and speak to the efficiencies that electrification provides? I'm thinking about heat pumps in homes, more EV chargers and people having maybe even batteries within their homes. How can that improve the efficiency and even affordability of people's daily lives in Canada?

Ehren Cory: The interesting thing, as you say, is that these things all do feed on each other. The CIB has investments in clean power and battery storage and transmission. We also have investments, as you point out, in high-speed electric vehicle charging networks across the country. As one of the earlier questions pointed out, we are planning on accelerating that, linked to the automotive strategy that was recently released.

Decarbonization of our building stock is a really important part of what the CIB is also doing. We have the building retrofits initiative, where we're working with building owners to convert to heat pumps; to move off fossil generation for their heating and cooling; to retrofit their buildings; and potentially to convert their buildings in some jurisdictions from office to residential, for instance. We've seen that in some markets.

What I'm saying is that there's a real chain of investment from the generation and the electricity system into the end use, whether that's chargers or decarbonizing buildings. Together, I think those investments are building the core of what we'll need in order to be economically competitive and meet our climate goals in the future.

Jake Sawatzky: Thank you.

In the minute I have left, maybe I can ask two really quick questions.

In my own riding, I have a lot of extensive rail lines going through: CN rail, CPKC and SRY. Could you speak briefly to the trade corridor investments?

Ehren Cory: One of our investment sectors is trade and transportation corridors. I know your riding well, only from the rail maps. It is one of the more congested, busier parts of the country. We've certainly been looking at ways to debottleneck and grow trade all the way through, not just at the port, but working your way back up through the rail network.

We've invested in inland facilities. I mentioned in one of my earlier comments a facility in the heartland outside Edmonton. It's really to help shippers get their products more quickly to port. It's a rail handling and logistics yard.

We've made investments, obviously, in the passenger side of rail, but we're looking very much at other logistics handling facilities inland to complement, again, if you follow the whole chain, our port investments that we've made in Prince Rupert or in Montreal, or that we're looking to make in Vancouver.

The Chair: Thank you, Mr. Cory.

Thank you, Mr. Sawatzky.

[*Translation*]

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

● (1000)

Jean-Denis Garon: Thank you very much.

I'll go back to the representatives from the Canada Infrastructure Bank.

You wrapped up your answer earlier by telling us that the high-speed train was an investment opportunity, which basically doesn't say much. Anything can be an investment opportunity. It's kind of an empty phrase.

How is it that this is an investment opportunity that you have not taken advantage of so far?

Why didn't you seize that opportunity?

[English]

Ehren Cory: I appreciate the chance to clarify. To be clear, the high-speed rail in that corridor is a project that has huge benefits for Canadians. It meets all of our criteria for investment. It's a project the CIB worked on in the earlier phases of developing the project. When the time comes, it would certainly make sense as a project that we, alongside private capital, invest in.

The only answer to the member's question is that it isn't yet time for a CIB investment. It's premature, but we remain in discussion with them, and when the time is right, I suspect it will be a project that we'll be very proud to be investors in.

[Translation]

Jean-Denis Garon: I have a follow-up question.

There's already capital. We're already putting together a financial package. We know that the Caisse de dépôt et placement du Québec—your partner in the REM project, in particular—has already stepped up to take part in this project.

I'm trying to understand how your organization works. How is it that the timing is right for the Caisse de dépôt et placement du Québec to invest in the project, but not right for the Canada Infrastructure Bank?

I'm having a hard time understanding why you're trying to, no pun intended, catch the train at the last minute.

Ehren Cory: Thank you for the question.

[English]

To be clear, yes, it's really exciting that there is progress happening—early works, as we call it in the infrastructure business—on the ground in early phases.

To answer the member's question, the project is still in the process of finalizing the total cost of the project, the construction schedule and the contract—

[Translation]

Jean-Denis Garon: Very quickly, do you think it's likely that the project won't go ahead?

Is that your concern?

Ehren Cory: No, not at all.

[English]

It's not a question of whether the project will; it's when the project is mature enough that it's ready for project financing. Typically, in project financing, you would finalize the design and costing for all segments of the line, and then you'd go out to raise the billions of dollars you're going to raise to invest in the project.

[Translation]

Jean-Denis Garon: Did the Caisse de dépôt et placement du Québec move too quickly?

The Chair: Thank you, Mr. Garon. Time's up.

Thank you, Mr. Cory.

[English]

We will continue with Mr. Kelly for five minutes.

Pat Kelly: Thank you.

When the Canada Infrastructure Bank was established, Canadians were told it would disburse \$35 billion by fiscal year 2027-28. Is the bank on track to reach that target?

Ehren Cory: Per the most recent analysis of the PBO, we're on track to achieve \$37 billion by 2029-30.

Pat Kelly: That's disbursed; not committed, disbursed.

Ehren Cory: It's a very fair question. I talked a bit about our funnel earlier. I will do this for just a moment more. If you think of our investments, we talk to projects across the country. Eventually, after identifying a project and understanding it's in mandate.... I promise—

Pat Kelly: You didn't answer the question, and now you're giving a lot of preamble to.... What was it?

Answer yes or no. Are you going to meet that target? Are you going to have \$35 billion disbursed by 2028?

Ehren Cory: Quite simply, we sign contracts and we disburse money as construction happens, as I think Canadians would want us to do—

Pat Kelly: No. Wait a minute—

Ehren Cory: Today—

Pat Kelly: Wait a minute. Canadians were told by the government that you would have that money disbursed by 2027-28. I'm just asking if that's going to happen. If it's not.... In fact, we'll take it that it will not.

What are you on track to disburse by 2027-28?

Ehren Cory: Madam Chair, as of today, to be clear, on the question of disbursements, we have \$18 billion in contracts signed, and today we have disbursed about \$7 billion cash.

Pat Kelly: Okay.

Ehren Cory: To the question that's been asked, cash gets disbursed as construction progresses. Every quarter someone sends us an invoice and we disburse. We're at about \$7 billion now. I don't know the forecast to two years out, but I can say that over the last—

Pat Kelly: Okay. Do you know what the PBO's estimation was?

Ehren Cory: I do not off the top of my head.

Pat Kelly: It was \$14.9 billion. That's what the PBO said on page 1 of their report.

Is that projection higher or lower than it was in 2021? Are you getting better or worse at hitting the targets that the government states publicly?

Ehren Cory: Just to be clear, the original baseline you're comparing with is from 2017, when the CIB was launched, and the idea was the disbursements would happen by 2027-28. We are rapidly accelerating. Right now we have, drawing somewhere between—

• (1005)

Pat Kelly: Right, but you are nowhere near what was promised.

Let's look at this another way now. What proportion of private sector investment to public sector investment were Canadians promised when this bank was established?

Ehren Cory: I think, Madam Chair, the best thing is to talk about where we are.

Pat Kelly: No, the best thing to do is answer questions. Officials have to answer questions when they come to committee, so I'd like you to answer my question.

Ehren Cory: Sure. Madam Chair, thank you for the question.

The original concept of the bank was that for every dollar we invested, there would be three to four times the amount of private capital. The important thing to note—

Pat Kelly: The fall economic statement wherein the bank was established actually said 4:1, and Bill Morneau in his speech on it said 5:1, not 3:1.

The next question is, what is the current proportion of private sector investment to public?

Ehren Cory: Madam Chair, it's an interesting question. I will answer the question of the member very directly, but you have to take two parts of my answer, if that's okay.

Part one is that today there's \$25 billion aligned against our \$18 billion, so you might say that's 1.4:1. The way you have to think about these investments, though, is over time. We make an investment, and at the outset of the investment, when we make the loan, that's the ratio. Over time, as we're paid back and private capital replaces us, on every one of our projects, that ratio changes. Our forecast is that we are well on track to be at 4:1 over the lifetime of the loans.

Pat Kelly: Okay, but you're moving the goalposts in these answers. I'm going back to what Canadians were promised and told when this institution was established, what its projections are and what various ministers have said publicly.

Would you agree that it is fair for Canadians to be extraordinarily skeptical about the claims the government makes about the efficacy of this bank when none of the commitments that the government made have actually unfolded over time since your bank was established?

Ehren Cory: Madam Chair, thank you—

The Chair: Give a very brief response, please.

Ehren Cory: Sure. I dispute the premise of the question. What Canadians were promised is that these projects would draw in three to four times their private capital. That's what they're on track to do.

Pat Kelly: But—

The Chair: Thank you very much, Mr. Cory.

Thank you, Mr. Kelly.

That concludes the time for this round.

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

[*Translation*]

Carlos Leitão: Thank you, Madam Chair.

Good morning, gentlemen.

There are a lot of things we need to discuss. I'll make a quick comment.

Lion Electric buses are still running. I see them every day in my riding. The buses are rolling.

[*English*]

No, they don't catch fire. They're running and kids are in them.

The company went bust, but the buses were sold and now there's a company that has taken over, so the maintenance of the buses is assured. I don't see that there's a problem the Quebec government will have to look into regarding the operations of the company, but the product—the buses—they actually run, and run well.

Now, Mr. Cory, you were trying to explain earlier, so I'd like to give you the chance to complete that explanation about the disbursed versus committed funding and the way in which you operate.

Ehren Cory: The functioning of the bank is actually very clear on this point. We negotiate terms of investments and sign binding financing agreements, and then cash gets drawn in behind those as progress is made. As I was saying earlier, this is, I think, actually what all taxpayers would want us to do. It means that our money is only disbursed as the construction happens and as the benefits are realized for Canadians.

It is absolutely true that there's a lag between those two things as we've ramped up activities. The CIB launched in 2018 and made its first loan then, but really, after a few years of start-up, it's only been in the last four or five years that we've made investments.

As I said, when I joined the CIB five years ago, the CIB had made one investment. We've now made 108, so we're really on that curve. Now the draws are happening. If you look at each quarter now, you'll see that there are draws happening of between three-quarters of a billion dollars and one billion dollars of actual cash out the door. We've accelerated.

The member's question compared the original forecasts of 2017 and the disbursement, and it's true that we lag behind in those. However, we are now at a pace where borrowers of ours are drawing every quarter. As I said, I think this is actually the model we would want to see so that our money only goes out the door if and when real benefits are realized by Canadians.

• (1010)

Carlos Leitão: I guess that's one of the reasons that, for example, with regard to the high-speed train project, the Alto project, there's no money going out the door yet. It's because the tracks haven't been laid yet. The project is not in the construction phase. When it gets to that stage, then we'll see what happens, but the time is not now—as it was back in 2017 with the REM. In that case, the project was under way. Things have changed quite a bit since 2017. I think the current version of the CIB is quite different—let's put it that way—than it was then.

One thing that is in your mandate—and this ties to the group that will come after—is your commitment to working with first nations. If I understand correctly, there's \$1.5 billion. Could you tell us how that process is going?

Ehren Cory: It's something that's been a really important part of the bank's growth, and it's something we're really proud about. Almost one-third—33—of our investments are either directly in partnership with or to the benefit of indigenous communities. We do it in two ways. Maybe I'll very briefly speak about those.

One is that we make what we call indigenous community infrastructure investments. These are smaller loans, typically, in community: waste-water treatment plants, clean power to reduce reliance on diesel, roads to allow for new housing development. These are loans directly in community to help close the infrastructure gap. That's part of it.

The other part in the \$1.5 billion is equity loans where we have loaned money to indigenous communities so that they can buy stakes in infrastructure projects. This would be particularly true in things like renewable power. In many parts of the country, renewable power projects are being done in partnership between wind and solar developers and indigenous communities. We've made loans to the indigenous communities so that they can buy and own a meaningful stake in those projects. This is progress we're really proud of.

Carlos Leitão: Thank you very much.

I think that my time is up.

The Chair: That's perfect. That was five minutes on the dot.

[Translation]

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

[English]

You've switched. Okay.

Ms. Cobena, you have five minutes, please.

Sandra Cobena: Thank you, Madam Chair.

Mr. Cory, as you know, both of us work for Canadians and taxpayers. Could you kindly share with Canadians what your compensation is?

A voice: That's a fair and transparent question.

Sandra Cobena: I'm sorry. Go ahead. That was my phone.

The Chair: Can we make sure that our phones are on silent, please?

Ehren Cory: Thank you, Madam Chair.

Compensation at the CIB is published annually in our report. All of our executive compensation is published. We're very transparent, so I'm happy to share afterwards with the member all of our compensation if it's so desired.

Sandra Cobena: How much were you compensated in the last fiscal year—base salary and bonus?

Ehren Cory: My compensation is open and transparent, and it's published on the Internet.

Sandra Cobena: Just give the number, if you could. It is public information. I have the number, but I'd like you to share it with us.

Ehren Cory: My compensation is set by our board every year.

Sandra Cobena: Just give the number, please.

Ehren Cory: They benchmark against the public markets and they pay me well in range of what CEOs are paid in other parts of the world.

Sandra Cobena: Mr. Cory, could you share with Canadians what your compensation is?

Ehren Cory: Madam Chair, as I said, my compensation is public and is benchmarked every year by our board and set.

Sandra Cobena: Mr. Cory—

Ehren Cory: I agree I work for taxpayers and I work—

Sandra Cobena: —I'm sorry, but I have to ask, why are you refusing to share your compensation? It is taxpayers' money that contributes to your compensation. They deserve to know, so would you please share it with them?

• (1015)

Ehren Cory: My compensation is a matter of public record and I take my duty as a worker for taxpayers seriously.

Sandra Cobena: Mr. Cory, your compensation is in the range of \$553,000 to \$651,000. You are entitled to an incentive, a bonus of 50% of your base. You could be making around \$1 million. Could you justify that? What metric justifies that level of compensation for someone who is working in the public sector?

Ehren Cory: Madam Chair, as the member points out, I've worked in public service at both the provincial and federal levels for about a dozen years. I take it really seriously and with pride. I think the work that the CIB is doing does deliver value to Canadians. I think what we're doing is blending private finance and the public interest in a way that's unique. I think the benefit to Canadians is very clear.

Sandra Cobena: Mr. Cory, I'm asking about the compensation and how to justify it. As you know, we have an affordability crisis. I find it unjustifiable for someone to have compensation of close to \$1 million. I am asking you to justify that for Canadians, particularly during this time.

Ehren Cory: Madam Chair, I think for all compensation, it's based on markets and competitive benchmarking. My board does that each year and provides compensation. Actually, I should say it recommends to the government, which then sets, through an OIC, my compensation range. I think that's a transparent and fair system to compensate people, not just me but all people, in a way that's somewhat linked to the market but also recognizes that we're doing public service.

Sandra Cobena: Okay, so you think it's justified for you to be getting paid up to \$1 million.

Ehren Cory: Madam Chair, I think my compensation reflects my work experience, the market and the competitive environment we work in, but it also reflects that we work in public service. It is also well under what CEOs of private financial institutions make.

Sandra Cobena: Mr. Cory, I don't think Canadians will buy that.

Madam Chair, I will share my time with MP McLean.

The Chair: You have about 45 seconds.

Greg McLean: I'll go back to our—

[*Translation*]

Jean-Denis Garon: I have a point of order, Madam Chair.

The Chair: Go ahead, Mr. Garon.

Jean-Denis Garon: I'm sorry to intervene during my Conservative colleagues' turn to speak, but it seems to me that refusing to answer a question when the witness knows the answer is a violation of members' parliamentary privilege, Madam Chair.

I understand that the witness can answer however he wants, but here we have someone who is paid with public money and is refusing to answer a question from parliamentarians, when it's obvious that he knows the answer.

Isn't it a breach of our parliamentary privilege when a witness shows such disregard for a committee member by refusing to answer a question he knows the answer to? He himself said he knows the answer.

The Chair: Thank you, Mr. Garon.

I'm going to take a moment to consult with the clerks.

Jean-Denis Garon: Thank you.

[*English*]

The Chair: I am just going to refer to the rules here: "Witnesses must answer all questions put to them. A witness may object to a question asked by an individual committee member."

There was a response, even if it was unsatisfactory to the members.

Thank you for that.

We will continue with Mr. McLean for 45 seconds.

Greg McLean: Thank you.

Mr. Cory, getting back to where we were, the issue we have here is that your organization acts more or less as a facilitator for insiders to make a lot of money, including Marc Bédard, who made \$33 million by extracting his shares from Lion Electric while the government was, through strategic investment funds and your organization, pumping money into it, more or less lifting it up, with no business case for this whatsoever at that time. People made money. People on the inside made money, including people who were on your board.

Do you have any due diligence to look after these things? Are there any conflict of interest procedures that you need to look at?

• (1020)

The Chair: That concludes your time. Thank you, Mr. McLean.

We will continue with Mr. Fragiskatos for five minutes.

Peter Fragiskatos (London Centre, Lib.): Thank you, Madam Chair.

Mr. Cory, first of all, thank you for your public service at both the provincial and federal levels.

Is there anything you wish to clear up here, sir? There have been a lot of accusations. We just heard conjecture, or what I think amounts to conjecture. Is there anything you wish to put on the table that would allow for a fair testimony to be on the record?

Ehren Cory: If it's okay, I'd love to address the question about conflict of interest. It's a very important one. It's one we take extremely seriously.

I'm going to pass it to my colleague, Mr. Duguay, to talk about how we ensure that, in all of our investments, we meet the highest standard of ethical review, due diligence and conflict of interest checks.

Frédéric Duguay (General Counsel and Corporate Secretary, Canada Infrastructure Bank): Madam Chair, to confirm, with respect to the member's question, we do not have an agreement with Lion Electric. I think that has been said several times by Mr. Cory.

As Mr. Cory said, we adopt the highest standards in public sector governance with respect to conflict of interest. All of our directors are subject to not only the Conflict of Interest Act in Canada but also a conflict of interest code for directors that goes beyond the requirements of disclosure under the Conflict of Interest Act.

Before every committee, we provide a very detailed list of all the projects that are submitted to our board for approval. That includes all of the counterparties, so not just the borrower, but also other counterparties that would be part of a project. In project financing, you'll generally have a major construction company or other companies that have material contracts with respect to a project.

Directors review the project list and proactively disclose any relationships they have with any of these counterparties on investments. We manage conflicts in meetings, consistent with the requirements of the Conflict of Interest Act, with recusal, which includes leaving the room and not participating in any discussion or voting on matters.

We have more information on our process and our disclosures in our annual report, as well as on our codes of conduct, which are available on our website.

Peter Fragiskatos: Thank you very much.

For whoever wishes to take this, would this be in line with other G7 countries, such as with the counterpart organization in the United Kingdom?

You have certainly put in place a framework that aligns with the expectations that exist on behalf of citizens, but there are basic standards adhered to and upheld by governments and organizations similar to the Canada Infrastructure Bank. I am pointing to the U.K., but you can give other examples.

Ehren Cory: The concept of an infrastructure bank in general is interesting. To your point about controls, I'll let Mr. Duguay speak to that in a moment.

To be clear, an infrastructure bank is a blended finance tool that helps support infrastructure projects. To the member's point.... He has an advantage, having been the parliamentary secretary. I know he knows this space very well.

It's not only the U.K. You can look at Germany, the Scandinavian countries, Australia, Singapore, Scotland and individual states in the U.S. There are many that have adopted some version of a model where a public institution like the CIB is making investments, in risk-sharing ways, to help spur more infrastructure investment, blending public and private. This idea is not new. It's not Canadian only.

When we look around the world, the Infrastructure Bank is alongside peers such as the U.K., the KfW in Germany and the Nordic bank. They are leaders in this area. We are far from alone.

In terms of the controls that we put in place, I'll let Mr. Duguay speak to how they compare to those in other jurisdictions.

Frédéric Duguay: As Mr. Cory said, we benchmark our practices with, as I said earlier, comparable organizations in the public sector not just in Canada but also internationally.

An example of that is the work we do around transparency with respect to having a consistent process on the disclosure of projects in which we make investments. Mr. Cory mentioned that we've reached financial close on 108 projects. You can go on our website and see detailed disclosure. That is consistent across all projects with respect to the CIB investment amount, the project description and other information on the project, including its impacts.

As Mr. Cory said, this aligns with the best practices adopted, for example, by the Nordic Investment Bank and the European Investment Bank.

• (1025)

The Chair: Thank you, Mr. Duguay. We'll have to conclude there.

We will conclude this hour with Mr. Garon.

[*Translation*]

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

Jean-Denis Garon: Thank you, Madam Chair.

Mr. Cory, Bill C-15 will increase the Canada Infrastructure Bank's capital from \$35 billion to \$45 billion of public money.

Does that correspond to a request made by the Canada Infrastructure Bank, or did the government simply put it in the budget and, when it was tabled, you had a good day, smiled and popped a bottle of champagne?

Did this come from you?

[*English*]

Ehren Cory: Madam Chair, there's no champagne in our workplace, but I will say that we have been providing ongoing visibility regarding our pipeline of future investments. As I said, we have \$18 billion closed. We have another \$10 billion under term.

[*Translation*]

Jean-Denis Garon: My question is this: Did you ask the government, yes or no?

[*English*]

Ehren Cory: Madam Chair, my answer is that we've been providing forecasts to the government of what our upcoming set of investments are and when the \$35 billion will be fully committed.

Given the government's focus on major projects—

[*Translation*]

Jean-Denis Garon: That's fine, Mr. Cory. You asked for it. Excellent.

The government wants to make investments to increase housing construction. It created Build Canada Homes, and we don't really know how it will operate.

What role could the Canada Infrastructure Bank play in this type of project?

Are you going to work with Build Canada Homes? Will you be a partner?

When are you going to join the dance?

We have 45 seconds left.

[*English*]

Ehren Cory: Madam Chair, I'll go quickly.

Yes, one of our areas of investment is in what we call housing-enabling infrastructure. That means water and waste-water systems, roads, the transit that allows for more housing, district energy and all the infrastructure that goes around housing. We have already been in this space. We've made investments to date that we believe enable the construction start of about 20,000 homes. It's a start.

To answer the question, we plan on working very closely with Build Canada Homes to help accelerate housing development. We see our role as one that works on the enabling infrastructure side, like getting the water pipes and the district energy in the ground, or the transit solutions there, so density can happen and housing can get built.

[*Translation*]

Jean-Denis Garon: Thank you.

The Chair: Thank you, Mr. Garon.

[*English*]

On behalf of the committee, I would like to thank our witnesses from the Canada Infrastructure Bank.

Before we suspend briefly ahead of the final hour of our meeting today, I would like to remind all committee members to keep their phones on silent. It appeared at the beginning of Ms. Cobena's intervention as if she had somebody on the phone. I would ask that we be respectful.

Sandra Cobena: It was Siri. It wasn't somebody on the phone.

The Chair: Was it Siri who said that?

Sandra Cobena: Yes. I did not have somebody on the phone.

The Chair: Okay.

Anyway, I would ask everyone to be respectful of other members and witnesses at committee and to keep phones on silent. I think it's a privilege for us to have our devices with us.

Thank you very much.

We will suspend briefly as we change over.

• (1025) _____ (Pause) _____

• (1035)

The Chair: Colleagues, we're going to get started.

I would like to welcome our next round of witnesses.

We have National Chief Cindy Woodhouse Nepinak, from the Assembly of First Nations. She is joined by Bram Lerat, the senior director, as well as Josh Gladstone, the interim director for housing and infrastructure.

Chief Woodhouse, you have five minutes to begin.

Thank you very much.

National Chief Cindy Woodhouse Nepinak (National Chief, Assembly of First Nations): Chair, first of all, I'd like to give my absolute love to the community of Kitigan Zibi, which has lost children to gun violence, as well as to the victims at Tumbler Ridge.

May I ask for a moment of silence for the victims and for everybody to pray in their own way—in a good way? Remember that we have children out there who are affected across this country this week. I ask for that, Chair, in a respectful way.

The Chair: Yes, absolutely. We will take a moment of silence.

Thank you very much, Chief.

[*A moment of silence observed*]

Please go ahead.

National Chief Cindy Woodhouse Nepinak: Well, thank you.

[*Witness spoke in Anishinaabemowin as follows:*]

Aneen, Boozooh, Apiichi-gii-chii-nay-dum Akiinaah o-gii-bii-izah-iing omahh noo-gomI.

Chi-meegwetch.

[*English*]

Good morning.

For those of you who don't know me, my name is Cindy Woodhouse Nepinak. I'm the national chief for the Assembly of First Nations.

I'd like to acknowledge that we are gathered here in the traditional territory of the Algonquin Anishinabe nation.

Thank you to the committee for the invitation to appear today on this critical study of Bill C-15. We are pleased to support the Assembly of First Nations' technical brief in response to this omnibus budget implementation act, which includes comments on part 5, divisions 1, 3, 5, 32, 33, 35 and 44.

November's federal budget was an opportunity to demonstrate, through deeds—as we recall, at the opening of Parliament, King Charles was here and he said through deeds—that first nations voices matter to this new administration. In the lead-up to the budget, when asked about reports of first nations budget cuts, Canada reassured chiefs that they understood more needed to be done and not less.

Sadly, that promise was broken, and the 2025 federal budget represents a significant setback. When the best we can say is that indigenous services are only being cut by \$2 billion to \$3 billion, we know there is a problem, especially when provincial transfers across this country for health, education and social services increased by 5%. Those increases never hit first nations. They never think of us.

Instead of closing gaps between first nations and Canadians, this budget makes things more difficult.

To start, we highlight examples of sunseting programs that are not being renewed in this budget: the Indian residential schools resolution health support program, for one; the Indian day schools health and cultural support program; mental wellness teams and opioid treatment support; also support for vulnerable first nations children accessing Jordan's principle; and over 300 first nations adult education programs.

No matter how you look at it, less is not more.

These sunseting programs must be extended. First nations have been told to be patient. Another plan has been promised—just trust us. We sit here today, six weeks from the expiration of these vital programs, and we see no plan before us. Now first nations are demanding answers.

Looking at what is being implemented in the omnibus bill, we are equally concerned. As an example, part 5, division 1, raises many red flags. This looks like an end run around statutory safeguards this Parliament established to address concerns about cabinet's unchecked power in Bill C-5. All Canadian laws, including their final content and process of development, must be compliant with section 5 of Canada's United Nations Declaration on the Rights of Indigenous Peoples Act. Despite Canada's claim that free, prior and informed consent were at the heart of that bill, these vital references remain absent in this legislation.

In the case of this bill's Red Tape Reduction Act, we have concluded that excluding first nations from the development of this law is likely to result in strong legal challenges.

Another concern we have with this act is a strong trend towards devolution of federal authority. While first nations are clearly within federal jurisdiction, Canada continues to delegate authority and fiscal responsibility to provinces through program design and funding flows. In addition to eroding federal accountability and fragmenting service delivery, this approach is fundamentally inconsistent with nation-to-nation relationships. Devolution of federal authority goes against the principles of substantive equality and unfairly forces first nations to compete with provinces for health, education and police funding.

Build Canada Homes, for instance, is a recent example of a federal initiative that could deliver for first nations through a distinctions-based funding approach. In light of this, I appreciate Minister Robertson's verbal commitment to set aside a minimum funding of 10% to finally start addressing the first nations housing gap. I do ask the minister to have that in writing with first nations because if not, we get left out.

We also recommend that Bill C-15 go further and mandate distinctions-based program design and first nations participation in governance.

Finally, it is worth noting that November's budget was introduced on the one-year anniversary of the passing of one of our great first nations leaders, Justice Murray Sinclair. After documenting the truths of Canada's horrific residential school system, Justice Sinclair called on us to get up and do the work of reconciliation. He described the mountain we needed to climb. He showed us the path to the top, but he also said that it was up to all of us to do the climbing. That climb rests with all of us now—everyone in this room, on this committee. In Justice Sinclair's name, we must keep imagining what a world looks like where all of us have medicines, food and a safe place to live—not just a few of us, but truly all of us. Budgets are not just accounting exercises—these are lives.

● (1040)

There are important instruments as well for governments to deliver on their obligations to protect the rights of all citizens. We hope that you listen and respond through both words and deeds, as the King said when he opened Parliament. I look forward to seeing him later this year, and I want to tell him that we're working together and finding progress.

We look forward to your questions. *Meegwetch.*

The Chair: Thank you, Chief.

We will now begin with six minutes from Mr. Schmale.

Jamie Schmale (Haliburton—Kawartha Lakes, CPC): Thank you very much, Chair.

Thank you again, National Chief, for being here and for your testimony today.

National Chief, you talked about investments from ISC into housing, and what we've seen since 2015 is that, yes, the budgets within ISC have gotten bigger. The outcomes, as outlined by many Auditors General reports, show that housing is getting worse in community. The infrastructure, roads, community centres and those types of things are getting worse. We're seeing an increase in crime, mental health issues, etc. We're seeing an increase in funds, but the outcomes are going in the completely opposite direction.

You touched on it a bit in your testimony and in previous testimony before the indigenous and northern affairs committee. The system itself is broken when there's that "Ottawa knows best" attitude, when we continue to have indigenous leaders coming to Ottawa and asking for funds only to get a little bit back, but the bureaucracy seems to be feeding this machine here.

Maybe you can comment on that, and then I'll get to my next series of questions.

National Chief Cindy Woodhouse Nepinak: I'm going to give that to one of my technicians, but I will say first and foremost that Indian Affairs.... I'm going to call it Indian Affairs, you guys, because Parliament changes that name over and over again. It's now "Indigenous Services", and that's cutting in by bringing in other groups of people. We need to be focused on first nations in this country. We need to quit funding whatever groups people make up for themselves and focus on first nations people directly.

All of a sudden, the name changes to Indigenous Services Canada. It used to be Indian Affairs. I still call it Indian Affairs, and it needs to get back to that if that's what it was created to do, because we're the only ones put under the Indian Act. Métis aren't and other groups in this country aren't, but first nations are.

There are other groups of people taking from what little pots of money we have, so ISC needs to stop funding groups of people other than first nations out of the limited pots they have. That's the problem.

• (1045)

Jamie Schmale: I don't want to lose the momentum that you just mentioned, and I will let your colleague respond.

The previous meeting we just had about an hour ago was talking about Bill S-2, the second-generation cut-off. We have a piece of legislation, Bill C-10, currently going through the legislative process here on the modern treaty commissioner.

With both pieces of legislation, it seems that, when it comes to the modern treaty commissioner specifically, the government could live up to its word when signed, either modern treaty or otherwise. This has been hundreds of years; this isn't recent. It seems that the departments just don't want to. They could. We saw during COVID how fast a department can move when they really want to. On the second-generation cut-off, the department could wrap up consultation or speed up consultation and move that forward, but there just seems to be no follow-through here.

National Chief Cindy Woodhouse Nepinak: I do look forward, for the first time in many, many years, to finally having a first ministers meeting with the provinces, the feds and the first nations. I'm thankful to the Prime Minister and the premiers for that commitment, but this is the first time ever. Isn't that terrible?

We end up with jurisdictional issues, but when it comes to funding itself, we have to make sure that we're focused on first nations and not on all these other groups of people who are eating up the pots that are meant for first nations people.

Jamie Schmale: There is a growing bureaucracy here in Ottawa, and a department like the ISC doubling in size, and I'm not even

bringing in Crown-Indigenous Relations either. It has doubled in size and in the number of bureaucrats.

The number of reporting forms for every single program you think would be standardized, but they're all different. There are efficiencies here where we could see maybe a reduced bureaucracy or more direct funding to nations themselves to let them decide their own path at their own speed, but it seems that we're just feeding this machine here, this cotton candy machine here in Ottawa, where the money just goes around and around, and what comes out is not what should be.

National Chief Cindy Woodhouse Nepinak: I think ISC does a lot of good work, but there is also leakage to other groups of people. That needs to stop. That's for sure.

I have technicians beside me who are absolute experts, and we're in a dilemma because we're a few days away from program sunset. That's very worrisome for first nations.

Bram or Josh, would either of you like to add to that?

Josh Gladstone (Assembly of First Nations): Yes, thank you very much.

Mr. Schmale, I'd be very curious to hear where you're getting your numbers from.

Our understanding, based on the work we've done for housing through Indigenous Services Canada, is that we're looking at significant distinctions-based investments in housing since budget 2022, and for infrastructure since budget 2021. Those investments have made a difference. We're looking at over 7,000 projects completed and 8,000 new units. This is having a significant impact in first nations communities.

What we're facing right now is a funding cliff. This funding is about to expire. We're moving from about \$700 million in targeted funding to almost no targeted funding within the next couple of years for housing, leaving us with about \$166 million a year in core funding that could be used for first nations. That's less than \$250,000 per first nation.

The Chair: Thank you, Mr. Gladstone.

I'm going to have to end this round there.

I will continue now with Mr. Leitão.

No, it's Mr. Fragiskatos.

I'm sorry. Go ahead.

Peter Fragiskatos: That's no problem.

Chief Woodhouse, Mr. Gladstone and Mr. Lerat, thank you very much for being here today.

Can you speak to me more, Chief, about housing? You made a comment at the tail end of your testimony about seeing some promise there, but you'd like to see some more things.

National Chief Cindy Woodhouse Nepinak: I'll refer to Josh right away, but I want to say this. We had a verbal commitment from the minister for a 10% target. They're saying, "target", but we need to have an actual set-aside for first nations. We need to get to the start of that and make sure we're putting housing into first nations. Right now, we're being left behind. We're going to be left out of Build Canada Homes if it's not in writing and targeted specifically for first nations because of the way the provinces, especially... The provinces would never, ever help first nations when it comes to housing, roads or anything else.

We need to make sure we're targeting specifically as we work towards reconciliation and our relationship with government as a whole, government to government.

Josh.

• (1050)

Josh Gladstone: Thank you.

I'll start by saying that we've done our work to understand what the housing and infrastructure gap is for first nations. The infrastructure gap, including housing, is now over \$400 billion. For the housing gap itself, we're looking at over \$135 billion. That includes capital operations and maintenance.

We need a whole-of-government approach to address the housing crisis in first nations in addition to enabling infrastructure that would help establish the changes we need to see in housing. In terms of the Build Canada Homes work being done right now, we know Build Canada Homes should be part of the solution to address the housing crisis in first nations, and we are hoping to see changes to the legislation that was tabled in order to ensure a few things.

First, there should be distinctions-based funding and supports included in the legislation, and objectives built in to ensure that Build Canada Homes addresses the first nations housing gap. Second, there should be legislated mandated spaces for first nations to participate at senior levels in governance, including on the board. Those are two very critical things, as we see it, for housing on the Build Canada Homes front.

There are other pieces to this puzzle. There's the Canada Mortgage and Housing Corporation's section 35 program. We haven't seen an increase in funding there since the 1990s, and that's a core piece of the Government of Canada's ecosystem for first nations housing. We've seen significant decreases in the number of units being delivered through that program over the last decade, and we're looking for commitments on that front as well.

There are a number of things we're looking for right now, on a distinctions basis, in order to address first nations housing. We're looking forward to seeing more from the government on that.

Peter Fragiskatos: Thank very much.

Chief Woodhouse or Mr. Gladstone, I wonder if you could highlight the achievements that have been made over the past few years as a result of investments under the previous government as a way of showing that while enormous challenges obviously remain, there have been outcomes that have served communities.

You cited some numbers. Feel free to get into more specific details if you wish.

Josh Gladstone: Indigenous Services Canada has reported on this. There is information in the 2024 Auditor General's report. I would recommend it to anyone if they're looking for a clear understanding of the housing situation facing first nations. The lack of an indigenous housing strategy, a strategy to close the first nations housing gap, is one of the core findings of the Auditor General's report. There have been successes, I think, in the distinctions-based funding realm.

The reporting that we've seen from Indigenous Services Canada includes about 7,000 projects completed and ongoing for housing and about 8,000 new units completed and ongoing. This is since 2016. There are about 17,000 renovations and upgrades. We're looking at about 4,500 lots serviced. This is significant.

I would also point to some of the statistics coming out of the department around core housing needs. The data seems to show that the percentage of on-reserve households in overcrowded housing is staying about the same from 2016 to 2021. Similarly, the on-reserve housing considered adequate is also hovering at about the same rate between 2018-19 and 2023-24. These are numbers showing that there is some impact but not enough.

• (1055)

Peter Fragiskatos: In that vein, and I just have a few seconds left, I would take it that you are, based on comments that the organization has put forward, encouraged by the emphasis of the Canada Infrastructure Bank on further partnerships and more engagement in this realm of housing and infrastructure.

The Chair: Unfortunately, we're going to have to leave it there.

Peter Fragiskatos: I was going to say yes or no, but that's fine.

The Chair: Thank you very much, Mr. Fragiskatos.

[Translation]

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

Jean-Denis Garon: Thank you, Madam Chair.

On behalf of the Bloc Québécois, I would like to offer you, Chief, my sincere condolences for the tragic events of the past few days. We were deeply affected. I felt it was important to convey that to you.

Are you able to quantify the housing needs of first nations in Quebec and elsewhere in the country? Are you in a position to do that?

[English]

Josh Gladstone: Yes, I believe we have those numbers. For Canada, housing needs in our “Closing the Infrastructure Gap” report include \$135 billion for housing, including capital operations and maintenance funding. That would deliver about 155,000 new homes and 85,000 repairs that are needed across the country. I can certainly find Quebec-specific data, but I don't have that now.

[Translation]

Jean-Denis Garon: If it were possible to send us a written response, we would be interested.

With regard to the federal budget, in addition to certain negotiable requests, the Bloc Québécois had submitted non-negotiable requests to the government, including one concerning the Yänonhchia' housing project, which is being led by Grand Chief Lance Haymond. This project would have made it possible to build a large number of new homes for first nations.

I'd like to know what you think of this project and what is unique about it. We know that, under the Indian Act, the ownership structure makes public investment much more complicated, particularly on reserves.

I would like you to describe the Yänonhchia' project. Why is it important for first nations?

[English]

Josh Gladstone: I spoke with Chief Lance Haymond last week. I believe you may be speaking about his Yänonhchia' financing model, which has been a really critical part of the broader question around financing first nations housing on reserve.

I know market housing is something that needs to be addressed and developed, especially for communities in Quebec, but also across the country. It is part of the AFN's approach to housing to support initiatives that ensure first nations have access to capital. Yänonhchia' and other initiatives that allow first nations to access either private capital or loan guarantees that would enable them to do that are a critical part of the mix. We're looking to expand those opportunities in order to ensure that first nations have all of the tools at their disposal to address their housing needs.

[Translation]

Jean-Denis Garon: We invited the government to fund the project. We will invite the government again to fund the project. It's very important for us, and I know it is for you as well.

When we look at Bill C-15 and the budget, we see that the government is putting a lot of emphasis on reducing red tape and bureaucracy. We hear a lot about that.

What about services for first nations, Jordan's principle, and so on?

Do you think this effort is just as strong for services to first nations as it is for all the other sectors covered by Bill C-15?

[English]

Bram Lerat (Senior Director, Assembly of First Nations): The Red Tape Reduction Act is something that the Assembly of First Nations has flagged for a couple of reasons. One is that it's likely

that different ministers will apply different standards to the benefit-risk analysis, leading to a fragmented treatment of their considerable powers of exemption.

There's a lack of an oversight mechanism that exists within the Red Tape Reduction Act. We see a prioritization of small businesses, while there are other glaring issues happening with Indigenous Services Canada that relate to red tape. For example, Jordan's principle right now has over 140,000 backlog requests, which is a result of Indigenous Services Canada's red tape, and that should be addressed immediately.

There are concerns, again, about small businesses, and first nations are looking forward to seeing how we can contribute to benefiting from reducing red tape in small businesses. It is worth noting, though, that there are children with special education needs and health needs right now who are suffering because of red tape in Indigenous Services Canada, and those issues should be focused on just as much measures to promote small businesses.

• (1100)

[Translation]

Jean-Denis Garon: If you had proposals to put forward to amend Bill C-15 so that first nations and indigenous peoples could be put on an equal footing with the other areas it covers, in terms of reducing bureaucracy, what would that look like?

[English]

Bram Lerat: We can certainly follow up with a few more recommendations within our technical submission that is coming up here.

Again, we recognize that the Red Tape Reduction Act and the measures associated with it look more towards small businesses. However, I think when you take a look at Indigenous Services Canada as a whole and the increase of reporting requirements, increased programs and less control going to first nations.... We can come up with a number of recommendations and submit them to the committee. They take it from more of a social perspective as well to address some of those concerns that are affecting our children and the health of our first nations communities across the country.

[Translation]

Jean-Denis Garon: Thank you.

The Chair: Thank you, Mr. Garon.

[English]

On behalf of the committee, I would like to thank our witnesses.

We will briefly suspend while we change over for the final panel of our meeting today.

Thank you very much.

• (1100) _____ (Pause) _____

• (1105)

The Chair: I call the meeting back to order.

Colleagues, we are going to resume the meeting for the final half an hour of today's discussion on Bill C-15.

I'm delighted to be able to welcome David Chartrand, the president of the National Government of the Red River Métis of the Manitoba Métis Federation. He is joined by Sarah Perrin, who is a policy analyst.

Mr. Chartrand, you have five minutes for opening remarks.

David Chartrand (President, National Government of the Red River Métis, Manitoba Métis Federation): Thank you very much for that.

First, I do apologize; I have a chest cold. I have Sarah sitting beside me, so if my voice goes, I'll pass her the speech.

Before I begin, I want to offer my heartfelt condolences to the families and loved ones from Tumbler Ridge, Kitigan Zibi and Mistissini who have been facing unthinkable losses this week. We share in their sorrow.

Thank you to the House of Commons Standing Committee on Finance for inviting me to bring remarks on behalf of the Manitoba Métis Federation, the national government of the Red River Métis.

My name is David Chartrand. I have been elected eight times since 1997 to serve the Red River Métis citizens as their president. In that time, I have seen many federal budgets. Each has represented the economic reality of their moment in time. The hard reality of this moment has dictated the government's budget for 2026. The international order has moved away from co-operation amongst our traditional allies. Make no mistake: The need to respond and build certainty for our domestic security is essential. As with the legislation on major projects, my government is prepared to support our federal partners in this budget, but I cannot forget about the social realities of my people.

I am pleased to see that the balance of the urban, rural and northern housing program will be disbursed. However, the wait times on these allocations are long. We have completed our part of the work. We are shovel-ready on multiple housing projects. We are ready to build. We are waiting for Canada. MMF is already a proven success in housing. More than 1,469 Red River Métis families now own their own homes through the first-time homebuyer program. As a result, our citizens have infused \$362 million into the economy. This is an extraordinary result over the past five years. In total, MMF manages 49 residential properties with a total of 152 units of affordable housing, including transitional housing units. This is MMF in action, helping our citizens confront the cost of living crisis today so that they will have an asset to carry them into the future.

The chair of this committee knows only too well the MMF investments into our community. Investments we have made in early learning and childhood education infrastructure have provided opportunities for parents to find their place in the economy, knowing

their children have safe spaces to thrive. This is on top of the job creation that those investments create. It has also allowed us to contribute to the experience of the Ukrainian newcomer community in Manitoba, who understand only too well what a change in the international order has done.

MMF created the Ukrainian evacuee child care cohort to provide ELCC education opportunities for 25 Ukrainian citizens. The newcomers started their training in fall 2023, and by June 2025 were graduating from the program. All are now employed by my government. The success of this program has meant that a cohort of 30 Ukrainian students began their studies in April 2025. It is part of MMF ELCC's drive to grow the child care workforce and fill those necessary roles.

The success of our programs in housing and early learning and child care has been based on long-term agreements with Canada, which has allowed my government to make decisions based on long-term vision and planning. The nation-to-nation and government-to-government relationship is a proven model of success that supports this, and must be honoured regardless of who forms government. However, the future uncertainty of programs like urban programming for indigenous peoples carries risks for our youth. It takes away our ability to make the same long-term strategic decisions.

Additionally, we have 2,600 of our children in university. We provide \$5,000 per year towards the costs of support, but each year the costs of this education will add up to \$20,000 to \$30,000 annually per student. This equates to about \$78 million for the 2,600 students that we have to pay. Let me remind you that the statistics will show that the Métis students grow up in low-income households. Our people's forced history of going without means this is unattainable for our youth, or it will result in a heavy debt burden for them. We are still coping with the trauma of the sixties scoop, when thousands of our children were taken away. This destroyed families and communities. Our young people are still growing up with the impacts of generational poverty. Breaking the cycle is heavily dependent on their success in education. This cycle is resulting in our people being less visible in positions of influence in government, business and other careers.

We have made every effort to take ourselves through these cycles, but we need the tools to get our children where they need to go. We support space in the budget for major projects, in particular, the view that funding be tied to results, but the investments must lead to opportunities in education to build a skilled workforce. Our youth must have access to programming to provide them with the best start in life.

• (1110)

We have a responsibility to our young people. The time for investment is now—I mean now—so they will have the skills to participate in nation-building projects.

Following the federal promise to enact Métis-specific health legislation, we remain stuck in the same pattern of being caught in jurisdictional disputes between the provincial and federal governments. Too many of our people have died while waiting to be provided with the same services as any other Canadian taxpayer.

Do not forget that we are still waiting for Canada to follow through with our treaty, which I understand had first reading this morning, and for Canada to settle our land claim in section 31 of the Manitoba Act, 1870.

Concluding, these will ensure that we're at the national and international tables and not on anybody's menu.

Your partners in Confederation have been waiting 156 years for this day. I'm not here to ask for handouts or a hand-up. If you want to put something in our hands, give us a shovel, because Red River Métis are ready to do our part to continue to build this country. We ask for Canada to match our sense of urgency at this critical moment.

I welcome your questions.

Thank you.

The Chair: Thank you so much, President Chartrand.

We will begin with Mr. Schmale for six minutes.

Jamie Schmale: Thank you, Chair.

Thank you, President Chartrand, for joining us today.

Congratulations, as I hear your ways and means motion passed this morning in Parliament. It's the first step to your treaty.

I want to talk a bit about that, but you did mention, I believe the wording was, the "Métis-specific health" program.

David Chartrand: Yes.

Jamie Schmale: How do you see that working with the methods already in place?

David Chartrand: Firstly, on that particular segment, throughout our existence as a people in western Canada, when it came to health issues—or any program in particular, but health has been a serious one for us in the last while—governments have been debating who's responsible to provide services. Both the provincial and federal governments keep going back and forth saying, "No, it's your responsibility," and "No, it's yours." I say that both governments still take our taxes without hesitation, but both of them are arguing who's going to serve us.

We did a study which showed that we have the worst health care than anybody else. We have surpassed first nations for chronic illnesses already. We have more people dying younger than everybody else, yet nobody seems to bring a solution forward.

The previous government did make a commitment that there would be Métis-specific legislation for Métis health, because we don't have one. Right now, there's one for first nations, and there's one for Inuit, but not for us. Again, that's not an anomaly. Always, the Métis are left out.

A promise was made. We did have some discussions. I brought in some resolutions that would establish the system and I believe save the taxpayer costs.

I'll give you an example. We create our own solutions because we have no choice and we're far behind what we need. I knew that given the high chronic illness we have, obviously that tells us we're using the most prescriptions. Therefore, we started building pharmacies on our own. We now have three pharmacies, and with that revenue, I take the profits and give free medicine to my citizens who are 55 and older. It's saving lives, as we speak. Many have shed tears because of that. They couldn't afford their medicine. Some took treaty because they couldn't afford their medicine and they needed a particular medicine to survive.

Right now, I see that Canada has to come to terms with setting or segueing into how that program could be established. I've given offers that I believe are cost-efficient, measurable and would make common sense for the good.

One thing Canada or the province cannot deny us is that I'm still going to use hospitals. You can't stop me there. The problem is that's where the high costs are. If we start early enough, then we won't have these high costs that we're facing in this country.

I was at the hospital the other day to visit my nephew. I walked into the St. Boniface Hospital. It was at nine o'clock at night. As soon as I landed from Ottawa, I went straight to the hospital. There had to be 75 people sitting there waiting for a doctor. The hallways were full of beds everywhere. I couldn't believe what I was seeing with my own eyes.

Clearly, there's a massive shortfall that's happening and more is needed.

From our perspective, we're not just saying, "Give us health care, the same as the first nations. Give us the same as the Inuit." We're saying, "No, no. We'll come with a very practically oriented solution."

I'm a taxpayer like anybody else in this room, and so are my people. We'll come with a very practical plan of how we start addressing the health crisis my people face.

• (1115)

Jamie Schmale: I don't know if I'll get to the treaty questions, but in a few days—

David Chartrand: I'm going to see you on Tuesday. Ask me on Tuesday or Wednesday.

Jamie Schmale: Yes, in a few days we'll chat more.

Let's talk more about this. You mentioned that Métis peoples are dying at a younger age. Is that compared to indigenous people in general or everybody?

David Chartrand: It's everybody, including indigenous people.

Jamie Schmale: Why is that?

David Chartrand: Again, Jamie, the number one issue that we're finding—to make the result more practical or measurable—is that what happens to our people is based on their pensions. They're living on a pension and that's all they have. What you find is that they have options. Many of them are sick with all these chronic illnesses that have now hit them. You find that they have choices now: whether they pay the hydro bill, buy their food to survive or pay the rent. An ambulance bill will take \$200 to \$400 off of them. If they go twice, they're starving. They have the choice to either buy food or pay an ambulance bill. The next time, the ambulance doesn't want to go there because they have a debt owing. It becomes a very scary position for them.

One of the studies showed that the number one issue is they can't afford their medicine. That's the number one reason that they're dying young—sooner than everybody else. Again, it's because we're on our own. There's no program for us to deal with the issue.

The economies of scale that we're in today were forced historically back to us. For example, they chased us off our land. We owned Winnipeg, Portage la Prairie and Neepawa.. That was our land and we can't take it back now. It's owned by farmers, government and individuals.

What happened was our economy really hit us back. We're fighting to try to get back into the economy and to try to take care of ourselves, but we need that tool. We need some of our taxes back. Let's put it that way, to be frank.

Jamie Schmale: How much time do I have, Chair?

The Chair: You have one minute.

Jamie Schmale: The cost of living obviously is impacting many of your members. You mentioned groceries. People are choosing between heating their homes, eating or getting health care services in general.

You've probably seen the many reports that have come out. Food bank usage is at two million people a month. This has been a steady rise to get to this point.

Are the economic challenges that we seem to be facing here in Canada as a whole hurting your members, too? I'm sure the inflation crisis that we're having impacts your members.

The Chair: Give a very brief response, please.

David Chartrand: Clearly, Jamie, the best way to answer that is this: When you look at the segment of 1,469 people buying their houses in the last five years, that shows me there are 1,469 people working. Otherwise, they would never get a mortgage.

Clearly, our traditional economy has been—

The Chair: I'm sorry, President Chartrand, we're going to have to move on.

David Chartrand: I'll answer this question when somebody next asks me a question. I'll share it because it's a very important question he asked and I want to make sure I share it.

The Chair: That sounds good.

Mr. Leitão, you have six minutes, please.

Carlos Leitão: Could you continue on with what you were explaining? It is important.

David Chartrand: It is important.

We seem to be doing not too badly in the urban environments. Our people are finding jobs. Whatever kind of job they can get their hands on, they're getting them. Our people have very entrepreneurial backgrounds.

However, we're seeing that our traditional economy has been completely quashed. We used to be big in the forest industry, in commercial fishing, in trapping and in tourism. All of that is gone. The last edge of the fishing is still surviving right now. If you see on the east coast how important the fishing is to their existence, the same happens to us.

In rural Manitoba, where I used to have maybe 30% unemployed in our villages, it's the opposite. I have 70% unemployed. It's causing me grave concern as president. In the future, what does that mean? What's going to happen?

These people become caught up in the social welfare system. They may never leave and they may just give up.

They can't give up. The young people cannot give up on hope. In order to do that, you have to give them something in return.

All of this was taken from us and nothing has ever come back to replace it. Nothing. No government has had a Métis-specific economic plan in this country.

From our perspective, we're saying that we have the answers. We just need you to look at the investment. We're going to pay taxes back anyway. You're going to get back your money from us. We're going to help you with the challenges you face of filling the gaps in these businesses that exist that need people to fill them.

We don't have to shop overseas. You can come shop in my communities, but give me the tools to get them ready.

• (1120)

Carlos Leitão: Absolutely.

As you pointed out in your introductory remarks, there are going to be major projects going on in Canada and in Manitoba.

Would you agree that a portion of the jobs that will be generated by those major projects should be assigned to those local communities so that they can provide the employment opportunities? At the same time, the companies that will develop those things need labour, so it could be some sort of an arrangement with communities to make sure that they employ local people.

David Chartrand: There have been examples of that with the government at this point in time, and I hope future governments will take that as nation-to-nation and government-to-government, because it's measurable. It's the distinct services of investments, and then you can measure that success. However, if you did all indigenous people, there's no way you could properly measure it. If you do distinctly first nations, Métis and Inuit, then you can measure it.

Let me say this about capital projects. They're a ways from now. They're not going to happen tomorrow morning. We have that now. How long is that going to take before the project first kicks in? Then there's the preparation to get there.

I'll give you an example of a change in this country that nobody's talked about yet. In Manitoba, our premier, being a first nations premier in Canada for the first time, created a new model of relationship with Manitoba Hydro, one of the biggest companies we have in our province, and we are now in charge of building wind power.

How they've designed it is a complete reversal of the old way. Now, indigenous governments are the only ones that can bid on this 600 megawatts, and we are allowed up to 200 megawatts, which I'm bidding on right now, but we must be 51% owners. We've met with 14 international and national companies, and we've chosen our partner already, but we will be owners of this hydro power. It shows you a completely different transition.

Take Enbridge, for example; I have a very good relationship with Enbridge. They couldn't participate, because their stakeholders do not let them go outside of being the full majority owner. That's an example of how industry is caught off guard on this one.

It's the first kind in Canada, and I hope there will be more of them.

When national projects do come, I don't want us to be just the ones with the shovels and the brooms. I want us to be up in management. We want a different perspective. We want to own our construction companies. We have over 900 businesses in Manitoba registered right now.

Regarding the procurement program, I've said to every member here, including Jamie, that the issue about procurement is very clear. It costs Canada nothing when you do these national projects or big projects. We have a 5% procurement program, which I've been fighting for, for over 20 years. We finally see it working, and I swear it has changed lives, changed businesses and increased their strength in businesses, and all the companies that win these bids have to do is guarantee us 5%.

SkyAlyne won an \$11.2-billion agreement. They have to give us 5% of a certain segment of it but not the capital purchases. At the end of the day, there are going to be jobs, there are going to be opportunities and there's going to be management. There are all kinds of different fields we'll get into. That 5% procurement changed the economic venture overnight and cost Canada not a penny.

Carlos Leitão: Thank you for mentioning that, because one of the models I have in mind is the Cree Nation in northern Quebec and the Paix des Braves agreement they reached 50 years ago,

which gives them their own dedicated source of revenue, and with that, you can achieve major progress.

I would certainly support such a model.

I see that my time is almost up.

Regarding access to capital, there's that model, but are there other ways in which the federal government could assist in providing guarantees and some ways to make sure your businesses have access to capital?

• (1125)

The Chair: Please give a very brief response.

David Chartrand: It will be very brief. I know I talk long, but I try to explain myself while I'm talking.

For the investment in hydro, that 200 megawatts we're bidding on is going to cost \$500 million to build those 38 towers. That shows you that we need some capital loans or something. It's the longevity of how you get them. Is it hard to get it? Is it easy to get it? This is a guaranteed initiative, but am I going to have a hard time getting the loan?

The Chair: I'm sorry, President Chartrand.

David Chartrand: I'm not [*Inaudible—Editor*].

Jamie, they won't even let me speak here.

The Chair: I know, but we have a limited amount of time. We'll see. Maybe Mr. Garon will be generous.

[*Translation*]

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

Jean-Denis Garon: I want to reassure the witness. I also often feel that I'm short on time. I sympathize.

Mr. Chartrand, thank you for being here today.

You recently signed a self-government treaty with the Government of Canada, following negotiations that began in 2018 and concluded in November 2024, so it's very recent. All that remains is for the House of Commons to pass the implementation bill for it to fully come into force.

I note that this is the first time in Canadian history that a modern treaty has been signed with the Métis nation.

From your perspective, why did it take so long for Ottawa to formally recognize the Métis' right to self-government and self-determination?

What do you think were the main political, legal, institutional and other obstacles that delayed this recognition?

[English]

David Chartrand: Thank you for the question.

I apologize. I don't speak French. I speak Saulteaux as my first language, actually.

Let me say this. The treaty means everything to us. It's more symbolic than anything else. A treaty was promised to Riel and our people in 1870. As the Métis government of the Prairies, we brought Manitoba into Confederation, and actually, most of western Canada followed.

The sad part is that, when the treaty was promised to be given to us by our first prime minister, instead of negotiators coming to the table, they sent the military. Our guns were already put down. We have always been a military people. We defended Canada on many aspects.

For some reason, after that, this country threw out the educational systems, and everything referred to us as being villains, bad people, and as people who would not be recognized. You might remember the famous quote of John A. Macdonald: "He shall hang though every dog in Québec bark in his favour."

The symbolism.... Our government, for whatever reason, began not to want to recognize us. To this day, as you heard me say, even in health and education today and in all these segments we have, governments are still fighting about who is responsible. I ask, would government take our taxes? It would without hesitation. The sad part is that it seems to linger yet. How do we change the minds of others?

I'll close with these comments.

I've been the president for 28 years now, and I have a background in the Manitoba Department of Justice.

When I look towards the future, I wonder if there will be a day when I walk into an assembly to speak at a university in this country and won't have to explain who I am, tell people who I am and tell them my history. Will there ever be a day when they recognize that I am too in the Constitution under section 35? Will there every be that day?

I hope I'm still alive when our leader will be speaking and they'll know who the Red River Métis are instantly, as you know who the first nations are, as you know who the Inuit are. Why do you not know about me?

That's been our challenge, sir. Governments have denied that we exist with the special rights and privileges that we have earned, that we have paid for with our lives. Section 35 is supposed to mean something to us. However, today, it has not really meant anything to us, not to a point that it should, as it has for all other indigenous people in this country.

[Translation]

Jean-Denis Garon: What you're telling us is very moving. It's all the more frustrating because the sad quote from John A. Macdonald that you repeated to us was recently used again by Mark Wiseman about Quebec. This man is now Canada's ambassador to Washington. It shows how little we have learned from history and how people sometimes don't realize that certain things should not

be repeated. We even end up rewarding people for saying these things again.

I'd like you to tell us about the implementation of the treaty.

Is there anything in the budget that will enable you to implement the agreement?

Are there specific budgets? Are funds allocated to that?

How will the treaty be implemented? Is it mostly symbolic? Are there practical aspects that will be made easier by Bill C-15?

• (1130)

[English]

David Chartrand: Thank you for that question. In fact, it's a question that Jamie also asked me.

The position is symbolic more than anything. There's not a question that you have to fear in Parliament when you vote on it that's going to cost everybody a ton of money, including my taxpayers, the Red River Métis.

The symbolism is everything to us. It means that our dream is going to become a reality, and Riel's dream is going to become reality. It's not about money. It's about governing ourselves our way, through our rules, our laws and our processes.

I don't think the government will be putting any money away, but hopefully, section 35 should tell them that they should be putting money away, without question. It should be there. I shouldn't have to fight my way every time.

I'll tell you and everybody here that there has not been a day, and I've been a leader for 28 years, that I have not fought for resources or funding. Nobody has ever come to us and offered it and said, "Here. You're under section 35. You're the Métis. We have a responsibility to work with you. Here is an investment for you. Start working." There's never been that day.

[Translation]

Jean-Denis Garon: Thank you.

We have 50 seconds left.

I just want to give you this time to add anything you feel is relevant to our study on Bill C-15. I'll give you the remaining 40 seconds.

[English]

David Chartrand: I think what's going to be useful is that Bill C-15—and trust me; there will be concerns from our side—is going to give the powers to ministers to make decisions to circumvent the red tape. Let's put it that way.

From our perspective, will it also leave the ability for us to be left out? Will they just say that this is too much of a priority and that they'll just have to leave us out at this point? That doesn't get you anywhere. I think it gets you further behind the eight ball and gets you in trouble. Trust me; we'll never let anybody push us around.

From our perspective, I do support these projects. We have a big problem in this country. We should fear what's happening to us. We have a madman to the south. We have others not far from the Arctic looking at our territory. We're in a dangerous world right now, and we want to do our part. I want to support government blindly, in some ways, because I believe we need to work together.

The sad part about it is, are you going to forget me again? As I just echoed, over and over, we're always forgotten. If we're included, I don't think you'll see as many problems. If there are at least

proper dialogue and consultations, Bill C-15 should work. However, if ministers decide that they don't need to have any discussion with us, as section 35 rights holders in the Constitution of Canada, then I think you're going to have some problems.

The Chair: Thank you, President Chartrand.

[*Translation*]

Thank you, Mr. Garon.

[*English*]

President Chartrand, on behalf of the committee, I would like to thank you for joining us today and for sharing your testimony.

Unless there are any objections, I'm going to adjourn the committee.

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