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# Standing Committee on Finance

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Chair: Karina Gould





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• (1620)

[English]

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

Welcome to meeting number 45 of the House of Commons Standing Committee on Finance. Pursuant to the order of reference of Tuesday, May 26, 2026, and the motion adopted by the committee on Thursday, May 7, 2026, the committee will resume consideration of Bill C-30, an act to implement certain provisions of the spring economic update tabled in Parliament on April 28, 2026.

[Translation]

I would like to say a few words to the members of the committee on how committees proceed with the clause-by-clause consideration of a bill.

As the name indicates, this is an examination of all the clauses in the order in which they appear in the bill. I will call each clause successively, and each clause is subject to debate and a vote. If there are amendments to the clause in question, I will recognize the member proposing it, who may explain it. Amendments will be considered in the order in which they appear in the package each member received from the clerks.

[English]

In addition to having to be properly drafted in a legal sense, amendments must also be procedurally admissible. The chair may be called upon to rule amendments inadmissible if they go against the principle of the bill or beyond the scope of the bill—both of which were adopted by the House when it agreed to the bill at second reading—or if they offend the financial prerogative of the Crown.

During debate on an amendment, members are permitted to move subamendments. Only one subamendment may be considered at a time, and that subamendment cannot be amended.

Once every clause has been voted on, the committee will vote on the title and the bill itself. An order to reprint the bill may be required, if amendments are adopted, so that the House has a proper copy for use at report stage.

[Translation]

I thank the members for their attention and wish everyone a productive clause-by-clause consideration of Bill C-30.

[English]

I would like to welcome our witnesses, who are available to answer technical questions related to the bill. I'm not going to go through them by name, as members will have received that list. Most of them are sitting in the back, and there might be a couple of them who are online, if members have questions for them.

With that, we will begin clause-by-clause.

Pursuant to Standing Order 75(1), consideration of clause 1, the short title, is postponed.

(On clause 2)

**The Chair:** We will begin with clause 2, and we have CPC-1.

Who is moving CPC-1?

**Jasraj Hallan (Calgary East, CPC):** I'll move it. Should I just read it?

**The Chair:** Yes, please.

**Jasraj Hallan:** I move that Bill C-30, in clause 2, be amended by adding, after line 2 on page 2, the following:

(4) Within six months after the day on which this section comes into force, the Minister of Labour in collaboration with the Minister of Finance must table a report in each House of Parliament, on any of the first fifteen days on which that House is sitting after the report is made, that includes:

- (a) the expected number of tradespeople eligible for the labour mobility deduction as amended under this section;
- (b) the average benefit received by eligible tradespeople under the modified labour mobility deduction; and
- (c) the regional distribution of claims made under the modified labour mobility deduction.

The reasoning behind this is that we'd like to get a bit more transparency and clarity to see how much people from each region are getting. In the future, if this program is something to keep, then we'll know the regional distribution. Otherwise, if it's something that isn't working out, then there's more clarity on how much money went out and why it's not working out. I think it's a good way for us to show transparency for this program. That's why we're moving this amendment forward.

Thank you.

**The Chair:** Thank you.

Mr. Turnbull, go ahead.

**Ryan Turnbull (Whitby, Lib.):** Madam Chair, the government opposes this amendment. It would require the government to report information that will not likely be available within the mandated timelines. Further, it would require the publication of a report with some information that is already published annually in the report on federal tax expenditures. This report is customarily tabled in the House of Commons, along with the main estimates.

Furthermore, Bill C-30 would amend the Income Tax Act to modify the labour mobility deduction as of the 2026 tax year and, thus, will first be reflected on tax returns filed in spring 2027. The Department of Finance would not have access to this data until late 2027, at the earliest.

As with some other Conservative amendments, we feel that the mandated timelines this specifies cannot be reasonably met and, in some cases, are duplicative to other reports that are already tabled in the House.

Thank you.

**The Chair:** Mr. Kelly, would you like to add something?

**Pat Kelly (Calgary Crowfoot, CPC):** Sure. I don't know if you have a list or if anybody else would like to add to this as well.

We have officials here. I wonder if we can have the officials comment. I mean, Mr. Turnbull has said that he doesn't believe this amendment would be possible. I'd like officials to comment on this and find out what the obstacle to—

**The Chair:** Officials are coming to the table.

Mr. Turnbull.

**Ryan Turnbull:** On a point of order, Madam Chair, for the record, I didn't say it was not possible. I made an argument as to why it was unnecessary. Those are two very different things.

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

Officials, can you please state your names before you answer questions? That's just for the interpreters.

**Mark Maxson (Senior Director, Employment and Education, Personal Income Tax Division, Department of Finance):** Thank you, Madam Chair.

I'm Mark Maxson. I'm a director of employment and education in the personal income tax division at the Department of Finance.

With respect to feasibility, for the specific first amendment in respect of the labour mobility deduction, I can say that it does require that within six months after the day on which the section comes into force, a report be tabled with information on claims of the deduction as modified by this bill. Claims based on this modified version of the deduction will be made next spring, by April 30, 2027. Typically, the Department of Finance will not receive that information from the Canada Revenue Agency until mid-summer at the earliest. We get very preliminary information. It's really not complete and reliable information until late 2027.

I can't speak to exactly when this bill will receive royal assent and when the section comes into force, but there's a high likelihood that the data requested would not be available within six months of that date.

• (1625)

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

Mr. Hallan.

**Jasraj Hallan:** This is a question for the officials.

From what you're saying, it seems that the only issue is the first 15 days. Am I right in saying that?

**Mark Maxson:** There is a requirement that it be tabled "within six months" of the coming into force of the section. Then, I believe, within 15 days of making the report, it's to be tabled in the House. The six-month window, I think, is where the time limitation is.

**Jasraj Hallan:** If you were to suggest a subamendment for this, what would it be?

**Mark Maxson:** I don't believe it's my place to suggest a subamendment, but the data would be available to the Department of Finance toward the end of 2027. Some parts of it will also be published in the annual report on federal tax expenditures that's tabled each spring.

**The Chair:** Mr. Lawrence.

**Philip Lawrence (Northumberland—Clarke, CPC):** I'm sorry. I just want to follow up on that from my colleagues, because I didn't quite catch this.

If we changed it from six months to a year, would the information in all likelihood be ready?

**Mark Maxson:** I don't know when the clock starts ticking. It depends on when the section comes into force. What I can say is that the information would be available at the Department of Finance by the end of 2027.

**Philip Lawrence:** If it got passed today, in order for us to be confident that the information would be available, we'd have to make it a year and a half.

Am I making sense, based on those assumptions?

**Mark Maxson:** That sounds about right.

**Philip Lawrence:** I have a secondary question. You said that some of this information is available in a document on tax expenditures. Would it include the number of tradespeople who are eligible for the labour mobility deduction? That's something that would be important to us.

**Mark Maxson:** The report published annually includes the number of claimants and the total tax expenditure—the total cost, if you will, or the total benefit to that number of claimants.

**Philip Lawrence:** We could obviously just do the math on that. That would give you the average benefit.

What about the regional distribution of the claims? Is that information included?

**Mark Maxson:** That information is not typically included in the report on tax expenditures, no.

**Philip Lawrence:** Okay.

**The Chair:** Go ahead, Mr. Hallan.

**Jasraj Hallan:** Mr. Lawrence asked the last part.

I don't know if we can make a subamendment or make an amendment to this at all. Maybe we can just delete the top part and get (a), (b) and (c) added to the end report. I don't know if that's possible.

**The Chair:** Do you have a subamendment that you're proposing?

**Jasraj Hallan:** I would propose that we could remove the first part.

**The Chair:** I'm sorry, Mr. Hallan. You're not allowed to subamend your own amendment.

**Jasraj Hallan:** Okay. I guess someone else can.

**The Chair:** We have Monsieur Garon on the list, so we'll go to him first.

[*Translation*]

**Jean-Denis Garon (Mirabel, BQ):** If we want to move forward, and I assume everyone does, the report has to be tabled. Let's not waste time trying to figure out exactly when the department receives a particular piece of information.

If there is a willingness on the government's part and if the availability of the data is the only stumbling block—which could actually be a subterfuge to reject the amendment—we could just say something to the effect of “that the report be tabled within 30 or 60 days of the data being received”.

**The Chair:** Do you have a specific subamendment to propose?

**Jean-Denis Garon:** Perhaps we should find out whether there's any interest among committee members in doing that, before we waste time debating it.

Yes, I propose that subamendment. Here's what is happening. The government says it's about the time frame, the number of days. It's hard to predict. We are proposing something that is risk-free, and the government doesn't want to support it.

If we spend all night here, Madam Chair, the government's stubbornness will be why. We won't propose it, because the government won't agree to it. The Liberals have the majority, and they are arrogant.

• (1630)

**The Chair:** Are you proposing a subamendment or not, Mr. Garon?

**Jean-Denis Garon:** Yes. It reads as follows: “within 30 days after the day on which the government receives the data”.

**The Chair:** The subamendment has to be in writing.

**Jean-Denis Garon:** Can you give us a few minutes?

**The Chair:** Yes, I'll suspend for two minutes so you can draft the subamendment and distribute it to the committee.

• (1630)

(Pause)

• (1630)

[*English*]

**The Chair:** We're resuming the meeting.

While we're waiting for that subamendment, I just want to see if the committee will provide unanimous consent to stand clause 2 until the end of the meeting. We can come back to it to review it at that point. It's just that we have to send the subamendment for translation. Is there unanimous consent for that?

Mr. Kelly.

**Pat Kelly:** I will consent to that, but there is a principle here that's important. This is a bilingual committee. When members speak in the language of their choice, including to amend something, I don't believe it is a requirement that it come back in order to be circulated in writing. There is simultaneous translation, so an amendment can be—

**The Chair:** No, there is a requirement. It's in the Standing Orders. That's why, while we're waiting for that—

**Pat Kelly:** The standing order is that when you table something in writing, you can't distribute it without—

**The Chair:** No, we still...and I think that's still fair for everyone.

**Pat Kelly:** That's fair enough. I consent to leaving this to the end.

(Clause 2 allowed to stand)

(On clause 3)

**The Chair:** We'll move along to clause 3. Is there someone for CPC-2?

• (1635)

**Pat Kelly:** I would be pleased to move CPC-2.

**The Chair:** Go ahead, Mr. Kelly.

**Pat Kelly:** I move that Bill C-30, in clause 3, be amended by adding after line 14 on page 2 the following:

(2) Without delay after the day on which this section comes into force and every year after that, the Minister of National Revenue in collaboration with the Minister of Finance must publish a report in respect of the previous year on the number of qualifying business transfers that have resulted in a capital gains deduction.

This is a reporting requirement that we are adding to ensure transparency and accountability. Canadians want to know the efficacy of the policies that are brought about, and we need to judge the success or non-success of measures. Small businesses and local jobs are extremely important. We need to know that retiring small business owners and employees are being supported, and we need to have accurate data to inform policy-makers, no matter who is in government. That's the rationale for this; it's to ensure that we know what the results of this policy are.

**The Chair:** Thank you.

Mr. Turnbull, go ahead.

**Ryan Turnbull:** The government opposes this amendment. It would require that the government report information that is not currently collected for statistical analysis purposes by the CRA. Furthermore, related information on the number of individuals claiming a capital gains deduction for either a qualifying business transfer or a qualifying co-operative conversion will be included in future publications of the report on federal tax expenditures.

This report is customarily tabled in the House of Commons along with the main estimates. It's for similar reasons to the last amendment. It's duplicative and it's not statistical information that the CRA regularly collects. For those two reasons, we're opposed.

Thank you.

**The Chair:** Monsieur Lefebvre, go ahead.

[Translation]

**Eric Lefebvre (Richmond—Arthabaska, CPC):** The government is putting measures in place, and it's important to be able to quantify them, to have a dashboard that shows whether or not they're working. We then need to assess them and decide whether to keep them or not. What we are proposing is important. I don't understand why the government doesn't want to support this amendment.

[English]

**The Chair:** Shall CPC-2 carry?

Mr. Turnbull, you have your hand up.

**Ryan Turnbull:** That sounded like a question to the government. I gave some rationale as to why we would oppose it. It doesn't seem to merit the....

There is information that's collected and tabled already in the House of Commons that pertains to this. There would be an additional reporting burden put on the CRA for the statistical analysis that's being required here, and we don't think it's necessary.

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

Mr. Hallan, go ahead.

**Jasraj Hallan:** The government's making a claim that it's a burden to the CRA. I was wondering if the officials could tell us if it's possible to do this. I don't know how much more work it would take, but could the officials could tell us that? If it's something that could be included, then I think it should be.

**The Chair:** Mr. Walsh, are you able to answer that question?

**Mark Walsh (Senior Director, Savings and Investment, Department of Finance):** Thank you very much for your question.

My name is Mark Walsh. I am senior director of savings and investment in the personal income tax division of Finance Canada.

With respect to the question in terms of what the CRA is currently capable of obtaining, right now the information that they do obtain or would obtain is in respect of the number of claimants for a qualifying business transfer, but not the number of transfers. That information is not currently obtainable in a way that would be conducive to statistical analysis.

**Jasraj Hallan:** Just to follow up, based on the amendment, would it be possible for the department to do this?

**Mark Walsh:** I don't think it's my position to answer that question.

**Jasraj Hallan:** It's weird that....

• (1640)

**Philip Lawrence:** I'm sorry, Mr. Walsh. I didn't quite understand the distinction. You said that CRA gathers the number of claimants but not the number of transfers. Is the difference because a claimant could have multiple transfers? Every transfer, I would assume, would result in at least one claimant. If you could clarify, that would be great.

**Mark Walsh:** It's sort of the other way. A qualifying transaction might have multiple claimants. When the claimant reports the information, there might be other claimants making a claim in respect of the same qualifying transaction.

**Philip Lawrence:** If you just had the total number of claimants, you perhaps would be overstating the number of transfers because there would be multiple parties for many of the transfers. Is that the worry?

**Mark Walsh:** That's fair, yes.

**The Chair:** Shall CPC-2 carry?

(Amendment negated: nays 6; yeas 5)

(Clause 3 agreed to on division)

(On clause 4)

**The Chair:** Next, we have clause 4 and CPC-3.

Mr. Hallan, go ahead.

**Jasraj Hallan:** I move that Bill C-30, in clause 4, be amended by adding after line 26 on page 2 the following:

(2) Without delay after the day on which this section comes into force and every year after that, the Minister of National Revenue in collaboration with the Minister of Finance must publish a report in respect of the previous year on the use of the deduction for qualifying cooperative conversions."

Once again, this would bring about more clarity, more transparency and of, course, more accountability. At the end of the day, the more data we have, based on this.... This is good for the future.

We're bringing forward most of these amendments because of the fact that the more data we have, the more we know whether something is actually working or not. The government introduces a lot of things, but then doesn't really have tracking measurements to see if they're successful or not. This would help that and determine whether the program is a success or not. That's why we're bringing this one forward.

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

Mr. Turnbull.

**Ryan Turnbull:** I'll share that the government's position is to oppose this for exactly the same reasons that I indicated for the previous amendment. The information being asked for here, which would be required if this passes, is not currently being collected for statistical analysis through the CRA. It's also slightly duplicative because some of the information being requested would be in future publications of the report on federal tax expenditures, which is customarily tabled in the House of Commons with the main estimates.

This will be a running theme, by the way, because many of the amendments the Conservatives have proposed seem to want to increase red tape, government operations and reporting requirements, which is the opposite of what they often say. I will say there are quite a number of them that don't seem to merit the added cost. If we were to do a cost-benefit analysis, we don't feel that some of these would garner the benefit that would be required to justify adding additional resources.

Thanks.

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

[*Translation*]

Go ahead, Mr. Lefebvre.

**Eric Lefebvre:** Thank you, Madam Chair.

This is about transparency, and that's what the public wants right now. That's what Canadians are concerned about right now. They feel there isn't any transparency. The government is just throwing things at us, like the issue I raised in recent weeks.

As far as the data are concerned, the government is saying that the information isn't currently collected, but that is precisely why we are proposing this now. We want a dashboard; we want to know whether this is working or not. How can you assess a program when you don't have any data?

This is essential. That's what you do in the private sector. If you want to know whether your product or service is working, you collect and analyze the data. Then you're able to decide whether to keep doing what you're doing. We should do the same thing on our end. I don't understand why the government keeps refusing to collect the data required to properly assess these measures.

• (1645)

[*English*]

**The Chair:** I'm sorry. Are both of you raising your hands?

**Pat Kelly:** I think he had his hand up first. I just want to make sure that I'm on the list.

**The Chair:** Okay. We'll have Mr. Lawrence and then Mr. Kelly.

Mr. Lawrence.

**Philip Lawrence:** I was wondering if we could have the officials up. I have a couple of questions.

Is that you, Mr. Walsh? Perfect.

It's Mr. Turnbull's position that some of this information is already provided. Could you explain to me what information is already provided and, if any, what information could be made avail-

able by virtue of this amendment that's not currently available in, I'm guessing, the same tax expenditures publication?

**Mark Walsh:** The tax expenditures report would include information on the number of claimants, but not the number of actual conversions. It's the same issue with respect to the qualifying business transfer. The issue, again, is that multiple capital gains deductions may be made with respect to a single qualifying co-operative conversion, meaning that the information on the number of co-operative conversions is currently not obtainable, based on the information the CRA collects.

**Philip Lawrence:** If I could, again, Chair...?

I understand and I hear you. You have the number of claimants but you don't necessarily have the number of conversions. Could you provide us with—even just in broad strokes—what the cost would be, either in finances or in man-hours? You have the information, but you need to distill it down.

First of all, would you agree with my premise that you have the information and that it's just a matter of repackaging that information?

**Mark Walsh:** In terms of the resources that would be required, I'm not in a position here to say how many resources would be required to obtain this information in a way that would be conducive to the statistical analysis required to provide the information in the amendment.

**Philip Lawrence:** The first part of my question—and I apologize that it wasn't that clear—was this: Do you agree with my assertion that the CRA has the information necessary to fulfill the requirement in this amendment, but you don't currently put it together, for lack of a better term?

**Mark Walsh:** I wouldn't want to speak to what extent the CRA has this information. I think that's more of a question for the CRA to answer. What I know is that I am not in a position to be able to say what information can be provided.

**Philip Lawrence:** That's fair.

Do we have the CRA here, Madam Chair?

**The Chair:** No.

**Philip Lawrence:** Well, it's a shame.

Who decides which experts were put forward?

**The Chair:** We send it to the Department of Finance, and they coordinated the officials.

**Philip Lawrence:** Mr. Walsh, were you part of the team that decided not to invite the CRA? Who would have done that?

• (1650)

**The Chair:** That's beyond Mr. Walsh's.... It would be the Department of Finance.

**Philip Lawrence:** Could we have the Department of Finance up here, please?

**The Chair:** He is here for the Department of Finance.

**Philip Lawrence:** Okay. Well then, I'm going to ask the Department of Finance because they're the ones who decided, Chair.

Why is the CRA not here?

**The Chair:** In fairness, Mr. Lawrence, I don't think Mr. Walsh can answer that question because he's not necessarily the person who made the decision as to which individuals were coming.

**Philip Lawrence:** Well then, who is?

**The Chair:** I don't believe they are here, Mr. Lawrence.

**Philip Lawrence:** I'm left without getting an answer because the appropriate person was not asked for from the finance department, but the finance department won't answer why they didn't ask the appropriate person to be here. Does this make sense?

**The Chair:** Mr. Lawrence, we have a wide range of officials here, and unfortunately—

**Philip Lawrence:** We have a question regarding the Income Tax Act, yet we don't have the CRA here...?

**The Chair:** You have the list of officials in front of you, Mr. Lawrence.

**Philip Lawrence:** Does it make sense that the Department of Finance would not call the CRA with respect to amendments to the Income Tax Act?

**The Chair:** You're welcome to keep posing the question. I don't think any of us here have the answer for you.

**Philip Lawrence:** To me, it's troublesome that we haven't invited.... We're supposed to have a full suite of individuals here to answer the questions. I am no one, but I do represent 100,000 people in Northumberland—Clarke, and their government, which they pay for, should be there to answer questions when there are questions.

Maybe Mr. Walsh could take it back to the Department of Finance so that when the government is reviewing a proposal to amend the Income Tax Act, we have at least one official here from the CRA. Thank you.

**The Chair:** Thank you.

Mr. Kelly, go ahead.

**Pat Kelly:** Thanks.

I'm a little disappointed too that we don't have a CRA witness here when, for so many amendments, we're being told that it is the CRA's methods, the way they collect data and the way they interact with the Department of Finance that are the reasons why the government is opposing these amendments.

Mr. Turnbull said that this is additional “red tape”, as he called it, which Conservatives oppose. It's certainly true that Conservatives oppose red tape, meaning regulations that harm businesses and drag on the economy. What we do support is transparency from the government. That's why we've moved a series of amendments that address transparency, because when a government makes everything about the announcement and when announcements are made with such fervent assertion about how a bill is going to affect policy and have outcomes, it's important to have the follow-up.

I was on the public accounts committee for several years, and the Auditor General repeatedly called out the government for its lack of

data, so we're asking for the publication of data so that the stated efficacy of the policy that the government announces can be measured. That's why I support Mr. Hallan's amendment to require reporting.

The CRA is the largest department in the public service. I don't know what its current full-time equivalent count is. The last I knew, it was 57,000 full-time equivalents. It might be a little under that now. For a department that large, to be told that we can't get the information is disappointing. I support this amendment, and I'll vote for it.

**The Chair:** Mr. Lawrence is next.

**Philip Lawrence:** I would request unanimous consent to request CRA's presence at all future meetings.

**The Chair:** Do we have unanimous consent for that?

**Some hon. members:** No.

**The Chair:** We do not.

Shall CPC-3 carry?

(Amendment negatived: nays 6; yeas 5)

(Clause 4 agreed to on division)

(Clause 5 agreed to on division)

(On clause 6)

**The Chair:** We are on CPC-4.

Go ahead, Mr. Kelly.

● (1655)

**Pat Kelly:** Thank you.

The fourth Conservative amendment is that Bill C-30, in clause 6, be amended by adding after line 10 on page 3 the following:

(3) Without delay after the day on which this section comes into force and every year after that, the Minister of National Revenue in collaboration with the Minister of Finance must, for the duration of the extended repayment grace period under the Home Buyers' Plan, publish a report on the number of Canadians affected by the Home Buyers' Plan repayment grace period extension and on the estimated fiscal cost of that extension.

Once again, this is an amendment that would give parliamentarians and Canadians better information about the effectiveness of the extension of the grace period under the homebuyers' plan. The original long-standing homebuyers' plan, through which Canadians could use part of their RRSP for a down payment, is something I'm very familiar with. In my days in the mortgage industry, I brokered hundreds of transactions involving that program.

When they make changes to a policy, we need to know what the actual results are. Some around this table will recall that prior to the 2019 election, there was a change to mortgage policy with the shared equity program the Liberals brought in. They announced it as the most transformational thing to hit the mortgage industry in decades. They campaigned on it. They implemented it. As predicted by people in the industry and parliamentarians, it was an absolute dud. Almost nobody in Canada took them up on it. It was very quietly abandoned several years later.

Again, you come back to “government by announcement”. You’d think, from the announcement, the Liberals had solved the housing crisis through a mortgage rule change, but it was literally a nothing-burger covered in nothing sauce. When they make changes or tweaks to a program, we need to be able to follow up on them and hold the government to account for the programs it implements with real data and actual information about the uptake of the things they announce.

I encourage all members of the committee to embrace accountability and transparency on behalf of the government and, simply, good data for good public policy.

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

Mr. Turnbull.

**Ryan Turnbull:** I'm going to outline a couple of reasons why the government opposes this amendment as well.

Basically, if I were to summarize it, the timeline doesn't work. Also, what Mr. Kelly said is not true. We did not say this solves the housing crisis. The grace period for RRSP homebuyers' plan withdrawals is being extended from two years to five years for participants making a first withdrawal between January 1, 2026, and December 31, 2028. That's good news for individuals who have made those withdrawals or will make them within that time period. This extends the repayment period.

The government has been very clear about the cost of this fiscal measure. It's estimated to be \$42 million over the period from 2028-29 to 2030-31. Within that two-year period, it's going to cost \$42 million. The Conservatives have the information they're looking for. Granted, it's an estimate for the cost of that measure.

Basically, the information will not be available in the timeline that's set out in the amendment. For that reason, we oppose it.

• (1700)

**Pat Kelly:** Again, for added clarity, I had not suggested that the government announced this particular measure as a catch-all solution to the housing crisis.

I referred to the since-abandoned program in 2019. I make the contrast here. The important reason that's relevant is that, in that case, they just abandoned it after such a strong and forceful announcement on it, and the point is that we need to be able to track where this government lands and who takes them up on the things they announce.

This particular piece is one that the Conservatives.... I support it. It's not that we think that the grace period under the homebuyers' plan is a bad idea, but they estimate the cost at \$42 million. We have seen already, just last week, how quickly their assumptions go

off the rails when we had reports from the Parliamentary Budget Officer, for example, that stated, a little over a month after the finance minister tabled his spring economic statement, that his numbers were already billions of dollars off on his deficit calculations.

We just want to add transparency and add reporting requirements for the government, because I think it will make them able to make better policy decisions. Any government of any stripe will make better policy decisions with better information.

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

Go ahead, Mr. Hallan.

**Jasraj Hallan:** Thanks, Chair.

I just want to add to what Mr. Kelly was saying. I agree with him. As someone who came from the housing industry, I think what we've seen.... The track record of the Liberal government has been a lot of grand announcements, as Mr. Kelly said, but no follow-through.

They created a fourth housing bureaucracy when the first three didn't work, so we, along with Canadians, are very skeptical about anything that they have been doing. They've spent, I think, more than \$90 billion of taxpayer money on housing so far, and housing starts are going down, according to their own housing agency.

As housing starts are going down, housing affordability has gone, and young people are locked out of housing because of Liberal spending. Mortgage costs are out the roof, and interest rates are still high. It's impossible for young people to get into housing, and anything that they've tried is just spending more money, which means future generations are having to pay for something, but youth are not getting into homes. In fact, even on the new housing bureaucracy, the PBO said that it's barely going to make a dent. I don't think it's going to touch even 10% of what they claimed. It's just following the track record of this government of spending a lot of money with no results.

This amendment would just provide more clarity because we keep hearing all these announcements. It's “We've done this,” but at the end of the day, it never really makes a change in Canadians' lives. We're just asking for more transparency and accountability for another couple of billion dollars that the government is spending to supposedly fix housing when housing has broken in this country under them.

**The Chair:** Thank you Mr. Hallan.

Go ahead, Mr. Lawrence.

**Philip Lawrence:** Optimism springs eternal here. We've gone zero for three. Do you know what, though? I'm going to try to put my hand out here to Mr. Turnbull, and I'm going to work with Mr. Walsh here, if we could for a second, to see if I can't bring this within the parameters of things that are possible for the finance department to do. They will also establish some greater accountability.

It's Mr. Turnbull's position that we can't, that this amendment would be impossible to fulfill, because the information required would not be done in time. If we put a subamendment in place that said that you'll publish the report 30 days after that information has been received, is that something the Department of Finance could do?

• (1705)

**Mark Walsh:** Thank you for your question.

While I can't comment specifically on the question, I can say that, under this measure, individuals will be reporting their homebuyer plan withdrawal in their 2026 income tax return, which would be filed in the spring of 2027. There would be individuals who might not file it by April 30, so the comprehensive statistics on the number of individuals making an HBP withdrawal in 2026 would not be available until early 2028.

**Philip Lawrence:** Okay. If we brought the amendment for two years after, the information would likely be available.

**Mark Walsh:** I can't speak to the proposed amendment's subamendment.

**Philip Lawrence:** I am not asking you to speak to a subamendment or an amendment. I am asking you whether the Department of Finance would have the information to publish a report on the number of Canadians affected by the homebuyers' plan repayment grace period if you had to publish that report in 2028.

**Mark Walsh:** Again, for the individuals claiming their homebuyers' plan in 2026, comprehensive statistics would be available on that by 2028.

**Philip Lawrence:** I take it, then, that for the 2026 tax year, if the report were published in 2028, we would have sufficient time. We've met that objection.

That was the only objection I heard, so I will move that subamendment.

**The Chair:** Can you please send the subamendment in writing?

While we're waiting for that, if it's okay with the committee, I'll ask for UC to stand clause 6 and move on to clause 7. We'll return to clause 6 at the end.

Do we have unanimous consent for that?

**Some hon. members:** Agreed.

(Clause 6 allowed to stand)

(On clause 7)

**The Chair:** We will move to CPC-5.

Mr. Kelly.

**Pat Kelly:** I'm sorry. Are you talking about clause 7 or the amendment?

**The Chair:** It's clause 7 and it's amendment CPC-5.

**Pat Kelly:** I'm sorry. I get my numbers confused a little bit between the number of the amendment and the number of the clause.

I move to amend Bill C-30 in clause 7 by adding, after line 25 on page 4, the following:

(6) Within one year after the day on which this section comes into force and every year after that, the Minister of National Revenue in collaboration with the Minister of Finance must publish a report on

(a) the number of taxpayers who claimed the special allowance allowing the immediate expensing for eligible greenhouse buildings;

(b) the fiscal cost of the eligible greenhouse special allowance; and

(c) the geographic distribution of eligible greenhouse special allowance claims.

I will say again, although members are perhaps becoming familiar with the arguments we are making around transparency, that this government in so many cases over the last 11 years has lacked transparency. Anything we can do to get the information to inform policy-makers so that Canadians can judge whether or not their policies have actually helped people—and, if so, how many—and whether this was a good idea that exceeded expectations and created positive policy outcomes or not, or whether it was just an announcement or something that was plugged into a bill, these are the things we need after the fact to be able to judge the government.

I was elected in 2015, as you were, Chair. Your party promised to be the most open and transparent government in Canadian history. It hasn't happened. There's been a trend in the opposite direction towards secrecy and a refusal to give information to parliamentarians. Even the access to information system is as broken as ever. There is a real need and a real appetite among Canadians for openness and transparency in their government.

That is why we have moved this amendment in addition to other amendments that the committee has heard so far.

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

Mr. Turnbull.

**Ryan Turnbull:** For similar reasons, the government is opposed to this amendment. The type of information being requested is in fact already published annually in the report on federal tax expenditures, which is customarily tabled in the House of Commons under the main estimates. If members really want an independent, non-partisan analysis at any point, they obviously always have access to the Parliamentary Budget Officer and could make a request through the PBO.

It's also likely not possible for the government to table reports within the required parameters in the initial years because of the lag of data and information that comes in. As I think was indicated in the previous discussions we had on other amendments, the Conservatives seem to be eager to get the information without realizing the way that the tax system works. Those reporting requirements come later.

In essence, it's duplicative. The information is already regularly annually reported within the federal tax expenditures. It's not exactly what's being asked for, but it's close enough that there should be some transparency there that should satisfy the members opposite.

Thank you.

• (1710)

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

Mr. Hallan, go ahead.

**Jasraj Hallan:** I want to see if the relevant department could answer a few questions on this amendment.

This is based on the three paragraphs 7(6)(a), (b) and (c). Let's ignore the top part.

Did you have a chance to read the amendments?

**Shane Baddeley (Director, Economic Development, Department of Finance):** I have.

**Jasraj Hallan:** I just want to know, based on what Mr. Turnbull is saying, if these exact things are provided as per the government, yes or no?

**Shane Baddeley:** Thank you for the question.

My name is Shane Baddeley. I'm the director of economic development at the Department of Finance in the tax policy branch.

I can confirm that the information called for in paragraphs 7(6)(a) and (b)—when this measure is implemented—would normally be in the report on federal tax expenditures. It's typical that you have the fiscal cost of the measure, as well as the number of beneficiaries. Normally, the geographical distribution is not something that's published.

I will note, though, for the member that StatsCan does have a greenhouse sod and nursery survey that it puts out annually that does track the change in square footage of greenhouse area by region and by type of product, etc.

**Jasraj Hallan:** First, Mr. Turnbull was not exactly correct in saying that this is already provided.

If we're asking for the information in paragraph 7(6)(c), I imagine that it would be helpful to have it all in one place, rather than going through another report, for whatever government is making future decisions on whether the program is feasible or whether it's working out or not. Is that correct? Would it be helpful?

**Shane Baddeley:** I can't speak to whether it would be more helpful. I can only speak to what's normally published in the report on federal tax expenditures.

**Jasraj Hallan:** It's just more of a comment, then. For that part, it would be helpful to have it all in one place.

**The Chair:** Mr. Turnbull, go ahead.

**Ryan Turnbull:** What I heard the gentleman from the finance team say here is that the information called for in paragraphs (a) and (b) is actually included in the measures that are normally published in the federal tax expenditures, and that paragraph (c), the geographic distribution, is not published there, but there is greenhouse square footage by region in another area. In fact, the Conser-

vatives would have access to the information that they're requesting already. Therefore, the amendment here is duplicative.

If they didn't want to do the work of looking in multiple places, they could ask the PBO to draw it together and do some analysis for them. Essentially, this is duplicative. It's information that's already tracked. I'll grant that it's in two different departments, but I don't see why that should be a barrier. Transparency is already there, so we'll be voting against.

**The Chair:** Mr. Lawrence, go ahead.

**Philip Lawrence:** I'm the eternal optimist here.

It's Mr. Turnbull's assertion that one reason you couldn't publish the report called for in the amendment is that the information required for the report wouldn't be ready, but what's called for in paragraphs (a) and (b) is published in the tax expenditures report. When is the tax expenditures report published?

• (1715)

**Shane Baddeley:** Normally, that's published with the main estimates in March or February, depending....

**Philip Lawrence:** With respect to the “special allowance allowing the immediate expensing for eligible greenhouse buildings”, would that information for 2026 be available in the tax expenditure report for 2027?

**Shane Baddeley:** Normally, it would be available in the tax expenditure report of 2029. Right now, for the 2026 tax expenditure report, we're running off of tax data for the 2023 tax year.

**Philip Lawrence:** There does need to be that two-year gap. Does your department have the geographical distribution of eligible greenhouse special allowance claims?

**Shane Baddeley:** By “geographical distribution” do you mean by province?

**Philip Lawrence:** Yes, let's say by province.

**Shane Baddeley:** I would imagine that in the CRA filing there would be the information by province, yes.

**Philip Lawrence:** Okay. Do you know what the additional cost—or the additional man-hours—of providing that information would be?

**Shane Baddeley:** That is a question I'm not in a position to answer.

**Philip Lawrence:** That's fine.

I would like to move a subamendment. If we wish to follow the same procedures as we did, that would be fine, Madam Chair. We'll put it in writing and then move forward to the next....

**The Chair:** Do we have unanimous consent to stand clause 7?

**Some hon. members:** Agreed.

(Clause 7 allowed to stand)

(Clauses 8 to 10 agreed to on division)

(On clause 11)

**The Chair:** Mr. Turnbull, are you introducing G-1?

**Ryan Turnbull:** Yes, I can.

I'm sorry. I just need to find my page number. I apologize, Madam Chair.

**The Chair:** That's okay.

While you're doing that, I do have an update from the clerks for the committee that the committee might be interested in knowing. One of the reasons the CRA is likely not here is that there are no CRA-led initiatives in Bill C-30. They come from the Department of Finance. That would likely be the reason we don't have the CRA.

Mr. Turnbull, are you ready?

**Ryan Turnbull:** No, I'm sorry. I can't find the page number. I apologize.

**The Chair:** You don't actually have to read it into the record, because we do have it.

**Ryan Turnbull:** I will read it into record.

To my colleague, thank you very much. I thought I was organized, but there are so many pages.

I move that Bill C-30, in clause 11, be amended by (a) replacing line 7 on page 7 with "aviation gasoline, leaded aviation gasoline, diesel fuel or aviation fuel becomes payable" and (b) replacing lines 12 and 13 on page 7 with the following:

(b) the reference to "\$0.11" in paragraph 9(b) is to be read as a reference to "\$0.00"; and

(c) the reference to "\$0.04" in section 9.1 is to be read

That sounds a little bit confusing because part of the amendment cuts into one of the words, but it's a very minor technical amendment, indeed, for the fuel excise suspension the government announced recently that continues until Labour Day. This amendment responds to stakeholder input and requests to include leaded aviation gasoline within the scope of the temporary fuel excise tax relief.

The government has stated that the temporary suspension of the federal fuel excise tax is intended to apply to aviation fuels generally during the relief period. The proposed change provides certainty regarding the application of the relief to leaded aviation gasoline to ensure that the scope of the measure is consistent with the policy intent.

We know that the Conservative Party of Canada has expressed support for making the excise fuel tax suspension permanent, and we hope the party will be in favour—as all members, I'm sure, would be—of this minor technical amendment. The fiscal impacts of adding leaded aviation gasoline are fairly minimal.

• (1720)

**The Chair:** Thank you.

**Jasraj Hallan:** Thanks, Madam Chair.

I'd be remiss if I didn't add the fact that this is only taking off a third of the tax for a third of the year. The Conservatives have been calling for the removal of all fuel taxes for the remainder of the year. Here is the difference: This would save families maybe a maximum of \$100 or something like that, whereas our plan would

save Canadian families \$1,200 for the entire year or up to 25¢ per litre. This would include getting rid of the other hidden carbon tax—the clean fuel standard the Liberals brought in that does nothing for the environment but only makes everything more expensive, including food, fuel and everything else when it comes to shipping the goods and services Canadians are buying—and, of course, removing the GST from everything for the rest of the year as well. As I said, that would give each family a total savings of \$1,200.

I would try once again—as we've done in the House many times, where the Liberals would not support it—to move a subamendment to have this extended for the rest of the year instead of just temporarily.

**The Chair:** Will you submit that in writing?

**Jasraj Hallan:** Yes, Chair, we'll submit that.

**The Chair:** Do we have unanimous consent, then, to stand clause—

**Ryan Turnbull:** No. We should just suspend and get it in writing, Madam Chair.

**The Chair:** We don't have UC to do that, then.

**Ryan Turnbull:** No.

**The Chair:** Okay. Then we will—

**Philip Lawrence:** I have some more.... I'm just trying to—

**The Chair:** Just give me a moment, please, Mr. Lawrence.

We don't have UC.

Mr. Lawrence, would you like to...?

**Philip Lawrence:** I had a couple of questions about this clause that weren't directly on the—

**The Chair:** We're on the subamendment now, so we can't do that.

**Philip Lawrence:** Okay. That's fine. No problem.

**The Chair:** We're on the subamendment. Since we don't have UC to stand this clause, we will briefly suspend.

**An hon. member:** [*Inaudible—Editor*]

**The Chair:** Yes, if you can submit that, then we'll come back.

Thank you.

• (1720)

(Pause)

• (1815)

**The Chair:** Colleagues, we are going to get started. You will have all received the CPC subamendment in your inboxes in both English and French.

Mr. Hallan.

**Jasraj Hallan:** The reason we're moving it forward is that we've tried over and over again to save Canadians more money, especially with summer coming up. There's a Liberal cost of living crisis in this country. Everything is up. Costs are up. Taxes are up. Having the government double Justin Trudeau's deficit did not help Canadians either. We have one of the highest food inflations in the entire G7. We have the highest housing costs and the highest household debt of the G7 because of Liberal policies. Things are not looking up for Canadians, as evidenced by the record number of food bank users.

With the subamendment, I'm trying to see if the Liberals will at least have a little bit of compassion for Canadians over the summer, so that we can save them even more money and extend this excise tax until the end of the year. It would actually deliver real cost savings to Canadians at the pump. In turn, this could also help bring down food costs because it will lower the cost of the fuel needed for transferring the goods and services that Canadians buy.

This is to give Canadians a break. Let's try to extend this until then. We've tried multiple times in the House of Commons to get rid of the excise tax for the rest of the year, the clean fuel standard the Liberals brought in and the GST on top of all of that, which would total a savings of 25¢ per litre, or a total of \$1,200 for Canadian families for the rest of the year. The Americans pay about 15% or 20% less than we do. The only difference between the two are the Liberal taxes that get thrown on top of fuel. This is our attempt to save Canadians money. I hope the Liberals will find it within themselves to give Canadians a break.

The argument that this would blow a big hole in the budget is false because there's more that gets taken out in those revenues from Canadians than the savings that we're going to be putting into Canadians' pockets.

I'll leave it there. I hope the Liberals will find a little bit of compassion to give Canadians a break for the rest of the year. Thank you.

• (1820)

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

Mr. Leitão.

**Carlos Leitão (Marc-Aurèle-Fortin, Lib.):** Madam Chair, we're not going to support the subamendment. We already did what we did, suspending the excise tax for three months. That by itself is two-point-something billion dollars. That's that.

**The Chair:** Go ahead, Mr. Turnbull.

**Ryan Turnbull:** Madam Chair, I want to ask if this subamendment is admissible, given the fact that it would greatly increase the cost. It's not accounted for within the scope of this bill, and I believe it contravenes the prerogative of the Crown to spend money. I believe it is out of scope, but I want to check with you whether you've ruled on it.

**The Chair:** Thank you, Mr. Turnbull. Let me consult with the legislative clerks.

Thank you, Mr. Turnbull. It is admissible because it's not requiring the government to spend additional money. It's just not enabling the government to recoup additional money.

Mr. Lawrence.

**Philip Lawrence:** Thank you.

I would like to add my voice briefly. It's not the government's money to begin with. It is money that is earned by hard-working Canadians. The government taking less money is not in any way a charity to the people of this country. It's the charity of the people that supports the government. Quite frankly, their charity is running thin.

Thank you.

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

Mr. Viersen is next.

**Arnold Viersen (Peace River—Westlock, CPC):** I wanted to add as well that this ends before the harvest is complete. Farmers generally have a discount on fuel, but this would limit farmers' ability to get cheaper fuel as they go into harvest.

In my neck of the woods, harvest begins in September, but it's generally not done until the end of November, and this would allow farmers to take full advantage of this tax exemption.

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

Next is Mr. Kelly.

**Pat Kelly:** I as well would like to get some thoughts on this on the record.

In one of the arguments when we debated this in the House of Commons in an opposition motion and in the debate on the bill itself and the policy, we were told that the relatively short time horizon on the excise removal—just over the summer—was there because the prices were so volatile that the government didn't know if the price was going to come down right away and that maybe would have lower crude prices by the summer.

I will note this just quickly. I mean, I don't follow it day to day, but just a quick search here says that West Texas Intermediate is at \$91.28 today. We have not seen relief in the crude price, which is one of the drivers that gave us the sharp rise in fuel costs for Canadians.

Given that we're already... I mean, that was many weeks ago now, Madam Chair, and the rationale they had then was that we should wait and see before we take additional measures. Some would say that we have waited. We have waited and the price is still very high. Gasoline prices are still very high. Canadians are very much pinched and could use the the relief.

The argument for extending the removal of not just this—the excise they're proposing here—but all federal taxes on fuel through to the end of the year is that it would be an important affordability measure for Canadians. The ongoing and prolonged high oil price would suggest that we should in fact extend this excise relief and, also, relief on other fuel taxes the Liberal government has imposed, like the clean fuel standard and the industrial carbon tax, which go into the input.

I'm in favour of the motion.

• (1825)

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

Mr. Turnbull is next.

**Ryan Turnbull:** I have nothing further to say. Thanks.

**The Chair:** Okay. Shall the CPC subamendment to G-1 carry?

**Some hon. members:** Yes.

**Some hon. members:** No.

**The Chair:** We'll have a vote.

(Subamendment negatived: nays 7; yeas 4 [*See Minutes of Proceedings*])

**The Chair:** Thank you. Going back to G-1—

Go ahead, Mr. Lawrence.

**Philip Lawrence:** I would like to propose the following subamendment.

In the spirit of being, like I said, eternal optimists, we keep putting forward ideas, and we're hopeful that the Liberal government will join us and meet us at least halfway on one of these.

I'll read out the particulars of it, but the substance of it is a suspension of the clean fuel standard, which of course drives up the cost of fuel. We're just doing it for the period that the Liberals had proposed—

**The Chair:** Thank you, Mr. Lawrence. That is inadmissible. That doesn't have anything to do with the bill at hand or the current amendment. You can't do that. The chair is ruling that inadmissible.

**Philip Lawrence:** I haven't read the actual subamendment, so you can't—

**The Chair:** You talked about the clean fuel standard and subamending it, and that's not a part of the actual clause, Mr. Lawrence.

**Philip Lawrence:** Chair, I haven't read the subamendment. It's impossible for you to rule on something that doesn't exist.

**The Chair:** Can you get to the point then, please?

**Philip Lawrence:** Yes. I will read it right now.

I move that the amendment be amended by adding after proposed paragraph (c), paragraph (d), which adds after line 16 on page 7, the following: “1(1) for the period beginning on April 20, 2026, and ending on September 7, 2026, no primary suppliers defined in subsection 1(1) of the clean fuel regulations is required to satisfy a compliance obligation under those regulations in respect of gasoline, diesel fuel, unleaded aviation gasoline, leaded aviation gasoline, or aviation fuel” and “1(2) For greater certainty, subsection (1)

(1) applies only in respect of fuel referred in that subsection, and only for the period during which the rate of tax in respect of that fuel is deemed to be zero under this section.”

**The Chair:** Thank you, Mr. Lawrence. That's still inadmissible because it's with regard to a tax that is not currently in that amendment. Thank you very much.

Mr. Hallan.

**Jasraj Hallan:** I'm going to give this a shot one more time.

I'm going to try to move another subamendment to cross the dates off in proposed section 9.2 and try to add the dates in both proposed paragraph (a) and proposed paragraph (b) to read as, “after April 19, 2026 until December 31, 2026.”

**The Chair:** Mr. Hallan, that's inadmissible. The committee has already ruled on that. We've already gone over that.

Mr. Lawrence.

**Philip Lawrence:** Thank you.

With respect, I believe we're back on the amendment, if that's correct, Chair.

**The Chair:** We're back on the original G-1 amendment.

**Philip Lawrence:** Thank you. We're in agreement.

I was wondering if we have officials from Environment Canada who can briefly outline if there are any greater emissions or a greater carbon footprint from leaded aviation gasoline as opposed to the other fuels that are included.

• (1830)

**The Chair:** Are there any officials in the room who can address that?

Please come to the table. Thank you.

**Philip Lawrence:** I have two questions for you. First, is there any greater environmental damage created by leaded aviation gasoline emissions?

Second, is the amount of carbon created by the burning of leaded aviation gasoline equivalent to, lesser than or greater than the amount created by gasoline or diesel fuel?

[*Translation*]

**Gervais Coulombe (Director General, Legislation, Sales Tax Division, Department of Finance):** Thank you for the question, Madam Chair.

My name is Gervais Coulombe, and I am the director general in charge of excise tax legislation.

First, I want to make clear that I work for the Department of Finance, not Environment and Climate Change Canada.

Generally speaking, we know that leaded aviation gasoline is the only type of aviation fuel currently available in Canada. Its uses are extremely limited. It is used in a few cases in very remote areas for certain agricultural needs. It's used to fuel very small piston-engined aircraft.

Unleaded aviation gasoline doesn't seem to be available in Canada right now. You asked whether it creates greater environmental damage, and the short answer is that it's the only type of gasoline piston engines use.

The second part of your question was about the greenhouse gas emissions, and as far as I know, any difference there might be is quite minimal. The combustion of lead doesn't contribute to greenhouse gas emissions. However, that isn't a definitive answer, since we haven't studied or analyzed that.

Generally speaking, though, I don't think the difference in greenhouse gas emissions would be significant. In terms of a constructive response, that's the best I can give you right now.

[English]

**Philip Lawrence:** Thank you very much for that.

I am a bit disappointed that we don't have anyone from Environment Canada here to tell us about the environmental impact of lead, but I think you did the best you could. I really do appreciate that. Thank you.

**The Chair:** Shall G-1 carry?

(Amendment agreed to on division)

**The Chair:** Staying on clause 11, we go to CPC-6.

Mr. Hallan, you have the floor.

**Jasraj Hallan:** I move that Bill C-30, in clause 11, be amended by adding after line 16 on page 7 the following:

(3) Within 30 days after September 7, 2026, the Minister of National Revenue, in collaboration with the Minister of Finance, must prepare a report on the application of this section and cause the report to be tabled in each House of Parliament on any of the first 15 days on which that House is sitting after the report is completed.

(4) The report must

(a) set out the impact of the application of this section, including on fuel prices, transportation costs, food prices, household expenses and inflation;

(b) include an assessment of the costs and benefits of extending the application of this section beyond September 7, 2026; and

(c) include an estimate of the fiscal impact of the application of this section.

(5) The Minister of National Revenue and the Minister of Finance must publish the report on the website of the Department of National Revenue and of the Department of Finance, respectively, within 10 days after the day on which the report is tabled in both Houses of Parliament.

Once again, there's a big difference between what the Conservatives are calling for, which would be more relief for Canadian families, a total of \$1,200, compared to what the Liberals are offering, which is not very much. It's a third of the tax they're taking off for a third of the year, which totals about \$100-something of savings altogether.

This would help in many ways. First, if this were to continue, if the war continues and gas prices stay high, we would have a clear indication after summer what that savings looks like for families,

because we know that there may or may not be more usage in the summer. A lot of families are struggling. A lot of families are holding back on taking any trips, going on vacation or even going on road trips because of the price of gas. What we're essentially asking for is some more clarity and transparency on what it would look like if we had to extend this even further.

As I said before when I was trying to pass my subamendment, the savings Canadians would receive would be less of a burden on the budget of Canada's finances than the current taxes that are collected altogether because of the clean fuel standard, which adds a lot of costs and takes a lot of money out of Canadians' pockets, and which, again, has no environmental value whatsoever and is doing nothing but making Canadians poorer. That's clear to see. It's increasing the cost of food and fuel, and that's making a huge impact. Now we're hearing stories about food banks that are running out of food. They're not able to replenish the food because they're running out of money to replenish the food that is being taken out of their food banks in record amounts, and there are record lineups at those food banks.

We know from the last subamendment we tried to pass that Liberals are not in favour of giving Canadians more of a break, whether that's to their wallets or to help reduce the cost of food and fuel. This is a chance to give a clear indication that we will continue to remove the tax until global conditions get better. This is something that's in our hands. Whatever we can control in Canada, we should. This would help set some guidelines, or it would set some targets if we ever need to continue to take the tax off fuel in the future.

I hope we can bring that clarity and transparency to Canadians.

• (1835)

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

Go ahead, Mr. Turnbull.

**Ryan Turnbull:** There was a whole of string of assertions Mr. Hallan made in that intervention that I disagree with, but I'll just focus on the arguments as to why the government obviously supported the amendment. We put it forward, so it's no surprise.

In terms of the transparency that the member opposite suggests he's looking for, the fuel excise tax suspension is estimated to have a fiscal impact of \$2.41 billion in 2026-27. That's in the spring economic update. It's very transparent and out there already for members to assess. It certainly is not.... The measure of extending this for numerous other months in the year was already decided on by the committee. Mr. Hallan said he was looking to assess the extension of this, but we already decided against that with the last vote on his subamendment. However, the fiscal impact is very clear: \$2.41 billion in this fiscal year.

Also, just in terms of the other indicators that are identified, there's a range of domestic and international factors beyond the temporary fuel excise tax relief, and it would be challenging, or at least we feel it would be challenging, to isolate the effects of the fuel excise tax relief from some of those indicators, especially given data limitations in the time frame contemplated by this. I've also mentioned previously that the Parliamentary Budget Officer is at parliamentarians' disposal to provide independent, non-partisan financial and economic analysis when needed, so you could certainly make a request if greater in-depth analysis were desired or warranted.

That's all I have to say about this. Thanks, Madam Chair. Hopefully, we can get to a vote soon.

• (1840)

**The Chair:** Thank you.

Mr. Kelly, go ahead.

**Pat Kelly:** I was listening to Mr. Turnbull. He did point out—and it's true—that we just voted down an extension of the excise relief, plus other measures. However, is he now saying it's the government's position to absolutely shut the door on such an extension? The argument made by the government is that these prices are volatile and we don't know how long these prolonged high world crude prices will persist. That was quite some time ago now, Madam Chair. We're moving into the middle of June now with exceptionally high world crude prices, and I would hope the door might be open for extended tax relief. Having the information and having information reported within 30 days—which would be September 7—would be helpful to that end.

Again, I know that they make the argument that the information should be available somewhere else or could be made available. He mentioned the ability of opposition members to get the Parliamentary Budget Officer to study these matters. However, I think the point here is that in proposed paragraph (4)(a), we're saying that the report must:

(a) set out the impact of the application of this section, including on fuel prices, transportation costs, food prices, household expenses and inflation;

The government's position has been that carbon taxes or taxes on fuel don't affect the price of food and are not inflationary. These are arguments that they have made repeatedly in the House of Commons. They have said that it was fake when Conservatives asserted that carbon taxes inflate or raise the price of food, so we would like to see this reporting.

Asking the Parliamentary Budget Officer to do special reports on these types of items is something I hoped we wouldn't have to do. However, even if we do, the Parliamentary Budget Officer and her office have, in some cases, struggled to get the information from the government. We've heard refusals to supplying information. I can think of a particular case, which was litigated at the government operations committee, in which the Parliamentary Budget Officer was not getting the information needed to complete the work.

I'd like to see this bill amended so that we do get the information that policy-makers should have at their fingertips and that Canadians would like to see. I support this amendment, notwithstanding the arguments that have been made in opposition to it.

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

Mr. Viersen is next.

**Arnold Viersen:** I'd like to add my voice to this as well.

To Mr. Turnbull about the \$2.4 billion, that's a projected number. There's a whole bunch of variables that are at play, and I would like to see the government have to own that number for themselves. Coming in the fall, they should say, "Okay, here's what we did, and here's the result that it had." Perhaps people travel less than anticipated. That would have less of a savings than the \$2.4 billion. Perhaps the fuel price goes to a different place so that the estimated price is not the same.

The other thing Mr. Turnbull brought up when we were debating the extension of the tax relief past September 8, and which I would point out is in our amendment in (b), is that it would "include the assessment of the costs and benefits of extending the application" past that. I know that the government has talked about possibly doing that, and we would say that in this report we would be asking for—as they have done with the \$2.4 billion in this—if they moved it forward, what kind of impact it would have. I think that's clear in this motion, and I hope the Liberals support it.

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

Mr. Lawrence is next.

**Philip Lawrence:** Thank you.

Some of the comments were eloquently discussed by my colleagues. I'll shorten mine accordingly.

The challenge I have—and I mean this sincerely—is that it's a bit troubling to me that a government, instead of producing their own documents or their own disclosure, is saying, "You can just go to the PBO." The PBO is there to review the government's numbers and then assess them independently, but the government has to give you those numbers first. The PBO should never be a substitute for a government being transparent. That's just a fallacy of logic and is, on its face, incorrect.

My colleague is exactly right as well. There is a big difference between a projection and what has actually happened. As my colleague said, there can be reasonable explanations for why a projection would be different from an estimation. If you made a projection in 2019 and then COVID happened, your projection would be way off. That's not because the government has done anything wrong. It's just that we had a once-in-a-generation pandemic. We would like to see the actual numbers in addition to the projection. In fact, comparing the projection to the actual numbers is of value.

I was wondering if Mr. Marsh could return. I have some questions with respect to that \$2.41 billion.

• (1845)

**The Chair:** Certainly.

Mr. Marsh, could you join us at the table please? Is there no...?

Did you want to ask another witness?

**Philip Lawrence:** Whoever is capable....

**The Chair:** Would either of you like to answer that question?

**Philip Lawrence:** Yes, absolutely. I'm happy to ask them as well.

We have the \$2.41-billion projection. We have had the exemption or suspension of certain amounts of the exemption. Are we on pace to achieve the \$2.41 billion, or is it costing the treasury more or vice versa?

[*Translation*]

**Gervais Coulombe:** Thank you for your question.

The gas and diesel tax bases have been in place in Canada for decades. We have a very clear idea of consumption, and it's fairly stable. I will say that prices are still high, and that was the reason for the temporary 10¢-per-litre reduction on gasoline and 4¢-per-litre reduction on diesel.

Since there is no indication that the estimates included in the 2026 economic update were not reasonable, the number Mr. Turnbull and the government gave,

[*English*]

the \$2.41 billion, continues to be, to my best knowledge, the best estimate we have. For completeness, the final number will actually be shown in the 2026-27 public accounts of Canada, which is typically tabled in the House of Commons in the fall.

**Philip Lawrence:** How is the excise tax remitted? Is it remitted on a monthly, quarterly or annual basis?

**Gervais Coulombe:** The excise tax is typically remitted on a monthly basis by the fuel distributors or fuel producers. For instance, for the month of April, the first month during which the exemption was available, returns were due to the CRA by the end of May.

**Philip Lawrence:** We're still in the early part of June. Do you have any estimates on what those numbers look like?

**Gervais Coulombe:** I don't have any estimates with me, but these would be very preliminary numbers with respect to the month of April.

**Philip Lawrence:** As a second line of questioning here, are there any showstoppers in terms of your department complying with amendment CPC-6?

**Gervais Coulombe:** I'm not in a position to identify here, before committee members, whether there are showstoppers or not. What I can tell you is that the best estimate has already been provided out there in the public—the \$2.41-billion figure. In the amendment, the measure in itself is relatively straightforward. We're taking a rate of 10¢ per litre for gasoline and we're putting it to zero.

It would not be appropriate for me to take part in a political debate.

• (1850)

**Philip Lawrence:** No, that's fine. I'll just ask you the question specifically. Would it be reasonable for you to prepare a report on the financial impact of the suspension of the excise tax on fuel 30 days after, or would you need more like 60 days or 90 days?

**Gervais Coulombe:** I'm just not in a position to start to speculate on the timing. As I told the committee, these numbers are typically provided as part of the public accounts. Dozens of accoun-

tants in the federal family work hard to make sure that those public accounts are properly prepared and include all sorts of year-end adjustments.

Madam Chair, I will not speculate more on that particular matter.

**Philip Lawrence:** I'm not asking you to speculate. I appreciate the hard-working civil servants and the work they do for Canadians every day, but my question is relatively specific. It's not speculation.

In accordance with this, it says:

(3) Within 30 days after September 7, 2026, the Minister of National Revenue, in collaboration with the Minister of Finance, must prepare a report on the application of this section

It would cause the report to be tabled in the House. You were telling me that the excise tax is reported on a monthly basis and that you would get the information to your department within about 30 days after. That's the evidence, as I understand it, that you've submitted.

I'm trying to get to whether this amendment of 30 days after is unreasonable. I'm actually thinking that it is. To be fair to the great people at the Department of Finance and the Canada Revenue Agency, I'm thinking that we need it to be more like 90 days or 120 days.

**Gervais Coulombe:** Madam Chair, I have already responded to that question. Thank you.

**Philip Lawrence:** I'll keep asking until you answer.

I'm sorry, Chair, but they have an obligation to provide an answer. I've asked a specific question—

**The Chair:** I know, Mr. Lawrence. You can keep asking the question, but the witness has provided an answer.

**Philip Lawrence:** I will reframe it. I'll go back to the amendment for page 7, which says that the report must:

(a) set out the impact of the application of this section, including on fuel prices, transportation costs, food prices, household expenses and inflation;

If you were to prepare a report or if the finance department were to prepare a report, would 90 days be sufficient to do that?

[*Translation*]

**Gervais Coulombe:** Additionally, Madam Chair, I can say that the effects of the measure on the indicators listed in the motion are very difficult to isolate, as the government previously explained. On the basis of the information we were given, I don't think it would be possible to report on those indicators.

However, the total cost of the measure, the \$2.41-billion estimate, is still true, and the anticipated price reduction is 10¢ per litre for gasoline and 4¢ per litre for diesel. Of course, that doesn't include sales tax.

[English]

**Philip Lawrence:** Mr. Coulombe, I'll finish with this. I really was not expecting this to be a controversial line of questioning. I thought it was quite simple. I'm quite disappointed that you can't figure out the amount of time it would take you to prepare a report after the filing. I was actually trying to be gracious to your department to make sure that we didn't overwhelm them. I'll try one more time, and then we'll leave this be.

You have testified so far that the excise tax is collected or reported on a monthly basis, and then that information is collated and put together a month later. It's about a two-month process. That's your testimony so far.

If you were to have to deliver that information to the House of Commons, after that month would 90 days be sufficient for your department to do it, or would that be creating too much of a burden on the great people of the Minister of Finance and the great people of the Minister of National Revenue?

• (1855)

[Translation]

**Gervais Coulombe:** Madam Chair, I've already answered that question.

[English]

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

We'll continue with Mr. Hallan.

**Jasraj Hallan:** We already know that the government doesn't want to take off the taxes or extend the tax relief until the end of the year. We've tried multiple times. This is simply asking for tracking. It's asking for some data. That's all we're asking for.

It's disappointing to see how much the Liberal government keeps fighting having more transparency and accountability while at the same time not wanting to save Canadians more money. I find that ridiculous, so I wanted to add that.

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

Mr. Kelly.

**Pat Kelly:** I have a subamendment to this amendment.

I move that the amendment be subamended by replacing proposed paragraph 11(4)(c) with the following:

(c) include an estimate of the fiscal impact of the application of this section; and

(d) describe the methodology and data sources used to assess the impacts referred to in paragraphs (a) to (c).

**The Chair:** Could you please send that in writing to the clerks? Then we'll have to send it to translation in order to circulate it to the members.

Do we have unanimous consent to stand this clause?

**Pat Kelly:** I'm not sure that we should.

Mr. Turnbull, on the last one.... I see the logic of taking these things one at a time and not letting them pile up. Let's deal with this and deal with the subamendment.

**The Chair:** There is no unanimous consent. Therefore, we will briefly suspend while we receive that and get it translated.

Thank you.

• (1855)

(Pause)

• (1930)

**The Chair:** Colleagues, you have now received the documents in your inbox, so we are going to resume.

Shall the subamendment for CPC-6 carry?

**Pat Kelly:** Are you taking speakers to debate it first?

**The Chair:** I've already asked if this one will carry so.... I got everybody back.

**Pat Kelly:** That was pretty quick.

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

Shall the subamendment for CPC-6 carry?

(Subamendment negatived: nays 7; yeas 4)

**The Chair:** Thank you.

Mr. Garon.

[Translation]

**Jean-Denis Garon:** I know we have a lot of work to do, Madam Chair, so I don't want to slow the committee down further. Nor do I want to point any fingers or anything like that. I know everyone here is working hard.

However, twice now, we've suspended the meeting so we can get fairly short subamendments translated. Each time, the meeting was suspended for 45 to 50 minutes.

Why did it take so long? What is the holdup?

Do we not have enough resources? If that's the case, perhaps we should ask for more. I realize that sometimes members may not agree with the subamendment. Obstruction may be at play, or it may be perceived that way, but it's not normal to have to wait almost an hour every time. We'll never finish at this rate.

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

I agree. Waiting that long for translation isn't acceptable. I asked the legislative clerk to look into it. He said there were technical issues, but I'm going to ask the legislative clerk or committee clerk to file a complaint with the House. It's really not normal, but we are going to carry on.

**Jean-Denis Garon:** If I may say, Madam Chair, I think this relates to parliamentary privilege. It could potentially stop people from putting forward amendments and subamendments because they don't want to hold things up for an hour or hour and a half. It could also have the opposite effect, where people put forward amendments precisely to slow things down and make the committee wait an hour each time.

I seriously question whether we can keep working under the circumstances, given how long we have to wait. I know everyone is working hard. That's not the issue. I know resources were cut back, but how can we keep working? Are we going to get through three clauses between now and midnight?

**The Chair:** That's a good question. I will ask the translation bureau. We will obviously file a complaint. Thank you for raising the issue.

We'll continue now.

[English]

We will return to the main amendment, on CPC-6.

Mr. Kelly.

**Pat Kelly:** Before we proceed to that, I think Mr. Lawrence will speak to it.

You were awfully quick to ask the question. For the practice of committee and the rules and practice that we normally follow, when you announced—

**The Chair:** Is this a point of order, Mr. Kelly?

**Pat Kelly:** Yes, it is.

I wished to debate and to make the argument for that subamendment and you didn't afford me the opportunity to do so. It wasn't because I had delayed in trying to get your attention or because I had not been on top of it. You immediately posed the question without even inviting or asking if members wished to speak to it.

I'm not going to challenge your ruling, but I am going to ask you if that was an error on your part or if that will be in the normal process. How will we ensure that we can get your attention if you immediately put the question without allowing members—

• (1935)

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

I did look around the room. I didn't see anyone raise their hand. I take it under advisement. Thank you, Mr. Kelly.

**The Chair:** We will return to the main amendment on CPC-6.

(Amendment negatived: nays 7; yeas 4)

(Clause 11 as amended agreed to on division)

(Clause 12 agreed to on division)

(Clause 13 agreed to)

(Clauses 14 and 15 agreed to on division)

**The Chair:** We are on new clause 15.1 and CPC-7.

Mr. Lawrence will speak to that.

**Pat Kelly:** You're welcome.

**Philip Lawrence:** Thank you.

I would move the following amendment to add:

15.1 (1) Within six months after the day on which this Act receives royal assent, and once a year for the two following years, the Minister of National Revenue in collaboration with the Minister of Finance must undertake a comprehensive review of the operation of sections 12 to 15 of this Act and table a report on the

review in each House of Parliament on any of the first fifteen days on which that House is sitting after the report is completed.

(2) The report must include

(a) an estimate of the fiscal impact of the application of the sections referred to in subsection (1) and;

(b) an assessment of the impact of those sections on domestic alcohol producers, including on small and medium-sized brewers.

(3) The Minister of National Revenue and the Minister of Finance must publish the report on the website of the Department of National Revenue and of the Department of Finance, respectively, within 10 days after the day on which the report has been tabled in both Houses of Parliament.

This is another of several amendments we have brought. Our motivation here is to increase the amount of reporting. We understand that some of this information may be available in bits and pieces, but we would like to see a clear way for Canadians, commentators and analysts to review this information, not only for a projection but so that it can be reviewed and audited so that people can gauge whether this reform and these other reforms have been successful. We understand that the PBO is there to evaluate the government, but it's not the PBO's job, nor should it be, to provide disclosure.

There was a previous government that said that it would be open by default, and that government certainly did not live up to that. However, perhaps the Carney government would live up to this by providing greater disclosure.

I believe that none of these requests, this one included, is particularly onerous, and we believe that it is the government's obligation to provide good value for money. This would enable not just us but commentators, the PBO and, most importantly, all of Canada and Canadians the ability to benchmark the progress and the success or non-success of the government.

Thank you.

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

Go ahead, Mr. Turnbull.

**Ryan Turnbull:** Similar to other amendments that have been proposed by the Conservatives, it'll come as no surprise that we oppose this one as well. The reason is that they're asking for the fiscal impact of these measures, which has already been included, for the alcohol excise duty relief measures, in the spring economic update. It's \$66 million over five years, starting in 2026-27.

There's also some concern about being able to isolate some of the other impacts that this relief may interact with. Members might be interested in how these relief measures would affect consumer preferences, provincial pricing policies, input costs, international trade conditions and broader economic conditions, but we feel it would be challenging to isolate those impacts, especially in the short term, as proposed in the amendment.

To respond to Mr. Lawrence, the Parliamentary Budget Officer does really important work independently to aid in our democracy and our parliamentary debates by doing fiscal and economic analysis. The Department of Finance regularly provides datasets to the PBO. I've never actually heard of the office not providing information to the PBO. Where there have been challenges in the past, it's been when the Conservatives want to get access to that data that can't be released for confidentiality reasons more broadly. The information is often shared from the Department of Finance to the PBO to do their analysis. They publish their reports publicly, which are aggregated results. That information flow has been fairly regular. I don't know of any instances where data has been held back from the PBO.

If members of Parliament want additional information or analysis, I'm sure they can request that from the PBO. We don't feel that what is being asked for here merits all the additional operational costs. In fact, we're actually trying to reduce the operating costs and increase the efficiency of the government. Members opposite used to believe in that, and now it seems like they want the opposite. It seems very inconsistent, but I'll leave it to the Conservatives to justify to their constituents why they want to increase government operating expenses.

I'll leave it there.

• (1940)

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

Mr. Kelly, go ahead.

**Pat Kelly:** Thank you.

To respond to the question that Mr. Turnbull put to me, the Conservatives expect accountability and transparency from the government. It's been lacking in so many ways over the last 11 years, and these amendments are meant to encourage the government to embrace reporting and data.

I mentioned earlier the Auditor General reports that frequently cite the poor tracking of data and the lack of information that the government has to measure its own success and failure. This comes up time and time again, where the Auditor General looks at a department and says that they don't have the data to measure the efficacy of whatever they're undertaking. They get their spending authorization from Parliament, and they get told what their objectives are. Without data, the public service may think they're doing a fine job, but when the Auditor General comes in they find that they are not doing as well as they think they are, and they don't have the data to benchmark their results.

That's why we are big on transparency and accountability. Accountability comes with being able to measure the progress of items.

With this one in particular.... I had a private member's bill in the last Parliament about the excise escalator. It's funny that the government brought in the escalator. There was no escalator before. It used to be that the government had to vote increases on excise in the House of Commons, just like the Crown has had to do since the Magna Carta. They've had to turn to Parliament to be able to tax citizens.

They gave themselves the escalator. Then, in subsequent years when the escalator became increasingly unpopular, especially among brewers as well as among consumers, they went ahead and reduced the rate at which they were automatically increasing the excise on alcohol. We don't agree with the policy of an automatic escalator on excise. When the government then, from year to year, tinkers with it by not increasing per the automatic increase that they gave themselves, we want to see accountability and we want to see the reporting as described in the motion.

Since it appears that the government will not support this amendment, I might try to see if we can massage it a little bit with a subamendment. I'm going to propose that the amendment be amended by replacing paragraph (b) of the proposed subsection 15.1(2) with the following:

- (b) an assessment of the impact of those sections on domestic alcohol producers, including on small and medium-sized brewers; and
- (c) a summary of any publicly available data used to prepare the assessment referred to in paragraph (b).

Just for the record, once this is translated, I wish to speak to the subamendment.

• (1945)

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

Please send that in writing.

I'm going to take a chance here and ask if there is unanimous consent to let this one stand. We can come back to it at the end of the meeting.

**Pat Kelly:** I don't think so. I think, as Mr. Turnbull established earlier, it's best to take these one at a time. Let's get this one dealt with.

**The Chair:** The will of the committee is so wonderful.

Excellent. We will take a brief suspension. Thank you.

• (1945)

(Pause)

• (2000)

**The Chair:** Colleagues, the committee meeting is resumed.

You will have received the translated subamendment and the original text in your inbox.

Mr. Kelly, the floor is yours.

**Pat Kelly:** I'm glad I was able to catch your eye and participate in the debate on this subamendment.

I didn't get a chance to talk about this in the last one. We've added, on both of these, the summary of publicly available data used to prepare the assessment referred to in proposed paragraph (b), which is:

- an assessment of the impact of those sections on domestic alcohol producers, including on small and medium-sized brewers.

Canadians want to know what data is used and if it is publicly available. They want to know what source they're using and how the government comes to its conclusions.

Again, in the interest of transparency, it's never too late to do the right thing. This government campaigned in 2015 on being the most open and transparent government in Canadian history. That has not been the experience of Canadians. We see that in almost every way you can measure it, from refusals to table documents that Parliament has voted upon—the same at committee—and the ongoing backlogs under the Access to Information Act. I just got an ATIP back the other day that was so old, it was astounding. The information was pretty basic stuff that I think they should have been able to come up with quickly, just like in most other peer jurisdictions.

Canadians want their government to be open with them. They want accountability. We don't want extra bureaucracy. We don't want them to expand the public service, but what we do want is the public service to be accountable to Canadians. That's why we have asked for a series of amendments to this bill that would create reporting mechanisms so that Canadians can track the progress of their government. They make a lot of announcements. It's the follow-through that is so important. Every time there's an announcement, Canadians should be thinking, "All right, they've announced something. This sounds really good, but how are we going to verify that any of this really happens?"

That's why we proposed this amendment. We haven't had a lot of success in carrying these amendments. I imagine that my colleague will offer the reasons the government can't provide the information that we've asked for, why they shouldn't do it or how Canadians could get this information some other way, so why would we need the government to do this?

I hope this might be the one where we break through and have agreement that these kinds of reporting mechanisms would be a good thing. They would go a long way in helping Canadians have confidence in government decision-making.

With that, I'll see if anyone else has anything to add to this debate on the subamendment.

**The Chair:** Seeing no one, shall the subamendment on CPC-7 carry?

(Subamendment negatived: nays 6; yeas 5)

**The Chair:** We'll go back to CPC-7.

Go ahead, Mr. Kelly.

• (2005)

**Pat Kelly:** I'm sorry that the subamendment didn't carry. I thought that perhaps the subamendment would give new support or be able to help us find support for the main amendment, to which the government had already spoken and indicated its non-support.

I'll try one more time with this to make the argument and convince the government-side members that reporting is a good thing and transparency is the way through to accountability, Madam Chair.

Canadians expect their parliamentarians to hold the government to account, and not just the opposition members. The members of this committee all have a constitutional duty to hold their government to account. Mr. Turnbull is a spokesperson for the govern-

ment. We understand. He's the parliamentary secretary. He's going to defend the government. That's his job. That's what he does. The other members have a duty to hold the government to account. That's what the parliamentary system is all about.

I hope that my extra little addition to the debate on this amendment might help put us over the top, but my hopes are not high.

**The Chair:** Go ahead, Mr. Strauss.

**Matt Strauss (Kitchener South—Hespeler, CPC):** I'm really sorry, Chair. I'm new to this committee. I've also never been to a clause-by-clause meeting before.

I'm just curious, regarding Mr. Kelly's amendment, if I have the right Excise Tax Act. I'm trying to find the act that the bill modifies and that his amendment would therefore modify.

I have the Excise Tax Act from 1985 up. I'm looking at schedule II.1, but this is pertaining to gasoline and unleaded gasoline.

Like I said, I've never been here before. I wonder if it would be possible for the clerk to put up the act that we're actually changing so we can all know what we're talking about.

**The Chair:** You can look it up, Mr. Strauss.

**Matt Strauss:** Chair, I'm saying that I am.

I'm looking for a point of clarification, because I have the Excise Tax Act.

**The Chair:** I'm sure your staff can help you with this, Mr. Strauss.

**Matt Strauss:** My staff don't work this late.

**The Chair:** Okay. Do you have anything else you'd like to...?

This is not the job of the clerks. You can do that work, sir.

**Matt Strauss:** Is anyone able to tell me if it is the wrong Excise Tax Act?

If the next person to put their hand up wants to tell me if it's not the Excise Tax Act from 1985, I'd be grateful to learn.

**The Chair:** I have Mr. Ho next on the list. If he would like to add something to that, he's welcome to.

**Pat Kelly:** I could explain it on the record for Mr. Strauss.

**The Chair:** Mr. Ho, you have the floor.

**Vincent Ho (Richmond Hill South, CPC):** This is also my first time at the finance committee. It's great to see so many colleagues here today talking about such an important bill.

We're talking about Bill C-30 today. We're talking about this amendment. Its focus is on small and medium-sized brewers, if I'm not mistaken. I think it's a very important amendment. It's important that we talk about small and medium-sized businesses and excise tax relief for small and medium-sized businesses.

We know that when it comes to small and medium-sized businesses, they can't afford the fancy, high-priced consultants and lobbyists who would circle Ottawa and the offices of MPs, ministers and department officials. Having some sort of relief as well as this assessment of the impact of those sections that we're discussing and of the measures and the impacts that they have is of great importance.

Small and medium-sized businesses are always left behind. There are a lot of small and medium-sized businesses in Richmond Hill and in the greater Toronto area. There are brewers all over the GTA and southern Ontario, and they tell me all of the time that they don't feel heard. I meet with them all of the time.

Some employ maybe five employees. Some employ 50, 100 or 200 employees, but they don't feel heard. They're not part of some fancy industry organization, and they can't produce those reports or get that dataset. Sometimes they rely on the government to provide that information, whether it's through StatsCan...and we know how important the work is that they do in providing Canadians and businesses timely information.

That's something that I think this committee and all parliamentarians.... We're here to represent Canadians. We're not here to represent the interests of the government. For the people who live in our ridings, their communities include those small business owners who are often forgotten. When they see the hundred-million-dollar and multi-billion-dollar cheques that this government writes, it just looks like corporate welfare, time and time again.

The Liberal government likes to say, "Oh, this is a new government." We're seeing the same sorts of press releases as the last Liberal government put out on corporate welfare and cheques that were written. It seems like the voices of small and medium-sized businesses, including brewers in the GTA and across Ontario, and across the country, for that matter, are not heard.

I think it's very reasonable to have this review so that there's timely, recurring information. I've been in office now for 13 or 14 months. One of the things I feel as a parliamentarian is the frustration that sometimes there's information we don't get, even as business owners. I was a business student before. I was a lawyer before. It's about getting information, but it's not readily made available. Having some of that information from the government would help, especially when small and medium-sized businesses don't have the resources to hire the consultants to do the surveys and influence public opinion. They're relying on the government to provide that kind of information, whether it's through investment or the fiscal impact of these taxes that seem to keep increasing.

We're living in the middle of a cost of living crisis. That doesn't just impact Canadians, families and consumers. It impacts the businesses too. They're facing rising input costs that are not addressed, of course, because of the high Liberal taxes and red tape that seem to always increase. Having some of that information readily available is important to those businesses, which also create jobs.

Sometimes folks who are in the government for too long forget that. The government doesn't create the jobs. Businesses do. People do. Canadians do. Canadians willing to take that risk on entrepreneurship and create that enterprise are the ones who are creat-

ing the jobs. We know small and medium-sized businesses employ a vast majority of the workforce. It's not large businesses. It's not government, for that matter.

• (2010)

We've seen the government grow. A lot of times, we see some government MPs brag about job numbers. Actually, the vast majority of growth in a given month could just be seasonal work or part-time jobs. Worse yet, it could be government employment.

Small and medium-sized businesses are the backbone of the economy and we need to make sure we support them. That includes the timely information that we are able to get for those businesses that cannot hire those high-priced consultants or issue those surveys to be able to obtain that. It's a very reasonable, common-sense....

We talk about sovereignty and all that. That's a Liberal government talking point in a press release about Canadian sovereignty, buy Canadian and all that. We don't understand that lots of times large businesses are foreign-owned and most shareholders—

**Jake Sawatzky (New Westminster—Burnaby—Maillardville, Lib.):** I have a point of order.

I'm sorry, Madam Chair. This has nothing to do with the amendment. Can we get back to what we should be doing here?

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

Mr. Ho, could you stick to the amendment at hand, please?

**Vincent Ho:** Let's talk about the amendment. The amendment talks about, in proposed paragraph 15.1(2)(b), "an assessment of the impact of those sections on domestic alcohol producers, including on small and medium-sized brewers."

The point I want to talk about is small and medium-sized brewers. The point I was trying to make before I was interrupted was the importance of small and medium-sized businesses on the economy and why it's so important that this amendment is supported by this committee.

We're elected to do a job where we're not supposed to represent corporate interests as parliamentarians. We're supposed to represent Canadians. That includes representing small businesses and those who work in these businesses. We know that small and medium-sized businesses employ the majority of those workers. Before I was interrupted, we were talking about small and medium-sized businesses.

I'll get back to the point that I was making earlier about the high-priced lobbyists who are able to get that sort of corporate welfare that small and medium-sized businesses never seem to get. I talk to businesses all the time in my riding—the great riding of Richmond Hill South. They always ask why the supports that the Liberals announce never seem to reach their way. They're the ones tightening their belts. When they need timely information, they aren't able to get it from the government. It seems like they're paying so much in taxes, but when it comes to saving for a rainy day, they're on their own and those supports always end up going to large enterprises.

The point is very relevant, actually, because we're talking about how to support small and medium-sized businesses. To say that it's not relevant.... I mean, should we talk about large businesses? That's what the Liberals have been doing for the past year and a half. They've been giving these big corporate cheques to large businesses and using all these buzzwords like “sovereignty” and “buy Canadian” and all that. I think the whole buy Canadian concept that the Liberals have tried to introduce has been quite a joke. You don't even need to hire Canadian workers or have full Canadian ownership when you use that label.

Today, we're talking about the small and medium-sized brewers. Can we agree that this is an important concept? We have brewers all over the country and all across Ontario and the GTA. They don't have access to that information or the impacts that affect.... Lobbyists always print these nice glossy brochures. The Liberals like to call them stakeholders, but they're really registered lobbyists, a lot of times. I've been here for a year now and I've realized that even the people who appear at these committees don't have the best interests of Canadians....

They can't hire lobbyists and they can't hire the consultants. Who, then, are Canadians going to count on? They're going to count on parliamentarians to stand up for them. That means that as parliamentarians we have to advocate on their behalf so that we can make the common-sense amendments that we need in these bills..

Bill C-30 is a very important bill. It's talking about the spring economic update, but some people are calling this an update of Liberal-managed decline. That's what it's really about.

• (2015)

**Jake Sawatzky:** I have a point of order.

Chair, we're supposed to be talking about the excise tax for alcohol. This is a very long, rambling filibuster. A lot of resources go into this committee and it's clear this isn't going anywhere related to this amendment. I'd like to see if we can bring this back to something that's going to be remotely productive.

**Vincent Ho:** I'm going to wrap—

**The Chair:** That's an interesting suggestion.

**Vincent Ho:** I will wrap it up, Chair.

**The Chair:** Continue, Mr. Ho.

**Vincent Ho:** I will wrap it up, Chair. Thank you, Member, for the suggestion.

I think our economy could be a lot more productive—you talked about productivity—when the Liberal government gets out of the

way. I'm going to end my remarks on this very important amendment to this very important bill.

Thank you.

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

Shall CPC-7 carry?

(Amendment negatived: nays 6; yeas 5)

(Clauses 16 to 18 agreed to on division)

**The Chair:** We are on new clause 18.1 and CPC-8.

Who's speaking to that?

• (2020)

**Philip Lawrence:** Go ahead, Chair.

**The Chair:** Do you want me to speak to it? I don't think you want me to.

**Philip Lawrence:** I'm sure you'll love this. I'm fully confident.

**The Chair:** I'm not sure. Please go ahead, Mr. Lawrence.

**Philip Lawrence:** All right.

I'm moving that Bill C-30 be amended by adding after line 25 on page 11 the following new clause:

Annual Report

18.1 Within one year after the day on which this Division comes into force and every year after that, the Minister of Finance must publish a report on

(a) the investments exempted from the application of the Investment Canada Act as a result of the provisions enacted by this Division; and

(b) the number and type of foreign bank-related investments affected by the provisions enacted by this Division.

To give a couple of comments in support of this important amendment, it is consistent with the theme of asking for greater accountability.

We have attempted on a number of occasions to work with the Department of Finance, the Canada Revenue Agency and the government to enable greater accountability while not being overly taxing on government officials and making sure, of course, that we respect privacy and confidentiality. I suspect that the government will, for bogus reasons, once again oppose this. They may state that the PBO provides these documents, that someone else should do their job or that there was an estimate made in 1984 that could be used, if we could find the document.

These are very reasonable amendments. We would just look for a partner in the government to enable us to have further accountability metrics, and it doesn't have to be perfectly the language we want.

We just want to ensure greater accountability for Canadians, but we know we'll hear reasons such as that there is a projection out there when, in reality, what we're looking for is the actual numbers. Those are two different things. The continuing conflation and attempt to demagogue is frustrating, but Conservatives will continue to work in the best interests of Canadians.

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

Go ahead, Mr. Kelly.

**Pat Kelly:** Thank you.

I agree with the amendment. I think it's really important to have this kind of reporting on something as important as the decisions the government might make in making exemptions to the applications of its own laws.

This is an approach that is new. It was just about this time last year that we passed Bill C-5, the bill that created the Major Projects Office. Rather than repealing all the regulations that prevent private investors from investing in the Canadian economy, it allowed the government to set up an office and empower it to exempt certain businesses from Canada's laws. It's not the right approach to basically invite political interference by saying, "We'll let the minister and the government decide in which cases the laws of Canada will apply and in which cases the laws of Canada will not."

Given the government's penchant for this approach.... Rather than getting rid of the red tape that kills jobs and kills production of projects and resource extraction in this country, it has chosen to simply give itself the power to decide when and if it wants to make exemptions to these laws. In this particular case, this call to report within one year of when this division comes into force and publish a report on "the investments exempted from the application of the Investment Canada Act" is a prudent addition to this bill.

It's what we're here to do: to make better laws, to propose solutions and to help the government make better laws when it introduces them and they pass through Parliament. I support this amendment, and I hope that my colleagues will too.

● (2025)

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

Mr. Turnbull, go ahead.

**Ryan Turnbull:** It almost sounds like the member opposite is trying to be constructive here, although I have a hard time believing that these suggestions are put forward in good faith, especially when the member opposite talks about cutting red tape. However, every amendment the Conservatives have proposed are adding red tape, which would have a negative impact. In the previous budget we passed through Parliament, the Conservatives were the only party that opposed regulatory sandboxes and limited and narrowed the scope of those, which were specifically designed to reduce red tape for businesses across our economy.

I take issue with something that Mr. Lawrence said, calling the rationale that members opposite provide for their perspectives as "bogus". I don't think that's parliamentary, but I'll leave it at that.

In terms of this particular amendment, we feel that it would be inconsistent with the existing provisions in the Bank Act that pro-

tect the confidentiality of the information the government obtains from the financial sector, including foreign banks. Investment review decisions are made by the Minister of Finance on a case-by-case basis and are unlikely to obtain all the information necessary to implement the proposed reporting requirements that are implied by this amendment.

For those reasons, we're opposing the amendment.

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

Mr. Kelly, go ahead.

**Pat Kelly:** I asked to get back in because Mr. Turnbull mentioned the regulatory sandboxes. He may recall that he and his colleagues agreed with the opposition, ultimately, to amend the bill to reduce its scope. If I remember correctly—and I'd have to look up the parliamentary record here—the reduction of the number of rules and laws that the so-called "regulatory sandboxes approach" would take was too broad. It was recognized by most observers and, I think, recognized by the government that they had gone too far. That bill was amended.

This is what this committee is here to do: to make better bills by debating the issues, and to do so just as we're doing tonight in our clause-by-clause review. I thought I should make that point. He acknowledged that he thinks I'm trying to be constructive, trying to come up with ideas here to make this law better. That's what we're doing here tonight.

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

Shall CPC-8 carry?

(Amendment negatived: nays 6; yeas 4)

(Clauses 19 and 20 agreed to on division)

(On clause 21)

**The Chair:** We're on CPC-9. Who's speaking on this?

Mr. Kelly.

**Pat Kelly:** I move the that Bill C-30, in clause 21, be amended by adding after line 23 on page 15 the following:

30.51 The Bank must, every year, publish a report that includes the following information:

- (a) the assessment fees collected from entities subject to assessment fees under this Act;
- (b) the administrative costs associated with the entities subject to assessment fees under this Act;
- (c) service standards and annual performance against those standards for activities funded through assessment fees; and
- (d) internal audits completed in relation to cost recovery activities.

Once again, this bill does a lot of things, and that requires increased accountability on behalf of the government. That is why we propose this amendment. I hope that this is one the government won't object to and may agree to accept.

● (2030)

**The Chair:** Mr. Turnbull.

**Ryan Turnbull:** The government will be opposing this. It's outside the scope of the measure, which is intended to consolidate existing cost recovery authorities, not introduce substantive new requirements. The amendment would create inconsistency with other federal financial sector cost recovery regimes, which do not include comparable legislated reporting obligations.

The amendment is also, we feel, unnecessary, as the Bank of Canada has established reporting mechanisms already, including its public annual report. In addition, the Bank of Canada's board of directors is accountable for oversight of the bank's financials, including its annual budget. For those reasons, it is unnecessary and creates other cost recovery authorities that are inconsistent with the scope of the measure.

Thank you.

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

Mr. Lawrence, go ahead.

**Philip Lawrence:** Thank you, Madam Chair.

In our relentless efforts to convince the government to work with us to increase accountability, I have a subamendment to propose. Of course, we have proposed paragraphs 30.51(a), (b), (c) and (d). I would propose to add "(e) any material changes to the methodology used to calculate assessment fees."

**The Chair:** Okay. Please send that in writing.

We'll briefly suspend while we translate that.

**Philip Lawrence:** Thank you, Madam Chair.

● (2030)

(Pause)

● (2045)

**The Chair:** Colleagues, we are back. I know that you were all anxious to get back. You now have the translated subamendment in your inboxes.

Shall the subamendment to—

**Philip Lawrence:** I want to speak to it. Normally you get to speak to it, Chair.

**The Chair:** Yes, I know.

**Philip Lawrence:** I'm not really stretching the bounds too far.

**The Chair:** You have to let me know. I was looking around.

**Philip Lawrence:** You were quick. I didn't want to bug you.

**The Chair:** Anyway, please go ahead, Mr. Lawrence.

**Philip Lawrence:** No worries....

Of course, there's reporting that we asked for, including the assessment, administrative costs, service standards and internal audits. In the subamendment, we added, "any material changes to the

methodology used to calculate assessment fees". Often process can be the biggest cause of angst and challenge. Also, there's the old saying that goes, "If you torture the data long enough, it will confess to anything". It's important that we have the methodology as to how these fees are being assessed.

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

Go ahead, Mr. Turnbull.

**Ryan Turnbull:** I'll make a very brief intervention here. I'm trying to understand. The Conservatives are amending their amendment as if to appeal to government members to vote in favour of this, but, in fact, they haven't addressed the arguments we've made and have actually added things to be reported on. It doesn't change the arguments that we previously made as to why we're going to oppose this. We'll still be opposing.

Thanks for the attempt, Mr. Lawrence. I'm glad that you were very brief in your intervention so we can get on to the vote.

**Philip Lawrence:** We want to be efficient.

**The Chair:** Thank you.

Shall the subamendment to CPC-9 carry?

**Philip Lawrence:** Chair, if we could have a recorded vote, that would be great.

**The Chair:** We'll have a recorded vote.

(Subamendment negated: nays 6; yeas 4)

**The Chair:** Going back to CPC-9, shall CPC-9 carry?

(Amendment negated: nays 6; yeas 5)

(Clause 21 agreed to on division)

**The Chair:** There are no amendments proposed to clauses 22 to 36. Is there unanimous consent to group them for the vote?

**Some hon. members:** Agreed.

(Clauses 22 to 36 agreed to on division)

(On clause 37)

**The Chair:** We have CPC-10. Who is going to do the honours?

● (2050)

**Pat Kelly:** I will.

**The Chair:** Go ahead, Mr. Kelly.

**Pat Kelly:** Mr. Hallan put forth this amendment that Bill C-30, in clause 37, be amended by adding after line 13 on page 20 the following:

(3) Within 30 days after the end of each fiscal year, the Minister must prepare, in collaboration with the Association, a report that sets out an overview of any complaints received for which liability as referred to in subsection (1) could be invoked and any cases in which immunity from such liability was invoked.

(4) The Minister must cause the report to be tabled in each House of Parliament on any of the first 15 days on which that House is sitting after the report is completed.

I move that, and I think that Mr. Lawrence will—

**The Chair:** I have Mr. Turnbull.

**Philip Lawrence:** I will defer to Mr. Turnbull. This way I make sure that I hit your objections, so you'll be on side this time.

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

**Ryan Turnbull:** I appreciate that, Mr. Lawrence.

This amendment that's proposed is vague. It can't be implemented as drafted, unfortunately. It's also unclear what is meant by "complaints", which is generally given a broad interpretation. In terms of the phrase liability "could be invoked", an organization will or will not have liability. It doesn't really invoke liability, so that's problematic. Lastly, the vagueness puts the minister at risk of not fulfilling his or her legislative duties.

For these three reasons, we would oppose this amendment.

**The Chair:** Mr. Lawrence.

**Philip Lawrence:** As has been noted, we would like greater accountability and transparency. We are more than open to a sub-amendment by Mr. Turnbull, if he should choose. If he believes in accountability and transparency, we're willing to more than meet him halfway to allow for greater... If he, for example, had a definition of "complaints", we are all ears to hear that. Otherwise, I am blessed with the ability to count, and so would stand down at that point.

**The Chair:** Okay, thank you.

Shall CPC-10 carry?

**Philip Lawrence:** I'd like a recorded vote, Chair.

**The Chair:** We will have a recorded vote.

(Amendment negatived: nays 6; yeas 5)

(Clause 37 agreed to on division)

(On clause 38)

**The Chair:** Who is introducing CPC-11?

Mr. Kelly.

**Pat Kelly:** We do have an amendment for this next one, for clause 38.

Our amendment for clause 38 is that Bill C-30, in clause 38, be amended by adding after line 3 on page 21 the following:

(5) Section 12 of the Act is amended by adding the following after subsection (2.3):

(2.31) Within 30 days after the end of each fiscal year, the Minister must prepare a report that sets out

(a) the number of seasonal workers in respect of whom the maximum number of weeks for which benefits may be paid in a benefit period was increased in that fiscal year;

(b) the regional distribution of those workers; and

(c) the impact on the labour market of the increased number of weeks of benefits.

(2.32) The Minister must cause the report to be tabled in each House of Parliament on any of the first 15 days on which that House is sitting after the report is completed.

That is our amendment.

We once again ask for transparency. We ask for data. We ask for democratic accountability by tabling it in Parliament so that parliamentarians can see the information.

With that, I'll see if the parliamentary secretary agrees with me.

• (2055)

**The Chair:** Mr. Turnbull.

**Ryan Turnbull:** Unfortunately, I do not because this amendment actually duplicates already-in-place reporting requirements that are set out in section 3 of the Employment Insurance Act.

Each year, the minister of ESDC tables in Parliament a monitoring and assessment report that's prepared by the Canada Employment Insurance Commission. It assesses the impact and effectiveness of employment insurance benefits. Previous annual reports have provided pretty much exactly the information that's included in this, including the number of claimants, additional weeks of regular benefits and regional distribution. For those reasons, this amendment is actually duplicative. It would not optimize government operations to add a parallel process that's identical to what is already in place.

For those reasons, I'm sure the members opposite will agree that perhaps they just didn't do their homework on this and will be fully satisfied that they already have access to this information on a regular basis. I'm sure they'll vote down their own amendment.

Mr. Lawrence is smiling. I'm sure he'll even withdraw this amendment. Mr. Kelly would not want to add to government operational spending to duplicate efforts, I'm sure.

**The Chair:** Thank you.

Mr. Lawrence, you have the floor.

**Philip Lawrence:** I defer to Mr. Kelly.

**The Chair:** Mr. Kelly, you have the floor.

**Pat Kelly:** Thanks. I won't withdraw my motion. I think that this is a good motion that should be put to a vote after it's been debated for as long as might be necessary to make and hear the proper arguments for and against this amendment.

Certainly, we don't want the government to waste money. We don't want the government to carry on with the agenda that it has had, wherein we've seen an explosion in the size of the public service that has happened under this government. What we do want is a little bit of accountability. I hope it wouldn't really impose that much of a cost on government. If we had more accountability, and if we had better information for parliamentarians, we would be able to have a more efficient public service by knowing whether or not measures introduced by the government are having the desired effect and whether or not they are getting the job done.

I reject his argument, and I reject what I think was his premise, that we are somehow favouring a larger government. It couldn't be further from the truth. We stand by our amendment. I hope that it passes.

I'll leave it at that for now.

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

**Ryan Turnbull:** By saying that, Mr. Kelly is saying that he doesn't agree with the fact that there is a duplicative process, which I detailed in my response. He's actually siding with more unrequired reporting that duplicates government efforts.

**The Chair:** Mr. Ho, go ahead.

• (2100)

**Vincent Ho:** I find it kind of ironic. As parliamentarians, our job is to get all the information we need to make informed decisions. If we don't get the information, how can we improve those processes? This isn't like we're creating a new bureaucracy, staffing it with our Liberal friends and then publishing reports. As you said, some of the information is already published, but we're asking for additional information.

One of the members accused us of not doing our homework. We have an amendment here to our CPC-11. Subclause 38(5) amends section 12 of the act by adding proposed paragraph (2.31)(b), which refers to “the regional distribution of those workers”. Employment insurance discloses a lot of information by province, but some provinces are pretty big, like Ontario or Quebec. It doesn't include information on some big metropolitan areas like the GTA or Montreal. Some of that information could perhaps be useful for the government to make its decisions, assuming this government is one that makes decisions based on informed choices.

This is something that does provide more clarity. It does not create more bureaucracy. It does not add more costs, as some of the members on this committee seem to suggest. It just provides a little bit more clarity. It's information that the government should already have. They should have the social insurance numbers of those on EI. They should know where they live. They should have all this information. It's just a matter of tabling it in a format that is a bit more prescriptive, which is the regional distribution. Of course, some provinces are many regions. Something that we can support is to have that more precise information so that the government can make informed choices.

Choosing to be wilfully blind and saying, “No, it's all enough,” is not what we were elected to do as parliamentarians. As parliamentarians, regardless of party, we're here to hold the government to account and to make sure that the ever-growing army of bureaucrats—

[*Translation*]

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

**The Chair:** Go ahead, Mr. Garon.

**Jean-Denis Garon:** I realize that my colleague, whom I am getting to know—and how enjoyable it is—is talking about the amendment. I think there's a rule, though, that prevents members from repeating the same thing. I think that if members check the blues,

they'll see this sentence: “As parliamentarians, we are asking for accountability.”

He even used the same words. If he's going to say the same thing, he should at least change it up a bit. I don't know how you enforce that rule.

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

[*English*]

Mr. Ho, please get to the point.

**Vincent Ho:** I find it kind of condescending when some of the members say that we're somehow creating a bureaucracy or trying to slow things down, when it actually does the opposite. It's to equip the government to make some well-informed choices. I think it's a common-sense amendment that all parliamentarians can support.

Why would we not want more information? This information is already being collected. We're not asking the government to go out there and collect additional information.

**The Chair:** Mr. Ho, I think the point has been made. You're not supposed to be repetitive.

**Vincent Ho:** I'll leave it at that.

Thank you, Madam Chair.

**The Chair:** Mr. Kelly, go ahead.

**Pat Kelly:** Mr. Turnbull had invited me to debate a point, but with Mr. Ho's intervention in between, I think we'll just carry on.

**The Chair:** Mr. Jackson, go ahead.

**Grant Jackson (Brandon—Souris, CPC):** It's a pleasure to be here. I'm pleased to make my first intervention as a parliamentarian at the finance committee. Thank you for having me this evening.

I think we're debating an important amendment this evening, and a number of important amendments that my colleagues have put forward.

I did note that there are, I think, officials still in the room with respect to the meeting this evening. In particular, I noticed on the witness list some officials from the Canada Food Inspection Agency. Of course, my constituency is rural, with a predominantly agricultural economy in southwestern Manitoba, bordering Saskatchewan, with a lot of food—

**Ryan Turnbull:** I have a point of order, Madam Chair.

I'm just asking for relevance. We're debating an amendment to the Employment Insurance Act and some of the reporting requirements that are within this amendment. I don't know what being from an agricultural riding has to do with this particular issue. Perhaps the member opposite will get to that, but I would just ask him to stay relevant.

• (2105)

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

Mr. Jackson, I think you might be on the wrong amendment in terms of witnesses. Perhaps you might want to save that question for when we get to an amendment with regard to the CFIA. This one is regarding the Employment Insurance Act.

**Grant Jackson:** Yes, Madam Chair, but with respect to the amendment talking about seasonal workers and the regional distribution of those workers, in terms of a lot of the seasonal agricultural work that goes on in western Manitoba, which I represent, the CFIA has to inspect a number of those as part of their responsibilities. I wonder whether they have commentary on the impact of these reporting requirements on their operations.

**The Chair:** Is there anyone from the CFIA who can answer this question?

Normally, they don't inspect seasonal workers. Is there someone who'd like to step forward to take this question?

**Jay Holmes (Executive Director, Business Enablement and Regulatory Services, Canadian Food Inspection Agency):** Thank you, Madam Chair.

I'm Jay Holmes from the Canadian Food Inspection Agency. It's correct that the CFIA does not inspect seasonal workers or have responsibility in our mandate for that activity.

**Grant Jackson:** Can I follow up, Chair?

In terms of inspecting businesses where seasonal workers may be employed, that would encompass many agricultural organizations, I would think. Please answer yes or no.

**Jay Holmes:** The CFIA inspects businesses that are subject to its mandate for plant health, animal health and food safety.

**Grant Jackson:** In terms of the reporting requirements set out in this amendment for the regional distribution of these workers, would that impact the workload at CFIA in terms of where these people are employed?

**Jay Holmes:** As I mentioned previously, the CFIA doesn't have responsibility for inspecting seasonal workers.

**Grant Jackson:** If there are more of them based on regional distribution, would that not mean that your organization in different areas of the country would be better informed about where their workload is?

**Jay Holmes:** The number of seasonal workers doesn't affect our workload. It is outside the mandate of the CFIA.

Thank you.

**Ryan Turnbull:** I have a point of order, Madam Chair.

I know Mr. Jackson is new to the committee, so I totally forgive him for being perhaps a bit off track here. It seems to me that he's asked and had questions answered that are irrelevant to the actual amendment that's been proposed. Maybe we could just get back on track, Madam Chair.

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

Mr. Jackson, your questions are not relevant to the amendment that is being discussed at this moment.

**Grant Jackson:** I appreciate the guidance, Chair, from the parliamentary secretary. I would, if I'm able.... I know Mr. Turnbull

earlier invited critiques, shall we say, of the amendment as it is, so we would move a subamendment to CPC-11.

I would move that the amendment be amended by replacing paragraph (c) of proposed subsection 12(2.31) with the following:

(c) the impact on the labour market of the increased number of weeks of benefits; and

(d) the sources of data relied on by the Minister in preparing the report.

**The Chair:** Thank you, Mr. Jackson. Could you please submit that in writing to the clerks? We will take a brief suspension while we get that through translation.

• (2105) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (2105)

**The Chair:** Colleagues, I apologize.

Mr. Jackson is not a member of this committee, and Mr. Hallan, who is a member of this committee, came back, so he's not actually able to move a subamendment.

I apologize, Mr. Jackson—

**Grant Jackson:** Darn.

**The Chair:** We're going to continue on with the meeting.

Mr. Kelly, go ahead.

**Pat Kelly:** Fortunately, I am a member of the committee, and I am not the mover of the motion, so I trust that it would be in order if I were to propose a similar, perhaps even identical —

• (2110)

**The Chair:** I apologize, Mr. Kelly. You're the mover of CPC-11, so you actually cannot do that.

**Pat Kelly:** Oh, I see. It's a good thing Jasraj is here.

**The Chair:** Mr. Hallan, is the third time the charm for the Conservatives tonight? Do you want to go?

**Jasraj Hallan:** Thank you so much, Chair. It's nice to be back.

I'd like to move a subamendment to CPC-11 that may be identical or very similarly worded to what Mr. Jackson tried. It's that the amendment be amended by replacing paragraph (c) of proposed subsection 12(2.31) with the following:

(c) the impact on the labour market of the increased number of weeks of benefits; and

(d) the sources of data relied on by the Minister in preparing the report.

I think more transparency and more accountability is good. I was on the immigration committee where a lot of the—

**The Chair:** Mr. Hallan, could you submit the subamendment? We'll get back to it once we've done that.

**Jasraj Hallan:** Sure.

**The Chair:** Unless we have unanimous consent to stand this....

**Jasraj Hallan:** No, we'll wait.

**The Chair:** Please submit that as quickly as possible, and then we'll get the translated version to members. We'll suspend briefly.

• (2110) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (2120)

**The Chair:** Colleagues, we're going to return.

You now have the subamendment text in your inboxes.

Mr. Hallan, you continue to have the floor.

**Jasraj Hallan:** Thank you, Chair.

This is another common-sense subamendment to bring some more transparency, especially when it comes to the TFW program that, under the Liberals, has been completely broken. In fact, they've flip-flopped on it many times.

We know they're going to continue to screw this program up. It's better to have transparency put in front of Canadians.

**Ryan Turnbull:** I have a point of order, Madam Chair.

I believe that might have been unparliamentary language from Mr. Hallan. I don't think committee members would use that type of language under the rules of decorum, and those do apply to committee, as I understand.

• (2125)

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

I'd just like to remind Mr. Hallan to remain parliamentary in his approach.

Thank you.

**Jasraj Hallan:** I'll leave it at that. Under the Liberal government, the TFW program, as well as the entire immigration system, has been broken. As much transparency as we can get, especially for the TFW program, which has been abused extensively—

**Ryan Turnbull:** I have a point of order, Madam Chair.

The point of order is on relevance. The TFW program has nothing to do with EI benefits for seasonal workers.

Thanks.

**Jasraj Hallan:** I'll leave it at that, Madam Chair.

**The Chair:** Shall the subamendment to CPC-11 carry?

(Subamendment negatived: nays 7; yeas 4)

**The Chair:** We will go back to the main motion.

Mr. Jackson, go ahead.

Thank you.

**Grant Jackson:** You're welcome, Chair. Thank you.

I'm going to try this again. I believe I have been subbed back in now.

I have another subamendment that I hope will address some of the government members' concerns with regard to the overall amendment, so I'll move that and then provide some commentary, as I believe the floor remains with me after the subamendment has been moved.

As a subamendment, I move that the amendment be amended by adding a paragraph (d) to proposed subsection 12(2.31) as follows: “(d) The number of positions in the regions referred to in paragraph (b) for which a positive labour market impact assessment was issued under the temporary foreign worker program in that fiscal year.”

That, again, comes back to the issue of the labour market impact with respect to the overall provisions within the clause.

**Ryan Turnbull:** I have a point of order.

Again, the temporary foreign worker program has nothing to do with the measure here, which has to do with seasonal workers and the Employment Insurance Act, and benefits that they are entitled to.

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

Mr. Jackson, that amendment is inadmissible. It doesn't have anything to do with the amendment at hand.

We'll return to CPC-11, then.

(Amendment negatived: nays 6; yeas 5)

(Clause 38 agreed to on division)

(Clause 39 agreed to on division)

(On clause 40)

**The Chair:** We will move on to CPC-12.

**Jasraj Hallan:** Mr. Kelly will move CPC-12.

**Pat Kelly:** I move CPC-12 that Bill C-30, in clause 40, be amended by replacing line 9 on page 21 with the following:

nor in Council, which day must not be earlier than the day on which the Minister of Employment and Social Development tables a report in each House of Parliament on the application of paragraph 12(2.3)(b) of the Employment Insurance Act during the 12-month period ending on March 31 of the year in which the report is to be tabled.

**The Chair:** Mr. Kelly, go ahead.

• (2130)

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

Bill C-30 includes a coming into force provision for the subsections of the Employment Insurance Act that are amended by the bill. The amendment seeks to impose a condition on the coming into force clause. As *House of Commons Procedure and Practice*, fourth edition, states in section 16.81, “An amendment intended to alter the coming into force clause of a bill, making it conditional, is out of order since it exceeds the scope of the bill and attempts to introduce a new question into it.”

It is the opinion of the chair that the introduction of a condition to the coming into force clause is beyond the scope of the bill. Therefore, the chair is of the opinion that this amendment is inadmissible.

Mr. Hallan, go ahead.

**Jasraj Hallan:** I'd like to challenge the chair.

**The Chair:** We will have a recorded division on that.

(Ruling of the chair sustained: yeas 6; nays 5)

(Clause 40 agreed to on division)

(Clauses 41 to 43 agreed to on division)

**The Chair:** We'll move on to CPC-13.

Mr. Kelly, go ahead.

**Pat Kelly:** I move that Bill C-30 be amended by adding after line 18 on page 22 the following new clause:

Reports to Parliament

43.1 (1) Within three months after the day on which this section comes into force, the Minister of Finance must prepare a report on the projected impact of the amendments to the Canada Pension Plan contained in this Division on the financial state of the Canada Pension Plan and on contribution rates.

(2) The Minister of Finance must cause the report to be tabled in each House of Parliament on any of the first 15 days on which that House is sitting after the report is completed.

(3) Five years after the day on which the report is tabled under subsection (2), the Minister of Finance must prepare a report on the impact of the amendments to the Canada Pension Plan contained in this Division on the financial state of the Canada Pension Plan and on contribution rates.

(4) The Minister of Finance must cause the report to be tabled in each House of Parliament on any of the first 15 days on which that House is sitting after the report is completed.

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

Go ahead, Mr. Turnbull.

**Pat Kelly:** He can go first if he wants, but I'll go on the list.

**The Chair:** You kind of looked at me as if you were done there.

**Ryan Turnbull:** Yes, be careful with that body language.

Existing CPP legislation already has a legal requirement for the chief actuary to prepare a report on the financial state of the Canada pension plan, so these amendments are again duplicative. They are not necessary, because it is already a statutory requirement for the chief actuary to do this.

The last report, the 33rd actuarial report on the Canada pension plan, was tabled in Parliament on June 8, 2026. I don't know what today is, but I think it's June 8 so the report was actually tabled as of today.

The point here is that the next actuarial report will be, I believe, in three years. It reports on the state of the plan every three years, so it will be tabled in the fall of 2028.

I will just note that the reduction in CPP contributions was the result of an actuarial report that showed that some Canadians—well, all Canadians who contribute—were slightly overcontributing, that the health of the plan was in good shape and that we could reduce the contributions by a small amount. This is exactly what

the government has done. It affects employers and the members of the plan equally, because they make equal contributions.

This is good news for Canadian workers and is something that Conservatives have pointed to in the past, so I would think that we're already there in terms of reporting requirements. Given the rationale that I've provided here, I would humbly ask the Conservatives to withdraw this amendment, because it just doesn't make sense to require something that's already legally required.

• (2135)

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

Mr. Kelly.

**Pat Kelly:** Perhaps the finance officials could weigh in on this and answer some of the questions.

**The Chair:** Please do join us at the table, Mr. Countryman.

**Galen Countryman (Director General, Federal-Provincial Relations, Department of Finance):** Thank you very much.

**Pat Kelly:** Thank you very much, Mr. Countryman, for being with us tonight and being available to answer questions from parliamentarians.

The amendment that we've proposed calls for reports within certain time frames. The time frames we are calling for are that within three months after the day on which the proposed section comes into force, the Minister of Finance must prepare a report on the projected impacts of the amendments to the CPP contained in this division, and furthermore, that the Minister of Finance must cause the report to be tabled in each House on any of the first 15 days. Also, five years after the day on which the report is tabled, the minister must prepare a report on the impact, and the Minister of Finance must cause the report to be tabled in each House within 15 days.

Are the current practices of the Department of Finance contained within all four of the amendments that we proposed tonight?

**Galen Countryman:** Thank you for the question.

I'm Galen Countryman, the director general of federal-provincial relations.

The CPP legislation currently has a requirement for the chief actuary to prepare a report after there is a substantive amendment, as was tabled today, regarding a contribution rate reduction. Furthermore, the Minister of Finance has to table those reports forthwith.

Then the CPP legislation also requires the chief actuary to report every three years on the financial state of the plan, and the report is required to be tabled in Parliament forthwith upon receipt, so I believe they are all elements there.

**Pat Kelly:** Thank you for answering my question.

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

Mr. Lawrence.

**Philip Lawrence:** Thank you, Mr. Countryman, for being here.

I have a couple of questions for you in the same vein.

Is it an existing legislative requirement that at any time there is a change to CPP funding, there must be an actuarial report published? Is that correct?

**Galen Countryman:** It is in the legislation. It's in section 115 of the legislation, if I recall correctly.

**Philip Lawrence:** In layman's terms, what does that report have to say?

**Galen Countryman:** The chief actuary has to give a report indicating how the amendments affect the financial health of the plan.

**Philip Lawrence:** How did the amendments affect the financial plan?

**Galen Countryman:** The current amendments proposed in Bill C-30 would reduce the contribution rate from 9.9% to 9.5% for the base CPP. The chief actuary determined that 9.5% is sufficient to fund the plan for the next 75 years.

• (2140)

**Philip Lawrence:** Thank you.

**The Chair:** We will go to Mr. Jackson.

**Grant Jackson:** Thank you, Madam Chair.

Like my colleagues, I want to thank Mr. Countryman for being here.

I just want to understand the process a little bit. The bill hasn't passed yet, but the chief actuary has already written an analysis of how the bill, if enacted, would impact the plan. Is that correct as to the process?

**Galen Countryman:** That's correct.

**Grant Jackson:** Is that normal in other government areas? Are assessments made and tabled in a formal report in Parliament before legislation passes?

**Galen Countryman:** This one is set out in the legislation for the Canada pension plan. The chief actuary acted upon it when the legislation amendment was submitted. That's when the chief actuary began to prepare a report. The report's been completed and tabled.

**Grant Jackson:** Then if this bill is amended and passed and turned into law, the chief actuary would already be required to table another report. The chief actuary would then have to do another report, theoretically.

**Galen Countryman:** Is that if you're making amendments to the Canada pension plan?

**Grant Jackson:** That's right.

**Galen Countryman:** If further amendments were made to the Canada pension plan, then the chief actuary will assess whether section 115 was invoked.

**Grant Jackson:** Okay.

I just wonder if it would not make sense to include these provisions so that it is fully fleshed out and clear in the law. Are you quite comfortable with the requirements between your department and the chief actuary as it stands, regardless of whether this bill amends the Canada pension or not?

**Galen Countryman:** The chief actuary has provided her opinion on the proposed rate contribution in the report that was tabled today.

The legislation currently has the chief actuary in a triennial review process, so we actually get a report every three years on the

financial health of the plan. That was set out in legislation a long time ago, I believe, as part of the 1997 reforms.

**Grant Jackson:** In your opinion, then, regardless of whether this bill is amended or not, in terms of the impact of the bill on the Canada pension plan, you feel there is enough transparency in the legislation as it currently exists to give Canadians confidence that the impacts of changes to the Canada pension plan are going to be accurately reported in Parliament.

**Galen Countryman:** Under the legislation, we have the chief actuary preparing a report every three years on the financial health of the plan.

**Grant Jackson:** Is it your opinion that this is frequent enough to keep Canadians accurately informed about their pension plan?

**Galen Countryman:** In my view, it's fine. It's up to Parliament, and if they wish to change it, that's something they could consider.

For us, it's been accurate. We've been using the triennial review process since 1997.

**Grant Jackson:** That's fair.

There's been a lot of talk about the health of the Canada pension plan more recently, given the political climate that we're living in. I think Canadians deserve to have confidence in the plan and how it's being managed. I think transparency in decisions about contribution rates or any other change as to how the plan is made up is important, so I was curious as to your opinion and whether you think the existing reporting requirements are sufficient.

**Galen Countryman:** The reporting requirements every three years have indicated so far, to date, that the CPP is sustainable for 75 years—

**The Chair:** Mr. Jackson, we've gone over this in terms of repetitiveness.

**Grant Jackson:** Sure. It's no problem.

Thank you.

**The Chair:** Mr. Lawton.

**Andrew Lawton (Elgin—St. Thomas—London South, CPC):** Thank you very much, Madam Chair. It's always good to be here on the finance committee.

These are very important issues. I think that as a committee, we have to be getting them right. We have an obligation here as representatives of taxpayers and as stewards of taxpayer money. I know there's been a lot circulating online, certainly in recent months, about the CPP, so it's incredibly timely that we're dealing with some of this.

I want to go back to the essence of CPC-13. What we're trying to do in the bill, through Mr. Hallan's amendment, is to add after line 18 on page 22, for starters, this reporting requirement:

Within three months after the day on which this section comes into force, the Minister of Finance must prepare a report on the projected impact of the amendments to the Canada Pension Plan contained in this Division on the financial state of the Canada Pension Plan and on contribution rates.

Mr. Countryman, do you view that as being a particularly burdensome requirement on the minister?

**Galen Countryman:** The legislation already has a report to the minister from the chief actuary every three years.

**Andrew Lawton:** Basically, that's a no. It's not that additional. We already review reporting—

• (2145)

**Ryan Turnbull:** I have a point of order, Madam Chair.

Maybe you could remind Mr. Lawton that he's speaking to a devoted member of our public service who doesn't set legislative requirements but follows them. It's up to us to decide how we feel about these things. It's not up to Mr. Countryman.

I'm sure you're putting him in quite a difficult position by asking him to answer questions about how he does or doesn't feel about statutory requirements that members of Parliament put into legislation.

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

Mr. Lawton, could you keep your questions technical, please?

**Andrew Lawton:** Sure.

If you ever feel that you're uncomfortable, just let me know. I have confidence in how you are answering that and I appreciate your being here, especially at this late hour.

In the amendment, we also look at the following requirement:

That the Minister of Finance must cause the report to be tabled in each House of Parliament on any of the first 15 days on which that House is sitting after the report is completed.

I think this is also a critical part of the amendment:

Five years after the day on which the report is tabled under subsection (2)—

That was obviously the subsection dealing with the report being tabled in the Houses of Parliament. It continues:

—the Minister of Finance must prepare a report on the impact of the amendments to the Canada Pension Plan contained in this Division on the financial state of the Canada Pension Plan and on contribution rates.

We are in the midst of an affordability crisis right now. We, as members of Parliament in all parties, are very aware that the only hope of many of the people we represent of having any income to rely on in retirement—if they even get to retire—is either through old age security and the guaranteed income supplement or the Canada pension plan.

I know there has been some information circulating online, as I was alluding to earlier, about people being concerned about how CPP money is invested. I think it's important that people know about the CPP Investment Board and the work it does and how it goes about these decisions. Transparency should certainly never be something that we shy away from, so I don't quite understand where the objections to this would be.

To keep in mind Mr. Turnbull's comments and restrict this to more technical things, as you envision this amendment, what would be the key aspects of these reports? What would be the information that would be put before us in this reporting?

**Galen Countryman:** On this, I would turn to the examples that we already have, the chief actuary's reports, which are tabled every three years.

**Andrew Lawton:** I'm sorry, but could you repeat that?

I don't know if it was the audio. I'll put in my earpiece. I couldn't hear you clearly.

Could you just repeat that, please?

**Galen Countryman:** I beg your pardon. We would look at the chief actuary's reports, which are tabled every three years.

**Andrew Lawton:** Okay.

As we look at the scope of this amendment, the reason it was put forward on our part is that we are trying to ensure there's lower payroll pressure. We want to protect retirement security. We also have to, in general, understand the burdens on small businesses.

Looking beyond the reporting requirement about what is actually in these reports, we know that payroll obligations on employers are incredibly cumbersome. Our whole approach in anything we're trying to do when it comes to how Canadians' money should be spent needs to be about protecting and preserving the value of taxpayer dollars and having powerful paycheques. This is something that should be front and centre in all discussions we have on this committee.

We also need to look at the sustainability of it. Again, we have seen pension boards.... I've looked at university endowments, for example. In recent years, we've seen pension investment funds being very subjected to pressure campaigns by certain groups that say you can't invest in these types of companies, not because they're not sound investments but because they believe they run against whatever the political *cause du jour* is. We've seen universities targeted on the environmental front, and interestingly, the Prime Minister used to be very aggressive in pursuing net-zero investments until that fell out of vogue because companies were not making the money they needed from it.

We don't want to see a situation in which Canadians' hard-earned money, the money they are going to need when they retire—

**Ryan Turnbull:** I have a point of order, Chair. I'm sorry to interrupt Mr. Lawton. I know he's new to this committee, but he's making arguments that are irrelevant to the proposed amendment to the Canada pension plan contributions.

We've lowered the Canada pension plan contributions by 40 basis points. This is not about how pension plans invest pensioners' money. This is about lowering....

As you say with your slogans, it's about “powerful paycheques”. It's exactly that. Are you opposed to that? It sounds like you're actually supportive of what we've done.

• (2150)

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

Mr. Lawton, I would ask that you stick to the topic of the amendment, please.

**Andrew Lawton:** Thank you. I appreciate that, Madam Chair.

I certainly don't believe that wanting Canadians to have more of their own money is a slogan, but if that's the way the vice-chair views it, that's worth noting.

I think it is relevant because, in this reporting requirement, we have to acknowledge what is in the report, why these things are valuable and why it is important. In this case, when we look at new subclause 43.1(2), in particular,

[*Translation*]

in French, it says:

*Il fait déposer le rapport devant chaque chambre du Parlement dans les quinze premiers jours de séance de celle-ci suivant son achèvement.*

[*English*]

That is important because we want to make sure that Parliament is able to have the necessary authority. Canadians rely on us to do this. Canadians don't want a situation in which they do not have all the information they need about how their pension funds are being invested and what the rates are. That's why this is incredibly germane to new subclause 43.1(3), which says, “the Minister of Finance must prepare a report on the impact of the amendments to the Canada Pension Plan” and “on the financial state of the Canada Pension Plan and on contribution rates.”

We can't talk about the information contained in the reporting requirements—information highly relevant to the financial state—without talking about why those concerns are valid to Canadians.

Also, there's the fact that the Minister of Finance must cause the report to be tabled “on any of the first 15 days on which that House is sitting after the report is completed.”

I'm having trouble understanding why there seems to be this push-back to what is really transparency. Even Mr. Countryman has been very candid in his comments here. We already have in the laws, in the systems we have in place here, requirements on reporting. We should be looking for more information as much as possible. This seems to be pretty straightforward here.

We also are looking—

**The Chair:** Mr. Lawton, I would note that you weren't here before, but we've had this conversation with a number of your colleagues. You are not supposed to be repetitive. Can you get to the point, please?

**Andrew Lawton:** Okay. I'll move to the second part of my argument, then, Madam Chair. Thank you.

It is that as we talk about how this weaves into.... Again, the problem is that we're talking about a package here. I know we can't

use props, but we're talking about a package of dozens of amendments here. These amendments are all part of a suite of measures that certainly, as far as the Conservative amendments are concerned, are trying to deal with pretty significant issues. In clause-by-clause, we obviously have to debate and discuss these things on an individual level, but we also have to look at the broader suite—

**Ryan Turnbull:** I have a point of order.

It's just on relevance, because the member opposite is referring to a package of other measures. We will duly consider all of those in due time if we actually get to some of those other amendments tonight.

**Andrew Lawton:** I hope we do.

**Ryan Turnbull:** Madam Chair, the other amendments are not relevant to the consideration of this amendment.

**The Chair:** That is correct. Thank you, Mr. Turnbull.

Mr. Lawton, I would ask you to please focus on CPC-13. Keep your comments focused on the amendment at hand.

**Andrew Lawton:** That is a fantastic point from Mr. Turnbull, and I'm glad he raised it. I'll take a brief pause and address that because it is relevant here.

Obviously, I won't divulge privilege by talking about other amendments to come, but CPC-13 is coming from the same place as other issues that have been raised about this bill, issues that have been raised before this committee about the importance of accurate, effective and consistent reporting, specifically the need for a later five-year report. We don't want to end up in a situation where this has passed and, in five years when we will have a Conservative government, we don't have the ability to address some of these core issues. That's what the Liberals have been trying to do here.

It's important because if Canadians don't have confidence in their pension system, as in other institutions, it is incredibly difficult for us as a country and for us as parliamentarians to provide the level of transparency that we need to provide.

To bring it back to where I think all of us should be on the same side, and I don't know why this has been a sticking point for Mr. Turnbull and some of his colleagues—

• (2155)

**Ryan Turnbull:** It's already required. That's why.

**Andrew Lawton:** Then we shouldn't have an issue with beefing up this mechanism. That's the point of what we're trying to do here.

I am happy to engage in the back-and-forth on this. If Mr. Turnbull wishes to put himself on the speaking list, I'm happy to address any of these points later on. The whole point of this is that the Minister of Finance must be tabling this. We have to have a review period. We, as parliamentarians, have to be able to go back to ensure that we have accurate information.

I'll leave it there. I suspect I may have some further additions later on, so if I could be put on the speaking list again, Madam Chair, I'd appreciate it.

**The Chair:** Just remember that you don't need to be repetitive, once you've made your point. Thank you, Mr. Lawton.

We'll continue now with Mr. Lawrence.

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

We certainly wouldn't want to repeat a repetition, would we?

Mr. Countryman, you've been a great witness. You've been prepared. You've had answers, which was, quite frankly, a bit different from some of our other witnesses, so I appreciate that. There is one area that I don't believe is currently covered in the reporting but is covered in the amendment. I'd like to get your thoughts on that.

You have told us that—I believe, as of June 8—there was an actuarial report prepared by the chief actuary officer that said, despite the reduction in CPP contributions, the plan is solvent for 35 years out. There's also a triennial review, at which point it will be checked for solvency again. The one difference, though, or the delta, is that this amendment requires an assessment five years from now as to the impact of the amendment. This would not be captured by the snapshot of yesterday's or today's report, nor would it necessarily be captured by the triennial assessment. Is that the case?

I'd like to hear your thoughts on that, Mr. Countryman.

**Galen Countryman:** The report tabled today is regarding the amendments in this bill, and in 2028, when the 34th actuarial report comes out, it will be based on the legislation that's currently.... If this bill passes, it will take into account that amendment. It will be about the full health of the plan at the proposed 9.5% contribution rate. It would be an actuarial assessment based on that contribution rate in legislation and would compare that.

**Philip Lawrence:** It will—and correct me if I'm wrong, Mr. Countryman—capture the solvency of the plan in 2028 and how it will look in 28 years, and it will obviously take into account the legislation as it is today, with the contribution amount reduced. What it won't necessarily show us, though, is what the plan would have looked like if that reduction in the contribution had not been made. Is that correct?

**Galen Countryman:** No, the chief actuary will be assessing it on the legislation that's in place at that point in time.

**Philip Lawrence:** I'm not trying to trap you, Mr. Countryman. I'm just saying that I think this amendment does have value in that it will, in five years' time, capture for us the delta. You would have to report—and I think they would be fairly easy numbers to do—the difference between what the CPP would look like, in terms of its solvency, with and without the amendment or the reduction in contribution rates.

Do you understand what I'm saying? Like I said, I'm not trying to trap you, Mr. Countryman.

**Galen Countryman:** Thank you for the question.

If the chief actuary were to find that the plan was solvent with the proposed rate reduction in the next actuarial report in 2028, if

the plan rates were higher, then the plan would be even more solvent.

**Philip Lawrence:** It would be more solvent. I guess the information that I or Canadians would like to have is.... I realize that the current forecast, right now, is that it'll be solvent for 35 years, but in my 47 years on this earth, there's not been a five-year period when something significant hasn't happened, whether that be the trade towers, the tech bust, COVID or the financial crisis.

If we run into one of those black swan events, if you will, and if in three years a triennial evaluation says that we're actually not solvent, then that is a possibility. Is that right?

**Galen Countryman:** I can't predict the future.

**Philip Lawrence:** No, I'm not saying that. I'm just saying that it is a possibility. This is reality.

We're the only G7 country, right now, in a recession. That wasn't predicted a year ago. The PBO has just re-revised downwards. There can be, and there have been—I just rattled off four or five in my 47 years—various black swan events that could happen. I would like to see, if that triennial evaluation comes up and says that we're actually not on track to be solvent for the next 35 years, what that number would have looked like if we didn't decrease the contribution rate.

Do you understand how that could add some value?

• (2200)

**Galen Countryman:** The question will always be whether—

**The Chair:** I'm just going to interrupt really briefly as the bells are ringing.

Do we have unanimous consent to continue for another 15 minutes?

**Voices:** No.

**The Chair:** What...?

**Philip Lawrence:** It's shocking, I know.

**The Chair:** I thought you guys wanted to be here all night.

**Philip Lawrence:** We do.

**The Chair:** I'm so surprised by the Conservatives that they want to shut down—

**Philip Lawrence:** We need to go. We need to do our democratic duty.

**The Chair:** Okay. That's so interesting.

**Elizabeth May (Saanich—Gulf Islands, GP):** They are 30-minute bells, aren't they?

**The Chair:** They are 30-minute bells, yes. That's why I thought we could be here for another 15 minutes.

Do we have unanimous consent to continue for another 15 minutes?

**Philip Lawrence:** I think you already asked that one, Chair.

**The Chair:** All right. We will suspend committee, then. Thank you.

[*The meeting was suspended at 10:02 p.m., Monday, June 8*]

[*The meeting resumed at 10:01 a.m., Tuesday, June 9*]

• (3400)

**The Chair:** Good morning, colleagues.

We are going to get started. We are back on CPC-13.

Shall CPC-13 carry?

**Philip Lawrence:** Chair, we have the opportunity to comment on this. I believe that's the way this process is supposed to work. Literally, there was a gap of maybe a second.

**The Chair:** You could have raised your hand, Philip.

**Some hon. members:** Oh, oh!

**Philip Lawrence:** I'm not that quick. It's morning. I'm right here, with my hand—

**The Chair:** It's 10 a.m. That's plenty of time.

I'll allow it this time, but next time, be more on the ball, please.

**Some hon. members:** Oh, oh!

**The Chair:** Go ahead, Mr. Lawrence.

**Philip Lawrence:** No crosstalk, please, Mr. Turnbull, as that affects the interpreters.

I believe I was talking to Mr. Countryman as we left off. Could Mr. Countryman return?

**The Chair:** Is Mr. Countryman here? No. He has somebody else replacing him this morning.

**Philip Lawrence:** A new Mr. Countryman—

**The Chair:** Yes. Thank you.

[*Translation*]

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

**The Chair:** Go ahead, Mr. Garon.

**Jean-Denis Garon:** I'm not trying to take up time unnecessarily, but there is a decorum problem. Today is our Green Party colleague's birthday, and we started the meeting without wishing her a happy birthday, so I'm asking for unanimous consent.

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

On behalf of the committee, happy birthday, Ms. May. Welcome back to the committee.

[*English*]

For the witness, can you identify yourself? Then you can answer any questions.

Thank you.

**Justin Stuart (Senior Director, Income Security, Department of Finance):** I'm Justin Stuart. I'm the senior director of income security at the Department of Finance.

It's a pleasure to be here.

Thank you.

**Philip Lawrence:** I wanted to go over some of the changes and, of course, we have an amendment, which is requiring additional disclosure. I left off with Mr. Countryman.

While certainly understanding the fact that there are triennial and then the most recent actuarial evaluations, the difference in the amendment is that it requires a five-year review looking at the impact.

For the benefit of Canadians, I want to go over the financial impact. The member opposite quite rightly pointed out that Conservatives have been calling for a reduction in the withholding taxes that Canadian workers have faced after 10 years of the worst economy since the Great Depression. There has been basically zero growth in GDP per capita. We are now in the third quarter out of four of a recession. It is hurting people.

It's also important that we are good stewards financially. One of the things the recent actuarial report said was that it was sustainable, but I think it's important for Canadians to realize that a relatively modest event could cause that to become unsustainable.

The current MCR is between 9.1% and 9.2%. Is that right?

**Justin Stuart:** Thank you.

Right now, we're at about 9.2% for the minimum contribution rate, which is currently about 70 basis points below the legislated rate of 9.9%. The proposed change in Bill C-30 would bring that base contribution rate down from 9.9% to 9.5%.

After Bill C-30, we would be left with about 30 basis points of a buffer.

• (3405)

**Philip Lawrence:** Yes. I jumped in a bit ahead of the game.

So that Canadians understand, the MCR—the minimum contribution rate—is the rate at which we need to contribute to the CPP between employer and employee to keep the CPP sustainable or able to pay out the CPP benefits.

**Justin Stuart:** That's correct. The minimum contribution rate is how the chief actuary assesses the financial health of the plan. The chief actuary looks over the next 75 years and assesses the health of the plan in looking at what the minimum rate would be to sustain the plan in a financially healthy manner.

**Philip Lawrence:** The MCR is currently at 9.2%. We are at a contribution rate, after the amendments, of 9.5%. As I said, it's important to understand that events will often happen. I have a couple of suppositions that I want to make to you and, to the best of your ability, you can confirm or say otherwise.

My understanding is that the projected economic growth in the actuarial assessment is 4.05%. Is that correct?

**Justin Stuart:** If you give me one second here....

**Philip Lawrence:** Don't worry. Take your time.

**Justin Stuart:** I believe you're referring to the real return rate of assumption for the investments.

**Philip Lawrence:** Yes, exactly.

**Justin Stuart:** The chief actuary assumes, as part of making her analysis for the financial health of the plan, a real return rate of 4.05% for the investments.

**Philip Lawrence:** My understanding is that if that number were to drop to 3%, it would become unsustainable if that was over the prolonged period.

**Justin Stuart:** I can't speak to the 3% rate. What I can say is that, in the 32nd actuarial report from the chief actuary, there are estimates with regard to having lower average rates. The chief actuary, in her report, provides assessments or scenario analyses, including if there are lower average returns. I'm on page 11 of the 32nd actuarial report. It notes some scenario sensitivity analysis if average rates are at 2.45% for the base CPP, and then it models what the assumed minimum contribution rate would be in that scenario. That would be for the entire length of the 75-year horizon that the chief actuary is looking at. There's also sensitivity analysis for if returns are higher than the 4.05% rate assumed.

**Philip Lawrence:** I am also pretty sure that in my research I saw—and correct me if I'm wrong—that in four years' time, there will be more payments out than contributions to the CPP. Is that correct? Right now, there are more contributions going in than there is money going out. Is that correct, Mr. Stuart?

**Justin Stuart:** That is correct. The current state of the plan is that there are more contributions coming into the plan than there are benefits going out, but in the near term that will flip. Contributions will be slightly lower than benefit payments, but we also have the investment income that will supplement the contributions.

**Philip Lawrence:** At 4.05%, which I agree is a relatively conservative projection, it is sustainable for the next 75 years, but it gets back to my point that if it were to drop, it could become unsustainable. That is not—I'm going to guess what your response is going to be—the historical record of the CPP. I believe the investment rate is more like 9% or 10%. What would be the historical rate of return on the CPP? Just broad strokes is fine.

**Justin Stuart:** I have it in my notes, but I think, on average, we're at about 8% for the investments from the Canada Pension Plan Investment Board.

With regard to your question about contributions, I will note that in the 33rd actuarial report, which was tabled yesterday by the Minister of Finance and prepared by the office of the chief actuary, “contributions are projected to be 4% lower” if Bill C-30 is approved or if the rate reduction is put forward and approved. Contributions would be lower than benefits “four years sooner” with the proposed rate reduction.

● (3410)

**Philip Lawrence:** I'm sorry. Could you say that again?

**Justin Stuart:** I'm sorry. I'll make that a bit clearer.

In the 33rd actuarial report that was tabled and published yesterday, contributions, if Bill C-30 is approved, “are projected to be lower than expenditures four years sooner” than if the plan had not been made.

**Philip Lawrence:** Okay.

**Justin Stuart:** I'll restate that, with this change, we would have about 30 basis points of a buffer between the minimum contribution rate and the legislated rate, which would be higher than what we've had over the last 25 years, when the buffer has averaged about 10 to 15 basis points.

**Philip Lawrence:** Okay.

Let me be clear about something. I don't think there is a crisis in the payment of CPP in the near term—and I don't think any right-thinking person thinks that—but I do think it merits at least a bit of discussion. I'm not even saying that it's necessarily an issue, but I think Canadians should be aware that the cushion has been reduced.

I would like to go over a couple of the numbers so that Canadians can be aware of the impact of the reduction. In my research, I became aware of a concept called “assets to expenditures” or, in other words, how many years the assets of the CPP could fund its liabilities.

Underneath it previously, with the 9.9 to the 9.5, it was predicted to be 14 in 2050. That comes down to 13. By 2100—I certainly won't be around in 2100, but I hope my children will be—it was predicted to be 20.7. That moves down to 14.5, significantly reducing the cushion, as I've said. This isn't in the near term but is more for other folks' children. As Chief Carr of the Hiawatha people told me, a leader should always be looking seven generations ahead.

Are my numbers correct there in terms of the impact or are they just broad strokes?

**Justin Stuart:** Your numbers would be correct. These are laid out in the 33rd actuarial report on page 14. It provides a chart showing where the assets over expenditures ratio would have been and where it would be projected to proceed to if Bill C-30 is approved.

**Philip Lawrence:** Do you backdate the numbers in the actuarial assessment against historical events? If we were to see COVID happen again—God forbid—or the great financial crisis, would you know what impact that would have on CPP?

**Justin Stuart:** I would say that in fulfilling the chief actuary's duties to assess the financial health of the plan, the chief actuary looks at events and models different scenarios and analyses to give a sense of what the impacts would be on the financial health of the plan.

In the 32nd actuarial report, there are sensitivity analyses provided that would show different modelling scenarios or what adverse economic effect could happen on a plan.

**Philip Lawrence:** My understanding is that a prolonged recession of, say, four years—granted, this would be out of the norm.... We've basically been in a per capita recession for the last decade. With immigration levels slowing, that could be just a straight recession, if the last 10 years are any example.

If we go for more than four years of an economic contraction—and for three of the last four quarters, of course, this economy has contracted—I don't think it's completely out of the realm of possibility that this would actually put us to an MCR of 9.56, which then would put us to the point where we're unsustainable. I'm not asking you to do that math right in front of us. I just want it in broad strokes.

By the way, Mr. Stuart, you've been great. Your testimony has been awesome, and I think it shows you...very well.

Just in broad strokes, could you answer? That's my final question.

• (3415)

**Justin Stuart:** I would refer again to the 32nd actuarial report, which has different scenario analyses for economic growth. I'm looking at the summary of highlights page: page 11 of the 32nd actuarial report. There is a scenario presented for, if economic growth is assumed to be lower, what the impact would be on the MCR. The figure I have here is 9.58. I believe that's the same modelling scenario you're referring to.

**Philip Lawrence:** Thank you very much.

At this point, I'd like to move a subamendment.

As I hope my questions have demonstrated, although the work by the chief actuary has been excellent and they have an excellent representative here, I think it does merit a review to see the impact of the reduction from 9.9 to 9.5, but I don't think it needs to be done necessarily.

I will, of course, put this in writing, Madam Chair, but where I would put an amendment is that if in fact there is a technical recession of two or more years, that would trigger an automatic review of the impact of the reduction from 9.9 to 9.5.

**The Chair:** Thank you, Mr. Lawrence. Will you be sending that in?

**Philip Lawrence:** I will, yes.

**The Chair:** Okay.

Do we have UC to stand this?

**Philip Lawrence:** Following Mr. Turnbull's example, we will not be giving UC.

**The Chair:** Okay, we will briefly suspend while we await that written subamendment. Once we have it translated, we'll send that to everyone.

Thank you very much.

• (1015)

(Pause)

• (1025)

**The Chair:** Colleagues, thank you very much.

We have received the text of the motion. It is outside the scope of the amendment, currently.

We're going to move back to the main amendment.

I have Mr. Jackson on the speaking list.

**Grant Jackson:** Thank you, Madam Chair. I appreciate that.

I'm a little disappointed that the subamendment was ruled out of order, but that's the way it goes in this business, I suppose.

I noticed, when I was here last night, Mr. Turnbull mentioning that much of his opposition to some of the important amendments we were moving was based on the 33rd actuarial report. He couldn't remember the date it was tabled, but it was, in fact, tabled yesterday. I just want to provide what I see as the reason we feel there are some amendments that should be made to this bill. Some of the context that isn't provided in the actuarial report, which Mr. Turnbull referenced, is sufficient for the reporting requirements that we don't agree with.

In terms of the report itself, page 5 highlights things at the beginning and then gets into more detail, but even something as simple as.... Canadians concerned about the long-term health of the pension plan may not be actuaries. They may not be completely in-depth in terms of the financial language or lingo used in this report—quite correctly. I'm not suggesting that the report wasn't done to the standards or requirements it was supposed to use.

However, I think there could be some amendments made to the bill, which would amend how this report.... If Mr. Turnbull feels an additional report is not eligible because the government voted down those amendments last night, some amendments could be made to this report—as it's currently required to be presented—to allow that language to be a little more friendly to everyday Canadians who, perhaps, in years gone by, were under the assumption, quite happily, that the Canada pension plan is sound. They don't really think much about it until they need to access it. In recent months and years, though, it's certainly been a question coming up a little more frequently, at least at doors when I hit them.

There are a couple of concerns about ensuring that the plan.... The supplemental report by the chief actuary that was tabled in Parliament is technically sound but narrowly focused on the one question about whether reducing the base CPP contribution rate, as Mr. Lawrence mentioned, from 9.9% to 9.5%, beginning in 2027, would still leave the plan sustainable. There are several additional facts and an analysis that we feel would make the report much more useful for ordinary contributors and retirees—the everyday Canadians who are served well by this plan but who may have questions. If they're looking at this, it may not be the most user-friendly document. I think many readers may see statements such as “the reduced...contribution rate...is sufficient to finance the...CPP over the long term” and wonder what it means, what definition of “sufficient” or “sustainable” is being used and whether benefits are in fact guaranteed.

I wonder if our witness could provide a user-friendly definition regarding the difference between “sustainable” and “sufficient”, as used in this report, and what these describe to Canadians in terms of their guaranteed benefits.

• (3430)

**Justin Stuart:** Thank you for the question.

I'm not an actuary by trade.

I will just highlight that the 32nd and 33rd reports are consistent with actuarial principles. This is how they would evaluate pension plans.

I can't speak to the terminology used by actuaries to evaluate the health of the plan.

**Grant Jackson:** That's fair. Thank you for acknowledging that.

I think this remains a question on our side—one we would like to see answered.

The report, in itself, as acknowledged by the government.... They don't see a need for a secondary report. The report could add a plain-language definition of "CPP sustainability". We think that would be an important factor, if we're not proceeding with a secondary report, as recommended. As well, we think it could add whether projected benefits can be paid in full under the current legislation, if necessary, and the differences among cash flow deficits, benefits exceeding contributions and actuarial insolvency. Understand, we're not criticizing the report to say that due diligence wasn't done, but we feel that explanations for Canadians in plain language of what these terms mean are lacking in the report as it currently exists.

The report notes that "Contributions are expected...to be lower than expenditures" beginning in 2027, but that does not mean the CPP is in trouble, because investment earnings fund a large share of the benefits. Many Canadians, I feel—

**The Chair:** I apologize, Mr. Jackson. The bells have begun.

Do we have UC to continue for the next 15 minutes?

**Philip Lawrence:** I will follow Mr. Turnbull's precedent: no.

**The Chair:** We do not have UC.

We are suspended until after the vote. I will see everyone back here immediately following the vote.

• (1030) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (1120)

**The Chair:** We are resuming the meeting.

Mr. Jackson, you have the floor.

**Grant Jackson:** Thank you.

**Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC):** Madam Chair, I have a point of order.

Could you share the current speaking list? I had my hand up earlier, and I would like a sense of where I'm at.

**The Chair:** Yes, you're on it.

**Garnett Genuis:** Can you share what the list shows, though?

**The Chair:** You will be second on the list. There are two more people: Mr. Garon and then you.

**Garnett Genuis:** Thank you.

**The Chair:** Go ahead, Mr. Jackson.

**Grant Jackson:** Thank you, Chair. I appreciate that.

I believe we left off discussing the provisions in CPC-13, regarding the reporting requirements that we're seeking to add to the legislation as it currently exists. We are ensuring that, if the government is going to continue to vote down our asks for further transparency and reporting amongst the bill's provisions, that the existing reporting requirements, which it argued are sufficient, could be amended to provide greater clarity, particularly around plain language for Canadians to understand.

I'm hopeful that at that time the government would be willing to support subamendment two to CPC-13.

I move that the amendment be amended by adding, after proposed subsection 43.1(1), the following:

(1.1) The report prepared under subsection (1) and the report prepared under subsection (3) must include a plain-language explanation of what it means for the Canada Pension Plan to be sustainable, including whether projected benefits can be paid in full under the current legislation and the distinction between annual cash-flow deficits and actuarial insolvency.

• (3525)

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

Can you please send that in writing? We will briefly suspend.

• (1125) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (1145)

• (3550)

**The Chair:** We're resuming the meeting.

Colleagues, you have received the updated text in both official languages.

Mr. Jackson, you have the floor.

**Grant Jackson:** I appreciate the translation work on that being done by our—

**Philip Lawrence:** I have a point of order. I'm sorry to interrupt my colleague. I see there are bells.

**The Chair:** Great.

Do we have UC to continue for another 15 minutes?

**Philip Lawrence:** No.

**The Chair:** I'm so surprised.

Okay, we will resume immediately following the votes.

• (1150) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (1240)

[Translation]

**The Chair:** We are back.

[English]

Mr. Jackson, you have the floor.

**Grant Jackson:** Thank you very much, Madam Chair.

As I said before, I appreciate the translation work that was done on the subamendment to CPC-13. I want to put a few more words on the record about why we think that subamendment is important.

We've heard from Canadians that they would appreciate some more plain language regarding the explanation about what it means for the Canada pension plan to be sustainable, including a plain language definition of that to be spelled out in the act.

This would be an important step to ensure that the minister, the department and the chief actuary take those steps when they are presenting these reports. I hope that CPC-13 passes. We would then have CPC-13 amended, and that would become a requirement as part of the new reporting requirements within the bill.

I can see, having moved this subamendment, that my colleagues are very eager to put a few additional words on the record about the subamendment before we get to the vote. I would be very glad for them to do so.

**The Chair:** Thank you.

Go ahead, Mr. Lawton.

**Andrew Lawton:** Thank you very much, Madam Chair.

It's good to be back, as always, on the finance committee.

I think what Mr. Jackson has pointed out in his subamendment to CPC-13 is quite valuable.

We were talking about reporting requirements, which I know took up a fair chunk of our time yesterday, and I thought we were just beginning to make ground when, sadly, we had to suspend for the evening. Fundamentally, we were talking about transparency measures—reporting requirements to the House of Commons and more transparency on, among other things, changes to CPP. A great many Canadians have these questions. That's the context behind it.

When we're talking about the subamendment, really, we're looking at sustainability and explaining what sustainability means, a plain language definition of this. Does sustainability mean the CPP fund will be there for the next five or 10 years? Does it mean in perpetuity? Does sustainability refer to environmental sustainability?

This gets to the problems that I was starting to touch on yesterday about how pension funds, endowments and other investments have been subject to some of these—to be frank—very woke clauses that aren't in the best interests of the people who are supposed to be the beneficiaries of these funds. In this case, these are the fundamental life savings of Canadians, the retirement plans of Canadians.

We're trying to look at plain language explanations. This would include whether projected benefits can be paid in full under the current legislation, as well as the distinction between annual cash flow deficits and actuarial insolvency. Ultimately, we're trying to figure out what the differences are between cash flow deficits—these are benefits exceeding contributions—and actuarial insolvency.

The report notes that contributions are in fact expected to be lower than expenditures, beginning in 2027, so we already have exactly one of these things here that would warrant such a level of scrutiny.

Again, this does not mean CPP is in trouble, because investment earnings fund a large share of benefits.

Canadians would always benefit from transparency. We should always want to be transparent for Canadians. I think we always want to make sure Canadians have the accurate information they need. Just to weave in some context, which is important, we have seen, in the United States, what has happened in a couple of very notable cases—with Bernie Madoff, for example—when people thought their life savings were secured, but they weren't.

I'm not at all—unless one of my Liberal colleagues wants to get trigger-happy on social media—calling CPP a Ponzi scheme. I am talking about the need to have transparency so that people can have assurances. This is what sustainability is all about. I don't see why this would be attracting any opposition from our colleagues opposite. I welcome any of their contributions to the debate on this subject.

We have already seen, in Canada, a significant proliferation of Latinate language. This is language being used in government reports that is not in keeping with how ordinary Canadians speak. It's language that is deliberately designed to exclude. When you look at some of the documents and reports that come out of the government, they're not made in such a way that any real Canadian who lacks an advanced education in a particular subject matter would be able to understand them. Perhaps that's a deliberate ploy. Perhaps some government officials are using this because they're trying to conceal information. They don't want Canadians who are affected by these things to actually read it.

This is one of the things we have spoken about, and our leader, Pierre Poilievre, has been very clear on this. You need to use simple Anglo-Saxon language that most Canadians can understand when you're dealing with matters that affect them on a very direct level.

It was Mr. Jackson's subamendment. The brilliance of it blinded me from remembering if he had moved it. His subamendment was very important in ensuring that the language we have in these reports—the language that's actually being used to communicate what these details are fundamentally about—is deployed in a way that Canadians can understand it.

If I could look at the actuarial report for a moment, I would say that some of the things in it... This is not at all a slight against the chief actuary or their office, because a lot of the directions the chief actuary has been following are directions set out by the Liberal government.

● (3645)

We have not given, and will not be giving—unless this subamendment is passed—a plain language requirement. Looking at some of the terms that are in here, a lot of Canadians couldn't look at this and fundamentally understand, “What is the status of my investments? What is the status of the fund that I'm expecting to draw on in my retirement?” You have charts that, without having the context and the knowledge of how to read government charts, are very difficult for the ordinary Canadian to read. You have a section here that reads:

The MCR of the base CPP is the sum of the base Plan's steady-state contribution rate and the full funding rate for increased or new benefits. The MCR determined in respect of a triennial valuation is effective after the triennial review period, where the statutory contribution rate applies during the review period. The current review period is 2025 to 2027.

Suppose that were a policy. Would any of us in this room be elected if that were the way that we communicated policy to people in our ridings? I don't think so, because it's not written in a way that is plain and simple for the people affected by this. We forget that a lot of the time, these reports serve a parliamentary function. They are reports to Parliament, and I like to believe that all of us, as people who have had some level of skill in our own lives before coming here, may be able to read these.

We know what we're looking for, but Parliament is meant to be the body that serves as the conduit between the people and the government. If you have these reports being written in a way that is not easily understood or easily digestible by the people we serve, all of a sudden, ordinary Canadians are at the mercy of how their members of Parliament and their politicians choose to represent these sorts of documents and represent this sort of information to them. Let's be real: If you're the government, you have a vested interest in not communicating how bad some things in these government reports are.

I would note that the Auditor General gives a very useful illustration of what we could strive for in the actuarial reports and in ministerial reports. I would note that of the Parliamentary Budget Officer as well. Obviously, the current PBO is relatively new to the role, but in the past.... I think the last time I was at the finance committee was when we were discussing the valuable work that the previous PBO was doing. I think they should have been allowed to continue doing that work.

**Danielle Martin (University—Rosedale, Lib.):** I have a point of order, Madam Chair.

With the greatest of respect to my colleague, what does this have to do with the subamendment to the amendment that is on the table in this discussion? I would love to—

• (3650)

**Andrew Lawton:** That's an excellent question.

**Danielle Martin:** If you could get to that point, I would be so grateful.

Thank you.

**The Chair:** Thank you, Dr. Martin.

Mr. Lawton, there is a provision for relevance to the point that you are making. If you could please be relevant to the subamendment that was moved, that would be appreciated.

**Andrew Lawton:** That is an excellent question from the good doctor, and I welcome her to this chamber. We've not had an opportunity to meet personally, but I'm familiar with her work from before we got here.

I was illustrating some of the examples of when plain language reporting, which is what we're striving for in this subamendment, has been used and providing an illustration of other things that we could do, as parliamentarians, in this. I wish that this actuarial report.... Again, I know it needs to get to the meat and the substance,

which is, as an example, what I'm doing in my remarks here today. It needs to get to the meat and substance. It needs to give us the information. It shouldn't be sugar-coating or glossing over things.

The whole point of what we're trying to get at here is that I believe these reports on the state of Canadians' pension funds, which, again, are sacrosanct for a lot of working-class Canadians—the people we serve—should be written and drafted and submitted to Parliament in a way that could be as easily understood as some of the other reports that we've put plain language expectations into. That was where we were talking about the former interim PBO, Mr. Jason Jacques, as well as the Office of the Auditor General. We see other departments and commissioners that have done this as well. I recall—well, no, I don't want to get another point of order, so I'll share that later.

What we're trying to do here is ensure, with Mr. Jackson's subamendment, that this report, which yesterday.... One of the chief opposition points that was given by some of my Liberal colleagues was that we already have reporting requirements. They're not objecting fundamentally to the idea of reports and the idea of reporting. What they're doing is inexplicably objecting to us trying to ensure more transparency and a more predictable timeline on that, which is what the initial amendment was doing. I think as far as the subamendment is concerned, we're just saying, "Let's make sure these people can read these." We want to make sure that these documents are being put forward in such a way that they serve the interests of Canadians, they do not obfuscate and they actually communicate something instead of using—

[*Translation*]

**Steeve Lavoie (Beauport—Limoilou, Lib.):** I have a point of order.

With all due respect to my colleague, he keeps saying the same thing over again. Yesterday, it was made clear at committee that members mustn't keep repeating the same thing. It was clear, but he is still doing it. Perhaps it's necessary to reiterate what was said yesterday about being repetitive.

**The Chair:** Thank you, Mr. Lavoie. You're right.

[*English*]

Mr. Lawton, there is a standing order about not being repetitive. Once you've made a point, you need to either make another point or stop.

**Andrew Lawton:** I believe I heard you make that point before, Madam Chair, but I thank you for that.

**The Chair:** Mr. Lawton, please be respectful of the chair.

Thank you.

**Andrew Lawton:** I am. I'm very.... I'm heeding it.

**The Chair:** Mr. Lawton, the job of the chair is to make sure that we continue in order, so I ask you to please be respectful of the chair.

Thank you.

**Andrew Lawton:** I am, and I'm heeding that.

It's also important to contextualize. The discussion we had yesterday was on the amendment. This is on the subamendment, which I wouldn't say dramatically changes what we're trying to go for, but it certainly adds a new dimension to it.

It is incumbent on us as parliamentarians to ensure that we are serving the people we represent.

I'll leave it there.

I welcome any questions or input that my colleagues have on the subamendment.

Ultimately, I do not see why, if their position is that reporting is already an established component of what we're trying to do, there would be any opposition to this.

Thank you.

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

Go ahead, Mr. Lawrence.

**Philip Lawrence:** Thank you very much.

Thank you, Mr. Countryman, for returning. We're glad to have you.

My questions are with respect to the subamendment. At the heart of it is to make sure that we're not just publishing data but publishing information that people can use and process.

Do you have any statistics on how often your report is viewed? Who do you give the hard copy of the report to? To the extent that it's available on your website, how many views do you get on that?

**Galen Countryman:** Thank you for the question.

The report is released by the chief actuary and her office. I do not have statistics on how many views are on her website, but it is posted on the website, and it is provided to and tabled in Parliament.

**Philip Lawrence:** Here's my concern, though: In a multimedia world and in a place in which there is so much coming at Canadians, especially the struggles that Canadians face every day, I suspect that very few—and by very few, I probably mean less than 1% of 1%—ever go to your website to review that.

I think part of the reason is... I enjoy the actuarial language. I'm a tax lawyer by trade, so I could talk to you all day. This is my excitement, but for most normal human beings and most well-adjusted people, the idea of going to your website and looking at an actuarial report, I think, has limited appeal.

What this amendment gets at is that, in today's world, government doesn't just have an obligation to vomit out information and numbers, but it also has an obligation to make it understandable and a little bit interesting, if not compelling, to individuals. I don't think that the publication of the information is enough in 2026. I think we need to, as much as possible, make it easy enough for people to understand, and when they're going from working all day to making dinner and taking their kids to dance or to hockey, they're still compelled to look at this.

My colleague's amendment is talking about, in plain language, whether the CPP is sustainable.

Do you understand, and do you think the chief actuary could perhaps do a little better in the job of making the information not only digestible but also interesting, as much as possible?

• (3655)

**Galen Countryman:** It is not for me to comment on the work of the chief actuary. The chief actuary is not here to speak to her report.

The conclusions of her reports have always been that the CPP is financially sustainable, taking into account the projected contributions and investment income to pay benefits for the next 75 years.

**Philip Lawrence:** Right. I understand that, and I get that.

As I said, we can talk about MCRs. We can talk about the balance. We can talk about what it will look like in 2100 and the fact that it will have 30% less funds in it, because of the reduction in funding for it right now. I get all that, and I'm happy to nerd out all day.

I am saying that for people who are well adjusted, unlike me, and who don't have the time to do this, maybe we could make that more bite-sized and actually get people to review it.

Is there a hard copy—I've only seen the soft copy of it—and who do you distribute that to?

**Galen Countryman:** The report is posted on the website of the office of the chief actuary, and it's tabled in Parliament.

**Philip Lawrence:** It's tabled in Parliament, but do you have a distribution list that the hard copy goes to?

**Galen Countryman:** I'm not the one who looks after the tabling of the federal—

**The Chair:** I think, Mr. Lawrence, he has clarified that it's not the Department of Finance but the chief actuary who does this.

**Philip Lawrence:** Oh, okay.

Who does the chief actuary report to?

**Galen Countryman:** The chief actuary reports to the Office of the Superintendent of Financial Institutions.

**Philip Lawrence:** Okay. Who does the Superintendent of Financial Institutions report to?

**Galen Countryman:** I believe they report to the Minister of Finance. It's the Minister of Finance who is required to table the chief actuary's reports in Parliament.

**Philip Lawrence:** Okay. Is it the office of the chief actuary that publishes the report on their website?

**Galen Countryman:** Yes.

**Philip Lawrence:** Okay. What we don't know, which is the missing piece, is how many people actually view it.

**Galen Countryman:** I do not have that information.

**Philip Lawrence:** You get my point: If a tree falls in a forest and no one hears it, does it really make a noise?

**An hon. member:** Oh, oh!

**Galen Countryman:** Again, it's—

**Philip Lawrence:** I understand that everyone can have a little laugh. We can have a bit of fun here, but to me, that's an issue. If I went to 40 million Canadians, how many of them would be able to identify what's in the triennial evaluation?

**Galen Countryman:** I guess it depends where they look at what's available to them.

**Philip Lawrence:** Quite frankly—and this is serious—when I'm knocking on doors, people will say to me, based on where the CPP was in the 1990s, because I don't think the information has been communicated effectively, “Well, I will never see CPP, because it's insolvent.”

**A voice:** That's true.

**Philip Lawrence:** That happens on a regular basis. These are people who are concerned about their retirements, so this is a very serious issue.

I do want to get across to you that it is not just the obligation of government and your role in that to create accurate numbers. Yes, you have to do that, but it's also your obligation to make sure that they are communicated effectively.

• (3700)

**The Chair:** Mr. Lawrence, with all due respect, Mr. Countryman is here to answer technical questions. Political decisions are coming up, so keep your comments technical, please.

**Philip Lawrence:** Sure.

In 2050, because of the reduction from 9.9% to 9.5%, how many billions of dollars less will there be in total in the CPP fund?

**Galen Countryman:** I have that here; give me a moment, please.

The total assets are projected to be \$239 billion, or 8% lower, by 2050.

**Philip Lawrence:** It will be how much?

**Galen Countryman:** It will be \$239 billion.

**Philip Lawrence:** Is that with the amendment?

**Galen Countryman:** That's with the amendment.

**Philip Lawrence:** How much would it have been if it had not been amended?

**Galen Countryman:** If it had not been amended.... I have to do the math here.

It will be \$2.7 trillion with the amendment, so it would have been \$2.9 trillion without the amendment.

**Philip Lawrence:** It will be \$200 billion less because of that.

As I was discussing earlier with your colleague Mr. Stuart, my understanding is, first of all, in the near term—and I want to make sure for all the folks out there who are door knocking and talking to Canadians—the CPP is solvent, and for the short term, there is no concern; however, this does have an impact over the longer term. If, in fact, for example, we had a recession that extended to four years or we had a confluence of events, such as lower incomes or higher unemployment, we could erode it, and the MCR could go above the current rate of contributions.

Is that not correct?

**Galen Countryman:** For the MCR, in the 32nd report—I believe you're referring to the 32nd report now—the chief actuary included some sensitivity analysis and indicated various scenarios, one being an economic shock of about four years. That could increase the minimum contribution rate.

**Philip Lawrence:** Yes, which means it would effectively become unsustainable. In other words, if that were to happen, it's not guaranteed that in 75 years we would have enough money to pay out the CPP.

**Galen Countryman:** It's always a sensitivity analysis. The buffer we had between the minimum contribution rate and the statutory rate was 15 basis points in 2019 and then we went through COVID.

The economic system has had many different shocks. The buffer that we have posted at the amount of 30 basis points is still larger than the buffer we've had on average in all the previous triennial reviews.

**Philip Lawrence:** We will be to a bit of an inflection point, though, within the next half decade, because we will start having more withdrawals than contributions. Is that not correct?

**Galen Countryman:** The basis of the 1997 reforms was always that at some point, the amount of benefits would exceed the amount of contributions. In the 1997 reforms, the idea was to build up a fund that would stabilize the contribution rate, and then there would be some withdrawals from that fund to help pay for benefits.

In previous actuarial reports, that date has always been pushed back.

**Philip Lawrence:** Which date is that? Sorry, I'm not clear on that.

**Galen Countryman:** There's always been a point projected with the current structure of the plan at which investment income would be used to help pay for benefits.

**Philip Lawrence:** Exactly, and that date has been pushed back, but that date is coming, which is a bit of an inflection point. Logically, the investment income becomes critical going forward.

It's very important that the CPP performs well, as I mentioned to your colleague. I won't repeat it, but 4.05% is the number you're relying on. I think that's a reasonable assessment. If that were to drop to 3%, I believe the number is, it would then become unsustainable. Is that not correct?

**Galen Countryman:** The projections that the chief actuary has in the 33rd report, based on her assumptions, say the investment income that would be required to help pay for benefits in 2100 would be 36.9% of the investment income. Contributions plus 36.9% of the investment income would be sufficient to pay for benefits in 2100.

• (3705)

**Philip Lawrence:** It's 60:40 there from the contributions plus 36%.

**Galen Countryman:** It's in addition to the investment income.

**Philip Lawrence:** I've got it.

This legitimately comes up at the doors when I'm door knocking. People still think it's back in the nineties when we were unsustainable. I would encourage you and the department to get out there and let people know that the CPP is actually sustainable.

In fact, even under the Trudeau government, when we're asking for a payroll decrease, it was actually increasing the payroll. It very much made the case that we had to do this, because we wouldn't be solvent. We know that's not true.

Thank you very much, Mr. Countryman. I appreciate it.

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

Shall subamendment two to CPC-13 carry?

**Philip Lawrence:** Let's do a recorded vote.

**The Chair:** We'll do a recorded vote.

(Subamendment negatived: nays 6; yeas 4)

**The Chair:** Shall CPC-13 carry?

Go ahead, Mr. Jackson.

**Grant Jackson:** Thank you, Madam Chair.

There are a couple of other comments that we have to make regarding the reporting requirements.

As moved in our CPC-13 amendment to this bill.... It was a very unfortunate decision by the government to defeat those provisions requiring plain language text, so let it be known that the Liberals would rather have the language continue to be inaccessible to many Canadians across this great country than to keep them informed about the status of their pension plan.

Moving to further concerns regarding the reporting requirements of the bill overall, we feel that Canadians would benefit from some stress test scenarios being included in the reporting requirements in terms of a couple of examples or predictions that they could easily access to ensure sustainability.

I think this comes back to some of the comments that have been made. I do get questions at the doors about the health of the CPP. There's a growing skepticism in many Canadians for some reason

that they're ever going to be able to access it. I understand that the numbers being put forward by the government and the chief actuary today indicate that it's very healthy, but there is a perception out there that it somehow isn't true or is skewed in some way. Canadians really seem to be questioning that and are skeptical of it.

In my time on the procedure and House affairs committee, we have seen Canadians having a growing distrust in many of the staple identity items across this country. It might be something as profoundly regarded as Elections Canada and their work in ensuring our elections, but there's still a growing distrust of that institution and the legitimacy of our elections.

I think, too, that the CPP is something that Canadians have long regarded as a core part of our national identity and the social contract of this country, right alongside universal health care and many other things that Canadians control as part of their identity but also that are known around the world as part of who we are.

We are concerned about this growing distrust. Unfortunately, the government defeated the previous subamendment that would have required plain language. Perhaps they'll accept our feedback that, if they're not going to agree to our amendment—their comments from last night suggest they won't—the bill should at least be amended to allow some stress test scenarios in the bill. These would describe the “what if” factors that I've heard about at the door. If this happens, what happens to the CPP? If this happens, etc.

If we can show our work with the very intelligent people on the chief actuary's team, they can show their work as to what those impacts would be. It would give Canadians, in my opinion, greater certainty that there is a plan. If any of these economic tragedies happened, as Mr. Lawrence described—a prolonged recession, for example—what exactly would the impact be and where do those things go? The scenario could be lower investment returns, lower immigration, lower productivity growth or longer life expectancy. These things are changing. We know that things are changing on that front. It could be a severe recession. As mentioned, the chief actuary regularly performs sensitivity analysis and broader CPP reports.

This subamendment or a supplement here would contain little discussion of the downside cases. I think we need to add some factors into the bill to ensure that it would take place. Again, I think that would give Canadians greater certainty that there is a plan and that their pension funds are well looked after. It would dispel this myth that we deal with at the doors such as, “It’s just not going to be there when I get to retirement age. There will be no funds left for me. It’s going to be emptied out, hollowed out.” I’ve heard that. I’ve been elected for only a year, but I’ve heard that at the door many different times. Canadians are stressed about trying to put their money elsewhere, because they don’t believe, despite all the numbers—unfortunately, in some ways, inaccessibly communicated—that it’s true and that fund is going to be there to support them after they’ve done their time, worked hard, contributed back to society and are looking forward to enjoying their retirement.

• (3710)

We have to find a way to make this work for Canadians a little better, so they are able to consume the information the government and the chief actuary are providing. We feel that there are a couple of ways we could do that.

I would urge the government members to support this initiative. I don’t think it hurts the government. It’s really not going to be much more work for them to simply rework the way some of these things are worded and add in some very brief scenarios—I’m not talking about pages long—on what the outcomes could possibly be and on what a particular given incident, as we shall call it, would do to the fund and Canadians’ investments therein.

I think my colleagues have a few more comments to make on this topic. I would like to add myself back to the speaking list following completion.

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

Go ahead, Mr. Lawton.

**Andrew Lawton:** Thank you very much.

I don’t want to repeat what Mr. Jackson has said, because I agree with it. I would like to put something to this effect into a bit of a firmer sense, so we account for what he’s talking about.

I am moving a subamendment to CPC-13 to achieve what Mr. Jackson is talking about there, with the need for stress testing. The subamendment is to amend the amendment by adding, after proposed subsection 43.1(1), the following:

(1.1) The report prepared under subsection (1) and the report prepared under subsection (3) must include stress-test scenarios showing the projected financial state of the Canada Pension Plan if investment returns are lower than expected, immigration levels are lower than expected, productivity and wage growth are lower than expected, life expectancy is higher than expected or Canada experiences a prolonged economic downturn.

That is the subamendment. Once it’s accepted, I wish to speak to it as well.

[*Translation*]

**Jean-Denis Garon:** I have a point of order.

[*English*]

**The Chair:** Go ahead on a point of order, Monsieur Garon.

[*Translation*]

**Jean-Denis Garon:** It’s just a suggestion. It’s quarter after one, and question period is in 45 minutes. Since the amendments and subamendments have to be translated and the legislative clerk has to review them, perhaps we should suspend the meeting and resume after question period.

[*English*]

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

Is there unanimous consent to do that?

No, there is not.

We will briefly suspend. Once we return with a translation, we will come back.

• (1315)

(Pause)

• (1335)

**The Chair:** Colleagues, you will now have received the latest subamendment to CPC-13 by the Conservatives. It’s translated and in both official languages. I believe this is their third subamendment to this amendment.

Mr. Lawton, you still have the floor.

**Andrew Lawton:** Thank you very much, Madam Chair.

I’m reviewing the subamendment. I’m still learning French, so if any of our francophone colleagues see any issues in the translation, please let us know, though I certainly trust the tremendous House of Commons team tasked with doing that work.

I’ll further expand on why I think this subamendment is necessary.

Mr. Lawrence was talking about this earlier. We have—and I’m very glad about this—a situation in which our CPP system is solvent. Canadians don’t need to worry. We also know the economy has its peaks and valleys and its ups and downs. No one knows what the future holds. I would have liked to make a suite of changes to the reporting requirement. Again, we have to look forward, not backward. One thing that all of us need to accept is that no one can say what the future will hold. If we’re going to talk about long-term sustainability, which is a key part of what we’re trying to do here, we need to envision all these different outcomes.

I have some questions for our witness and official, Mr. Countryman.

I appreciate your patience on this, sir.

To set the stage for these things, do you agree that all the things mentioned in this subamendment are scenarios that could affect the overall health and sustainability of the pension fund?

**Galen Countryman:** With respect to what you're proposing, the chief actuary typically includes an analysis of various scenarios for the CPP. In the 32nd report, they're included in appendix E.

**Andrew Lawton:** If I extrapolate from what you're saying, it's an acknowledgement that, yes, these factors do in fact influence the overall sustainability of the CPP fund.

**Kent MacDonald (Cardigan, Lib.):** He's saying that an analysis was already done.

Sooner or later, he will clue in.

**Andrew Lawton:** Okay, thank you for that. The question is, are those factors relevant?

I'm going down a road. I'm sorry. I didn't mean for Mr. MacDonald to cut you off there, sir. Please continue.

**Galen Countryman:** I believe those factors are referenced in the chief actuary's 32nd report.

**Andrew Lawton:** Why are they included in that report?

**Galen Countryman:** It's because they are factors that influence the financing of the plan.

**Andrew Lawton:** I'll bring it back to the reports to Parliament we have here.

I'm speaking about the amendment as it relates to the subamendment. The amendment is talking about the Minister of Finance's preparing a report. Now, the Minister of Finance has access to information beyond what the chief actuary does.

Is that correct?

**Galen Countryman:** I'm not aware of that.

**Andrew Lawton:** What I'm saying is that the Minister of Finance is fundamentally serving a different function and role than the chief actuary is. Certainly, what the chief actuary is bringing forward and putting in the report has to be highly germane.

Look at the scenarios in the subamendment. The scenarios in the stress test that the subamendment is seeking to put in place—"immigration levels are lower than expected, productivity and wage growth are lower than expected, life expectancy is higher than expected or Canada experiences a prolonged economic downturn"... How far out does the report forecast these things, as it is now?

**Galen Countryman:** The chief actuary's reports go out 75 years. They're for a 75-year period.

**Andrew Lawton:** There was a movie many years ago called *The Butterfly Effect*. It talked about the consequences that can flow from something seemingly small. I look at that in this context. We have the existence of black swan events. We have the possibility that many of these factors together could coalesce and do this, or any one of them.

How many scenarios in the existing report is the chief actuary able to envision? It's not just about any one of these as individual... You also have to look at the overlap between a lot of these things.

• (3740)

**Galen Countryman:** There is a wide array of assumptions and stress tests in the uncertainties appendix in the chief actuary's report.

**Andrew Lawton:** I appreciate that. I want to be very respectful of the role you're serving on the committee, Mr. Countryman. It's not your job to weigh in on the politics of this.

I'm having some trouble understanding—if we already have an implicit appreciation of the value of this information—why we would not want it in the report that we believe, if CPC-13 is passed, will be submitted to Parliament by the Minister of Finance.

If any of my colleagues have questions about the subamendment or the factors in it, I would love to delve into some of the problems here, if we get an opportunity. I think some of these are within the purview of the committee—ensuring that we don't have the worst-case scenario with this. In the meantime, I'm happy to leave my comments there.

Thank you.

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

Mr. Kelly is next.

**Pat Kelly:** Thank you, Madam Chair.

It's good to be back at the finance committee.

Mr. Lawton made an excellent case for this amendment. Part of why it is important to include stress test scenarios is that we can have better transparency and Canadians can have better confidence in the reports that government tables.

We recently have seen the stress tests that were conducted by the Parliamentary Budget Officer on the most recent spring economic update. The stress tests there revealed that the finance minister had a less than 1% chance of holding to the fiscal anchor that he had declared in his statement only a few... Well, the new anchor was first tabled in the fall budget, reiterated in the spring economic statement and, only weeks later, debunked by the Parliamentary Budget Officer. That's why these stress test scenarios are important: Many scenarios could significantly affect the state of the Canada pension plan.

The items we've listed here are some very clear ones, such as immigration levels, which will immediately affect contribution levels; productivity and wage growth, which could have an extraordinary impact on the viability of the plan over the long term; and especially life expectancy, which is going to affect the future liability, the payout of the plan.

Any combination of these scenarios could have a dramatic effect on the plan. We have seen that the minister, who is ultimately responsible, has really had his credibility severely challenged by the Parliamentary Budget Officer and their stress tests. When he spoke about fiscal anchors, the anchors that he talked about just do not stand up to the multitude of different combinations of events that were contemplated by the Parliamentary Budget Officer. Likewise, when it comes to the Canada pension plan, Canadians may well have the same concern. They want to know that the plan's viability stands up to all the different combinations of events.

The combinations of events would be far beyond these that are identified in the subamendment. The subamendment identifies just a few things, but there are many different factors, and it's in the combination of them that it gets very complicated to accurately balance and manage the risks of such a large plan. When not just Canadians but officers of Parliament are questioning the credibility of the finance minister, that just creates more need and a greater imperative for greater transparency around any of the reports and any of the data and risk that the finance minister has an obligation to Canadians to manage on their behalf.

I fully support this subamendment and the main amendment as well. I see that overnight we have not seen...it doesn't appear that there is any further indication from the government that they will support the amendment itself, and we hope this subamendment might allow them to consider the merits of greater transparency, better reporting, better data for policy-makers and better data so that Canadians can have confidence in their institutions.

I saw that Mr. Lawrence had his hand up. I don't want to delay him in weighing in on this. I'll leave my comments at that. I'm not sure if anybody else was in the speaking order before him, but if not, I'll defer to Mr. Lawrence.

• (3745)

**The Chair:** Thank you.

Mr. Jackson and Mr. Lawton are before him.

**Pat Kelly:** Go right ahead.

**The Chair:** Mr. Jackson, please go ahead.

**Grant Jackson:** Thank you, Chair.

I'll endeavour to keep my comments brief. I know that Mr. Lawrence is eager to make an intervention on this point, but I want to thank Mr. Lawton for moving this amendment. It quite accurately captures the suggestions or challenges with the lack of stress testing, as currently proposed, that I was elaborating on earlier. I just want to thank Mr. Lawton for encapsulating that in this excellent subamendment.

I'll respond a little to what we're hearing government members heckling about—that this stress testing already exists in another form. I mentioned that in my initial comments. The chief actuary regularly performs sensitivity analysis in broader CPP reports, but this supplement contains little discussion of downside cases. If you're only stress testing and not talking about those cases when you're publishing a report and having it tabled in Parliament, it defeats the purpose of doing the stress testing in the first place.

Our argument is to include that in the amendment, which, to remind them, would require, if passed, new reporting requirements under the act. We acknowledge that when we drafted CPC-13, we missed a few provisions to include stress testing in that amendment. Therefore, we are subamending that on to the provision, requiring these additional reports now. This would more accurately respond to Canadians' concerns and give the government an easier time of explaining to Canadians just how secure their CPP truly is.

I think that's an important provision to include. I'm looking forward to the government's supporting both the subamendment and the amendment to ensure greater transparency. It will include these provisions, which I think will give Canadians the surety they need.

With that, Madam Chair, I'll defer to my other colleagues, who I know are eager to make further interventions.

**The Chair:** We have Mr. Lawton.

**Andrew Lawton:** Even I am ahead of Mr. Lawrence.

I'm sorry, Philip.

When we were dealing with this matter previously, our witness had talked about the appendix in the chief actuary officer's report that has an aspect of what we're getting at here. I want to explain why I believe our subamendment would go further.

Also, I would reiterate the point that the amendment itself is referring to a separate reporting requirement. This is referring to a report that must be prepared by the Minister of Finance on the projected impacts of the amendment on the Canada pension plan that's contained in this. We're not actually seeking an opportunity for the Minister to download these responsibilities onto the chief actuary. We're trying to ensure that we have a specific targeted measure here.

On the stress test aspects specifically in my subamendment to CPC-13, I think it's important to explain what the existing reporting data are doing.

Appendix B mentions data, assumptions and methodology. What the report says is:

This section describes the data, assumptions, and methodology that underlie the financial projections in the Results sections of this report.

Future cash flows for the base and additional Plans are projected over a long period of time, i.e. over more than 75 years, and depend on assumptions such as those regarding fertility, mortality, migration, labour force participation, job creation, unemployment, inflation, employment earnings, and investment returns. These assumptions form the basis for the projections of future income and expenditures of both components of the CPP.

To return to our subamendment, we're looking at some very similar core information, such as immigration levels, investment returns, productivity, wage growth, life expectancy and the existence of a prolonged economic downturn. The thing is, we're not making assumptions. We're actually saying the opposite. We need to have a range built in. There's a bit of that, but not to the degree we're pushing for.

The chief actuary even makes this concession in the report:

Although the demographic, economic, and investment assumptions represent the Chief Actuary's best estimates, the resulting future financial states of the base and additional CPP presented in this report should be interpreted with caution. This information is not intended to be predictions, but rather projections of the future financial states of the base and additional CPP.

We all understand, and I would believe even my Liberal colleagues would concede—I certainly hope they would—that the future revenues and expenditures of the CPP depend on a range of economic factors. We need to look at what the Canadian economy is going through and what the global economy is going through.

We understand that one change to one policy at the federal level can have long-ranging implications for other things. Antidevelopment laws from the Liberals affect investment in our energy sector in the long term, down the road. The proliferation and expansion of the temporary foreign worker program over the last 10 years affects youth unemployment, driving it up to nearly 15%.

They're just a couple of the myriad examples of how it isn't even just things that we are passengers on, as a country. Policy decisions made by this government will have effects. When we look at a report that goes out 75 years, as Mr. Countryman said, that's 75 years. That is many governments. That is many policy decisions along the way. Each one is pulling and pushing levers, irrespective of the externalities of it, that are going to have significant implications for this.

I don't see in the report an accounting for the range of options that could really establish the crux of what we're trying to do in our subamendment here. Even the actuarial report.... It's appendix B for those wanting to follow along. I don't have the French version, but it is published, as it should be, in both official languages. People can find that published on the government website, if they so desire.

It says:

Furthermore, the projected continued aging of the population in the future, albeit at a slower pace than observed in the past, combined with the continued retirement of the baby boom generation will certainly create significant social and economic changes. It is possible that the evolution of the working-age population, especially the active population, will be quite different from what has been historically observed and what has been assumed for the purpose of this report.

The chief actuary is doing their best with the information available. Even there, though, what the report is telling us is that we've had to make an assumption. We don't know.

● (3750)

We don't know what's going to happen. Why do we not have a report that accounts for all of these different possibilities, a report that allows for the best-case scenarios and the worst-case scenarios?

Interestingly enough, this is something, just on a smaller scale, that has been heaped on Canadians who are trying to buy a house. You can't even get approved for a mortgage unless you have been approved with a stress test, understanding that driving up interest rates in the future, which may or may not happen, is affecting your potential in the here and now to get a home.

If we're expecting young first-time homebuyers trying to get a foothold in life to deal with a stress test for a report that is affecting the retirement income of the entirety of the country, really, why are

we not including that same level of scrutiny in accounting for the best-case scenarios and the worst-case scenarios?

There is an assumption being made that could be wrong. It could be. If the Liberals were the ones making these predictions, I think most of them would probably be wrong, but here we are now, and we have to account for the best-case scenarios and the worst-case scenarios.

I'm grateful that the office of the chief actuary is monitoring the current trends, the emerging trends. They adjust assumptions as needed, but they're still just assumptions. I think it would be better to have—ideally in plain language, but we'll take anything we can get in this report—the best-case scenarios and worst-case scenarios that account for all of these points of divergence that we can't really effectively predict even five years out, let alone 75 years out.

When you look at some of these assumptions here, the demographic assumptions, they look at the historical and projected populations of Canada, less Quebec. This is required—

● (3755)

[*Translation*]

**Steve Lavoie:** I have a point of order.

**The Chair:** Go ahead, Mr. Lavoie.

**Steve Lavoie:** With all due respect to my colleague, he's been talking about scenarios for a while now. He keeps talking about scenarios. He was told not to repeat himself, so I'd like to know whether the rule still applies. Can he keep saying the same thing about the scenarios?

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

[*English*]

I'd like to remind Mr. Lawton once again not to be repetitive, and if he has additional arguments, to make them instead of repeating the same ones.

**Andrew Lawton:** Thank you.

With all respect to my colleague, Monsieur Lavoie, and you, Madam Chair, I don't believe that I was being repetitive, because I'm working my way through the appendix that we've been told makes our subamendment not relevant, and explaining the points of contrast between the two. I'll try to be clearer with that, and if that point is not landing, I'm happy to go back and cover anything again if needed, but—

**The Chair:** I think the point is not to repeat.

**Andrew Lawton:** Okay, but if the point was not heard, I wanted to make sure that I was not leaving out my colleague, who I think is very invested and involved in this and wants to serve Canadians well, as I do.

I'll just look at the demographic assumptions, given the nature of the pension system in Canada. For the populations of Canada and Quebec, with July 24 used as a starting point, the projected populations needed for the CPP calculations are the populations of Canada less Quebec.

Given the nature of how CPP works, we understand, but how the chief actuary gets this is that they look at projecting age and sex from one year to the next by adding births and net migrants and subtracting deaths. The annual numbers of births, net migrants—other than temporary residents, who are not factored into this—and deaths are determined by applying the fertility, migration and mortality assumptions to the starting population.

This is just demography. This is just population. This is one subset of this whole bundle of numbers on which we need to have accurate or somewhat accurate actuarial data. Even this one number has embedded in it several things that are highly subject to change. We saw births, for example, go up during COVID, with people locked in their homes—

**Some hon. members:** Oh, oh!

**Andrew Lawton:** I don't know why everyone's laughing at that. We saw the demographic data on that. Births went up during COVID.

On migration, we have seen in the last 10 years significant year-over-year increases, followed by a recognition that this was not economically sustainable for the country. If you had projected in 2023 any sort of long-term calculation based on what at the time were the migration data for Canada, your numbers would be—

[*Translation*]

**The Chair:** Mr. Garon has a point of order.

**Jean-Denis Garon:** It's not just question period, a part of the day I enjoy so much that I must insist, but doesn't it say somewhere in the Standing Orders that committees are to suspend before question period to give members enough time to get to the House and participate? The clerk can tell us.

**The Chair:** No.

[*English*]

Committees are masters of their own decisions. If you'd like to ask the committee to suspend, you're welcome to do that.

[*Translation*]

**Jean-Denis Garon:** You're saying that parliamentary committees can continue to sit during question period.

Is that right?

**The Chair:** Yes.

**Jean-Denis Garon:** I just learned something. You taught me more just then than my seatmate has in 20 minutes.

**The Chair:** That's to be expected.

[*English*]

Are you asking the committee something or...?

**Andrew Lawton:** I can support my colleague.

**The Chair:** No, Mr. Lawton. Mr. Garon still has the floor.

[*Translation*]

**Jean-Denis Garon:** I don't think we'll get a consensus. We don't want to mention anyone by name, so we won't.

**The Chair:** All right, Mr. Garon.

[*English*]

Mr. Lawton, you have the floor.

**Andrew Lawton:** In the interest of co-operation with my colleague from the Bloc, I'm happy to move a motion to suspend for question period if it would suit.

**The Chair:** Is there a unanimous consent to suspend for question period?

There is no consent to do that, so you continue to have the floor, Mr. Lawton.

**Andrew Lawton:** That's wonderful. I appreciate that my colleagues wanted to hear how this ends.

The demographic assumptions that we have in this are based on immigration—"migration" as it's used there—birth rates and death rates. All of these things change. We know that they are all subject to policy mechanisms as well as global factors that governments can't control. I don't know how anyone can say that we already have this information when the report itself says that they're making it based on assumptions and not based on all possible scenarios, best case, worst case and so on. That's on the demography of it.

They're using as a starting point for the calculation in appendix B initial population as of July 1, 2024. These are estimates based on the 2021 census. Many people may know that there is currently a census process under way. It's formally concluded, but we know that people are still working to get access to—

• (3800)

**The Chair:** I'm sorry, Mr. Lawton; Mr. Kelly has a point of order.

**Pat Kelly:** Yes, on the matter, while a standing order does not require a committee to suspend for question period, it is a well-established practice, not quite but almost without precedent in recent times, to suspend for question period. I know you asked if there was consensus. There was not, but I move that the committee suspend for question period.

**The Chair:** Do you want to vote on that?

**Ryan Turnbull:** You can't move something on a point of order. That's in the rules of *Procedure and Practice*. Unfortunately—

**Pat Kelly:** Mr. Lawton has the floor. Maybe he has a view on that.

**The Chair:** Thank you, Mr. Turnbull, for reminding us of proper committee practice. Unfortunately, Mr. Kelly, you can't do that on a point of order.

Mr. Lawton, you continue to have the floor.

**Andrew Lawton:** Well, earlier that was what I was attempting to do. I was attempting to move a motion to suspend for question period, so I will attempt this again. I would at this point move to suspend for the duration of oral questions.

**The Chair:** We will move to a vote now.

(Motion negatived: nays 6; yeas 5)

Mr. Lawton, you continue to have the floor.

**Andrew Lawton:** Well, I know Mr. Lawrence has been itching to weigh in on this, so I'll cede the floor at this time, Madam Chair.

Thank you.

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

Mr. Lawrence, you have the floor.

**Philip Lawrence:** Thank you, Madam Chair.

The last line of the subamendment reads “or Canada experiences a prolonged economic downturn.”

Now, in the Prime Minister's Davos speech, he talked about a “rupture” between the U.S. and Canada. He also has yet to achieve a deal on CUSMA, and we are approaching the deadline for the commencement of the review, which is July 1. We, as Conservatives, have worked hard and, as part of team Canada, will support the government to get a deal, which is critical.

I will work back to the impact it has on the CPP—in case my colleagues are curious as to where I'm going with this.

The scale of the shock, if we did not achieve a deal on CUSMA.... As I said, Conservatives are here to support the government in any way to get a deal, because we desperately need one. We're hoping not to have a rupture with the United States, because 73% to 75% of Canadian goods exported go to the United States. Exports to the U.S. represent 20% to 25% of the GDP. That's fully a quarter. Integrated sectors such as autos, energy, agriculture, manufacturing and lumber would face an immediate tariff uncertainty or higher duties if CUSMA lapsed, with a six-month withdrawal notice under the agreement.

The United States is a sovereign country, as are we. There is no overarching body. There is just an agreement between the two parties. Although in the agreement the U.S. requires six months' notice, there is nothing, really, in *realpolitik* stopping the U.S. if it so chose to have an immediate cessation of access to its markets tariff-free.

Here are some of the things that would happen: There would be sharp short-term GDP contraction, higher unemployment, lower employment earnings and reduced business investment and consumer confidence. The Canadian dollar would be depreciated. There would be supply chain chaos in autos.

Mr. Countryman, have you stress-tested for the impact of a failure of this government to achieve a successful renegotiation or review of the CUSMA?

• (3805)

**Galen Countryman:** It's not for me to do the stress testing. We leave that for the office of the chief actuary to do.

**Philip Lawrence:** Has the chief actuary taken this into consideration in the report?

**Galen Countryman:** The chief actuary did her analysis as of December 31, 2024. She did not record any subsequent event to that.

**Philip Lawrence:** None of the evaluations as they currently stand—whether the 32nd or 33rd—would have taken into account the failure of the continuance of the CUSMA.

**Galen Countryman:** Again, it's the chief actuary who prepares the report. I cannot comment on what she has or has not taken into account.

**Philip Lawrence:** I'm quickly doing some math here.

My estimate—with the aid of some artificial intelligence—is that it would push the MCR up to 9.8% or 10.2%, which is well above the contribution rate of 9.5%.

I hope that the government.... I'm sure that Dominic LeBlanc and the team are working hard to get a deal. As I said, Conservatives are completely committed.

This one event, which the Prime Minister predicted would happen when he said it was a “rupture”, would make.... If there's a failure to achieve a deal on CUSMA, the CPP would be unsustainable. Is that not correct?

**Galen Countryman:** I'm not quite sure I understand the question. I think you have a question that's probably best for the chief actuary to answer.

**Philip Lawrence:** Okay.

Wouldn't it be good, as per this amendment, to have a report from the chief actuary? Wouldn't Canadians want to know the impacts on the CPP and their retirements if, in fact, this government is unable to deliver a deal on CUSMA?

**Galen Countryman:** Again, that's a question for Parliament to decide.

**The Chair:** Mr. Lawrence, Mr. Countryman is here for technical questions and not to provide his opinion.

**Philip Lawrence:** I was just trying to get to the math, but I appreciate it. I made my point there.

At this point, I would probably stand down. I hope that the other side has seen the wisdom of the Canadian public.

I'll try again. I don't think this will be successful, Chair, but I'm advised to try again to suspend for question period. It is highly unusual, almost unprecedented, not to have our members attend a question period. Of course, question period dates back to the Westminster system and is our key way of holding the government accountable.

**The Chair:** Are you moving a motion to suspend? You didn't move it.

**Philip Lawrence:** I move to suspend for the duration of question period.

**The Chair:** Noted. We will take a vote on that.

(Motion negatived: nays 6; yeas 5)

**The Chair:** The committee continues.

Go ahead, Mr. Jackson.

**Grant Jackson:** Thank you, Madam Chair.

I'm shocked that the members opposite don't want to go to question period. Maybe some of the Prime Minister's habits are rubbing off on them, but I digress. I apologize for that. We will keep focused on CPC-13 and our amendment to try to focus some transparency measures.

● (3810)

**The Chair:** Mr. Jackson, we're still on the subamendment. Unless we would like to take a vote, we are still on the subamendment.

**Grant Jackson:** I apologize. We are still on the subamendment. That's good.

It is a good subamendment that my colleague Mr. Lawton moved. It is important that we add these provisions into it. The officials have answered. It is unfortunate that the actuary isn't here to answer some of Mr. Lawrence's questions. Nonetheless, it's a good subamendment. I hope the government members will support it.

I'll leave it at that, and we can call the question on the subamendment, Madam Chair, unless there's an intervention from the government.

**The Chair:** Shall subamendment three on CPC-13 carry?

**Philip Lawrence:** I request a recorded vote, please.

**The Chair:** We'll have a recorded vote.

(Subamendment negatived: nays 6; yeas 4)

**The Chair:** Mr. Jackson, we're back on CPC-13 now, just for your information, so you know where we are. I know it's hard to follow.

**Grant Jackson:** Thank you, Madam Chair.

It is hard to follow, with so many government heckles distracting me. I appreciate your guidance, Madam Chair, very much. I do want to put a few more words.... I'm telling you. It's very distracting.

I think it's important to put a few more words on the record, regarding CPC-13 and the additional reporting requirements it would put on the government, and particularly regarding a couple of other areas of concern that we had intended to address with our amendment, but we didn't get them into the language as tightly as we had hoped within the reporting requirements.

One of the biggest public concerns moving forward—not just about pensions specifically, but certainly pensions and the CPP are encompassed within it—is intergenerational fairness. I mentioned earlier that, when I go to their doors, Canadians ask me about the CPP. They're not just seniors but also younger people, often. They see this money they're contributing to the CPP, and they wonder and are concerned about the health of the fund, given the status and the demographics of our population—it's kind of an upside-down pyramid. They wonder if there's going to be anything left for them by the time they get to retirement age, as opposed to the sandwich

generation, who are supporting both the youth and the seniors in this country at the moment. They also wonder if the CPP is designed appropriately to ensure that the funds they're contributing will still be there when they get to retirement age.

In reporting on the health of the plan, it should be incumbent on government, following along the lines of plain language, to talk specifically about what the estimated provisions are going to be for generation after generation. We believe that the report could and should provide estimates for current retirees, near retirees, generation X, millennials and generation Z.

The deputy government House leader often criticizes me at PROC for how I pronounce the letter Z. I don't know why. Anyway, that's a digression.

It is important that people can see themselves in the reporting that's being done on the health of the plan, based on their age demographic. Examples of this could be expected lifetime contributions and expected lifetime benefits after retirement, the internal rate of return by birth cohort or the impact of the 2027 contribution rate reduction on each cohort by generational gap, if that's what the government chooses to do. They could find some other way to group ages, if they chose to.

These would be a couple of important provisions for people to understand—based on where they are in the “work until you get to retirement age” cycle—regarding the health of the plan, what the impacts for them are going to be and what the benefits will be when they get to retirement age.

Without that information, we're concerned about and, perhaps, not convinced of the accessibility or the consumability of the information. We feel that readers cannot easily judge who would gain the most from lower contributions by age demographic and who bears the brunt of the long-term trade-off versus the benefits.

Requiring these things to be included in our amendment—which subsequently, I hope, will pass and become part of the bill—means that the government would have to report on them to Parliament. The information would be accessible to Canadians, and we could then use it as we're discussing this issue with constituents, while door knocking across the country. It's about ensuring that Canadians have confidence in the CPP, as one of the many long-standing foundational pieces of our social security net in this country.

● (3815)

With growing public distrust, we have disinformation, deepfakes and all kinds of stuff on social media that could certainly call into question these types of long-standing government programs if the information isn't readily accessible and consumable. I think this subamendment would bring some clarity in some very consumable language.

I am going to move a subamendment. I know that my colleagues will have some words to put on the record about that as well. The subamendment is what I believe, Madam Chair, you've counted as number four. I move that the amendment be amended by adding after proposed subsection 43.1(1) the following:

(1.1) The report prepared under subsection (1) and the report prepared under subsection (3) must include, to the extent that the information is available, an assessment of the impact of the amendments to the Canada Pension Plan contained in this Division on current retirees, near-retirees, Generation X, Millennials and Generation Z, including estimated lifetime contributions, estimated lifetime benefits and the impact of the reduction in contribution rates beginning in 2027.

That is the end of the subamendment.

**The Chair:** We will suspend briefly while we get that in writing and circulate the translation to everyone.

• (1415) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (1445)

**The Chair:** Okay, colleagues, we are back. You will now have received subamendment four in your inbox. I have Mr. Lawrence on the list.

**Philip Lawrence:** I appreciate the opportunity, as always, to talk about this important subamendment.

As we have seen, I think it's fair to say that generation alpha and generation Z will face—

[Translation]

**Steeve Lavoie:** Sorry to interrupt, but we can't hear the interpretation.

**Philip Lawrence:** Would you prefer if I spoke French?

**Steeve Lavoie:** I'm being told that it's working now.

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

Mr. Lawrence, you can continue in French, if you like.

[English]

**Philip Lawrence:** I should speak French, but it's still a work in progress.

[Translation]

I know my French isn't that good.

[English]

Gen alpha and gen Z will face some unique challenges, I think, going forward.

Our national debt is at \$1.3 trillion or so. We have a productivity crisis, which makes it that much more challenging for gen alpha or gen Z to pay off the debt that previous generations have rung up on the credit cards.

It is incumbent upon us, in order to show gen Z and gen alpha what they will be inheriting going forward, what it looks like—whether that be debt or, in this case, CPP. We hope that it will remain solvent and that CPP will be there for the next 500 years for Canadians.

This subamendment says that “the report prepared under subsection (3) [shall] include, to the extent that the information is avail-

able, an assessment of the impact of the amendments...contained in this Division on current retirees, near-retirees, Generation X, Millennials and Generation Z”.

Having a generational breakdown, as we've said, is fair. I think we should be reassuring those who are in retirement, or those who are near retirement, that the plan is solvent. We also owe it to generations that may not receive CPP for another 40, 50 or even 60 years from now to show them what the snapshot looks like for them.

As we've seen with the recent reduction, while it is still sustainable, the cushion has been reduced. We want to make sure, for intergenerational fairness, that all generations have a view to what the CPP would look like for their generation going forward.

Those are my comments on this. I think it's a great subamendment, and I remain optimistic. Chair, we're 10 hours in or so now—maybe that's overstating it a little. We can work with the government to get some subamendments and amendments in to improve this legislation so that we can be the constructive opposition that we attempt to be.

Thank you.

**The Chair:** Hope springs eternal, Mr. Lawrence.

Mr. Lawton, you have the floor.

**Andrew Lawton:** Thank you very much, Madam Chair.

This was brilliant work by my colleague Mr. Jackson. He and I came in the same class, and I would expect no less from him as we look at a subamendment to CPC-13 to look at the intergenerational impact of the changes to CPP.

This ties into the stress testing in the sense that, if we're looking at sustainability for the program as a whole, what it means is that we need to have a level of respect for the subsequent generations that are going to come in.

I won't let us get ahead of ourselves. The next subamendment that I suspect may need to be moved, to ensure that we're capturing all of these problems, will look at some comparisons with other countries. I think some others have done something that has made it quite effective for this particular aspect, which is the intergenerational impact.

Now, I want my Liberal colleagues to understand that, when we talk about generations, this isn't a political frame; this is an actuarial necessity. The CPP is not a savings account. This is effectively a mechanism in which every change to contribution rates or benefit structures produces winners and losers. This is true of all policy. These are distributed across age cohorts. When the government tables a report on the impact of contribution rates and the financial state, as the amendment suggests, without a generational lens, we're only answering half of the question.

The financial state of the plan in aggregate can be perfectly healthy while simultaneously being unfair to a specific cohort. Those two facts are not in tension. You have a plan-level solvency assessment that will never reveal if there is, in fact, a distributional problem, so I think that needs to be part of the conversation.

The subamendment reflects a structural reality. We're not asking for anything that should not already be—and to be honest, I don't think is, but it shouldn't be—excluded from the process altogether. It just says to go back to what the amendment is. When the minister tells Parliament how the plan is doing, which should be the responsibility of the minister, not just the chief actuary, the minister also tells Parliament how different groups of Canadians are doing with that plan.

When we talk about the economics of this, one of the problems, when we get to younger and younger generations, is that these are the generations least likely to have access to an established pension plan. It used to be, certainly for the baby boomer generation, that someone would have a job for decades, and they would have a pension. That is not reflective of what work looks like for a lot of younger people in today's economy. You have even full-time jobs that, fundamentally, do not offer pensions. You have people who are stringing together part-time jobs, the gig economy and self-employed people. For those people, even if they have CPP, which is not necessarily a given—or not at the level they would need—that is the only thing they have. If we don't understand these generational dynamics in the CPP, we're missing a huge part of what will become the government's problem decades down the road as these different cohorts age in.

I'll give a bit of a history lesson. CPP reform has always had a generational dimension to it. I learned this as we were researching for the meeting today. When CPP was designed some decades ago, in the middle part of the last century, it was explicitly structured to benefit early participants disproportionately. They had only paid into it for a short time, but they received benefits calibrated as if they had contributed for a full career. It was deliberate, and given the circumstances in—I forget the exact year, but in the 1960s—it was a defensible political choice. It was also a choice made at the expense of younger workers, who then had to bear the brunt of it. They came later, and they had to pay full freight for full benefits. Parliament, at the time, understood this trade-off, but the question before this committee is whether the 45th Parliament, the Parliament in 2026, should be equally well informed, and whether, by extension, Canadians should be well informed about the generational trade-offs in the current amendments.

We're not even proposing changes to how CPP is structured. We're asking if this should be a part of what is communicated to Canadians. Should this be a part of what the Minister of Finance has to do?

When we had the CPP enhancement that was legislated, I believe, in 2016—you, Madam Chair, would have been there then, so you would have a better recollection of this than I—it was acknowledged that young Canadians entering the workforce would see what the government stated was the largest increase in benefits, because CPP income replacement levels were going from 25% of a worker's pensionable earnings, I believe, to 33%. The government of the day made that generational argument. This is something our

Liberal colleagues were leaning into then but seem to be shying away from now.

• (3850)

You also have to look at the five cohorts in the subamendment. We have retirees, near retirees, generation X, millennials, generation Z—zed. I always get that one a bit wrong. Each one of these matters for its own reasons. For example, current retirees are no longer contributing. Their benefit entitlements are established. Contribution rates may change, but that's not going to have any relevance to them. That's one point of differentiation this subamendment seeks to address. I don't think even that analysis is fully complete, because CPP pays survivor benefits and disability benefits. It isn't just retirement benefits. Some retirees may have spouses who are still in the workforce, so their families are affected. Retirement security, as we all know here, is affected by rate and benefit changes.

If we look at this at a household level, or at a family level, it's a much different conversation than just looking at it on an individual basis. Also, current retirees are a bit of a reference cohort, you could say. They're a lifetime contribution to benefit ratios. They serve as a baseline against which we can look at subsequent cohorts to this. If the minister's report only discusses the financial state of the plan and misses out on these key cohorts, these key demographic details, it tells us nothing about whether the plan is treating each generation with the level of—I don't like using the word, because it means different things to different people—fairness or of intergenerational equity, you could say. That is what this subamendment will do better. We also are relying on our Liberal colleagues to support the amendment, to put this reporting requirement in place.

Then we're looking at near retirees, like people who are planning and hoping they'll get the chance to retire. By the way, I have talked to so many people who a decade ago, looking at the economy that was left by the Stephen Harper government, would have thought retirement was a possibility. They were looking forward to that, maybe even early retirement. Now you have an increasing number of people thinking they're never going to retire. Near retirees are a group that, in and of itself, is relying on an economic comeback that we're not seeing. I fear we're not going to see it for a while, with the government on its current track.

People who are looking at retiring, whether it's within 5, 10 or 15 years, are the ones most affected by this rate change because they're close enough to retirement that their benefit entitlement is going to be significantly determined by their contributions to date up to this point. They'll benefit from having payroll reductions reduced for the remaining years of their working life, but they will not have had a materially lower contribution rate for long enough to affect their benefits in either direction. If, conceivably, a contribution rate reduction is basically reduced payroll costs with no corresponding reduction in benefits, what is the value transfer? Where is that money coming from?

It's easy for younger people to fear—and this is why it needs to be included in the report from the minister—that they're going to be the ones paying into this seemingly increased benefit at the older end of the scale for near retirees. This is, again, one thing that we're missing out on by not having the generational impact addressed here.

Another point when we look at generation X—this is the *Friends* generation, people born from the mid-1960s to the early 1980s—they're in a really precarious situation because this is the generation that started to see working dynamics changing from what I described earlier as the boomer and earlier approach to the more gig economy approach. They were very much in a transitional period. Again, this is why I think the generation-specific CPP analysis is rather important; generation Xers are old enough to have seen the decline of defined benefit employer pension plans over the course of their careers, but they're young enough that the enhancements we've seen in the past are basically the primary source of retirement security beyond other programs like old age security. Employer-sponsored pension plans have been in decline for basically the last 50 years, meaning that more and more workers will only have OAS and CPP to assist them during retirement unless they have private savings.

• (3855)

We also know that generational wealth transfers are becoming harder and harder to make. People are living longer. People are struggling more with the rising cost of fuel, food and housing. Both of these factors mean that they have less to hand over to their children or grandchildren.

It's not even as though you have an added layer for most people. Certainly, for the middle-class or middle-income people that most of us represent, they're expecting some windfall when their parents or grandparents pass away after living a long life.

For generation X, the CPP is not a supplement to a robust private pension. In many cases, it is the pension. It is the retirement plan. I would hope that we as a committee could do a careful analysis of their contribution and benefit trajectory under the amended rate structure. It's not just an academic exercise. It's certainly not a political exercise, because these are crucial questions at foot.

I'm struggling to understand why we wouldn't want to think of the generational impacts of this, why we wouldn't want to consider and contemplate how this is affecting generations.

When I look around the room, I see representatives from almost every one of the generation groups in question. It's a great tribute to

our Parliament that we have that generational diversity. I see some volunteers for.... I'm not pointing anyone out for demographics, but I see some people voluntarily assigning themselves to—

• (3900)

**Philip Lawrence:** Carlos is gen [*Inaudible—Editor*].

**Voices:** Oh, oh!

**Andrew Lawton:** I'm not going to do that.

I appreciate that we understand that we are all, even in this room, affected by it in different ways.

I'll continue through the generations, because this is crucial when we talk about what would be contained in that report. I've talked about generation X. I spoke about near retirees. I spoke about people who are already retired.

There are millennials, the generation with which I identify. This is the cohort most often invoked in political debates about economic fairness, and for good reason. Many of my millennial colleagues entered the workforce around or after the 2008 financial crisis.

Again, I'm so grateful we had the leadership of Stephen Harper to shepherd us through that time. The crisis would still be under way if we had Justin Trudeau's spending and the financial track record at that time.

Young people in my age group—not that I am classified as young anymore, sadly.... People in this generation saw a housing market that was closed off, and to some of them, it's still closed off.

**The Chair:** I apologize, Mr. Lawton. We're going to have to briefly suspend as the interpreters change over.

The committee will be suspended for at least 30 minutes.

• (1500)

(Pause)

• (1550)

**The Chair:** We're returning to the meeting.

Mr. Lawton, you continue to have the floor on subamendment four to CPC-13.

**Andrew Lawton:** Thank you very much, Madam Chair.

It's been a bit of time. I won't do a full recap of where we were, at this point. For context, we were talking about the generational impacts of the reporting requirement. We believe it is crucial for this to be in the bill, for the Minister of Finance...about the health, vitality and sustainability of CPP.

On the subamendment, I was talking about why the generational effects of CPP are important enough to acknowledge separately and independently, as well as why there is, in fact, an actuarial reason that this would be valuable. It's not just a political reason—though the policy implications are certainly very important. I talked about how changes in Bill C-30 would affect different generations. I talked about people who are already retired or near retirement. I talked about generation X. I believe that, when we had to suspend for the vote, I was discussing millennials.

I know there was some disagreement, at the suspension, about what constitutes a millennial. Some of the data I looked at when we were analyzing the effects of Bill C-30 are.... It's generally 1981 to 1996. These are not hard and fast rules. Someone born in 1996 is going to have more in common with someone born in 1997 than with someone born in 1981, but from a demography standpoint, we have to come up with these discrete categories, as near as we can.

The CPP enhancement we saw previously will, when fully in place, increase the maximum CPP retirement benefit by about 50%. This is going from replacing 25% of a worker's pensionable earnings to 33%. Millennials are among the primary intended beneficiaries of that. This is because they're young enough to contribute to the enhanced plan for most of their working lives and old enough that the 2064 implementation date will fall within their retirement window. This is the sweet spot, if you will, that this program is designed to serve, in theory, and that these changes would be designed to serve.

The 2027 rate reduction complicates this picture. If the contribution rate falls but the enhancement benefit trajectory stays the same, you're going to end up with a scenario, theoretically, in which younger millennials receive a windfall. Actuarial math requires that benefits be recalibrated over time to reflect a lower contribution rate. Younger millennials are then going to bear a cost that wasn't transparently dealt with early on.

This is just one example of a huge generational difference. We've already talked about why, even between just generation X and millennials, there is a fundamental difference in how this would affect people and what the implications would be. This is precisely why the amendment requires that we show impacts by generation and that we acknowledge that these changes would, by virtue of someone's place in life—their age—affect them differently. The consequences and implications would be very different.

Then we have generation Z. These are workers born from the late 1990s onward. This is the cohort that will live the longest with whatever system Parliament puts in place. A 20-year-old who enters the workforce this year will conceivably be contributing to CPP until 2071. That's well within the 75-year projection window we were looking at for stress testing. The generations made in this committee and this Parliament will directly shape the retirement income of people who are not, in some cases, even old enough to vote, or who have only recently acquired the right to do so.

If we're talking about very long-term consequences, we need to understand what those consequences are. I don't see what the aver-sion is to the Minister of Finance's putting these differentiating points in the report—which we believe, as in our initial amend-ment, are required. That is why I think the demographic data are so important.

There's a technically important aspect of the subamendment. In my copy, the second line of the subamendment says, "The report prepared under subsection (1) and the report prepared under sub-section (3) must include, to the extent that the information is avail-able, an assessment of the impact". We put this qualification in for a very legitimate reason.

● (3955)

As you know, not all data points envisioned by the subamend-ment are necessarily computable or available at the time the initial report is due, especially because we have a three-month window there. We want to be very reasonable—and that's what we've been trying to be for the entirety of our discussion here—in giving the government latitude if they don't yet have all of the information available to them.

Now, I'll be perfectly frank that this qualification creates a bit of a safety valve, if you will, an escape valve, if not properly man-aged. It's the government that ultimately may decide it doesn't have adequate information, and we don't want them to use that as an op-portunity to not provide relevant information that the committee needs.

Then we get to a more important and fundamental point about this: Is the generational analysis really vital to the five-year review? My first point in this intervention was that, yes, it is, because pro-posed subsection 43.1(3) of the initial amendment requires a retro-spective report five years after the initial report is tabled. The suba-mendment applies this generational analysis—the intergenerational impact of the reporting in general on this and of the changes in gen-eral—to the retrospective report.

This is correct in principle, and five years after the 2027 rate re-duction comes into effect, this will bring us to 2032. This is where the oldest generation Z workers will be in their early-to-mid thir-ties, I believe. They'll have been contributing at the new rate for about five years. Millennials will be in their mid-thirties to late for-ties. Generation X will be in their late-forties to mid-sixties. Many of them, or at least some, will already be starting to draw CPP ben-efits, including, potentially, some of the members on this commit-tee—not me, but some of the others. We've already determined they represent a cross-section of the ages and demographic cohorts.

For near-retirees and generation X, the people who are in that window where retirement starts to look more significant with each passing year, five years is a very meaningful window for assessment. That time frame in the initial amendment is highly germane to the generational analysis, just because these are the generations that I think are going to disproportionately bear the brunt of the overall changes envisioned by the Liberals on CPP in Bill C-30. Many will have retired. Some will take early retirement. The actual benefit levels they're receiving can be compared against these actuarial projections. This is very valuable retrospective data to have as this committee is forced to look at future changes.

I'll be perfectly candid: I think for some millennials, who are dealing with these questions in a bit of a different way, five years might be too short a window. The actuarial models will be doing the work. The empirical retirement experience of these cohorts will be quite minimal. For younger generations, it will look almost indistinguishable from a revised projection report, not a retrospective one. We have to be reasonable about what the five-year report is actually going to accomplish. The report itself will not serve each demographic cohort evenly, but I think all of this is important to understanding the broader effects of it.

I would just add another derivative point—I wouldn't say central point—that is still highly valuable to consider here. As you know, Canada is not alone in grappling with changing demographics right now. We have to look at how comparable jurisdictions are dealing with this. I understand that the United Kingdom has quinquennial reviews of the national insurance fund that include cross-generational projections. Partner jurisdictions, then, are already doing the work that right now the Liberals don't seem to want to do, which is understanding how these demographic generational cohorts are affected by this. There are also long-term fiscal sustainability reports—the kind we believe go beyond what the office of the chief actuary provides now—that should be included in a report that the finance minister must provide.

In Sweden, the famous orange envelope that is sent to every pension participant includes a projection of expected lifetime benefits under current contribution history. In Sweden, pension reporting is built on the premise that every contributor has the right to know their individual position in the system, not just the system's aggregate health. You can compare that to the expectations that anyone with a private pension would have. When you get your annual report, you will get a reporting and an accounting not just of how the pension fund in general is doing but of your specific targets and your specific pension program.

● (4000)

In the CPP system, we don't have that. A lot of the pension is, really, a black box for a lot of Canadians. This is why we wanted in an earlier amendment to have plain language requirements so that when people look at the report of the office of the chief actuary—which, I would venture a guess to say, most Canadians aren't doing—they're actually getting more accurate information about it. The generational effect is hugely important there.

I may be losing some of my colleagues. I notice they're speaking a lot more now. They might be wanting to dig into the points. I'm happy to hear their contributions when they intervene later on this.

I want to explain how the amendment and the subamendment are engaged on this right now. The subamendment is being debated in the context of the amendment itself, and that's an amendment that I hope the committee will support. It's certainly an amendment that my Conservative colleagues and I support. The amendment requires a projected impact report within three months and then a five-year retrospective. That's it. It's very simple.

This is a substantial improvement to a bill that really doesn't require any ministerial reporting at all on the CPP rate reduction. I don't want to just outsource all the heavy lifting to the office of the chief actuary, which serves a fundamentally different function to Parliament and the Canadian people than the Minister of Finance does.

In this piece of legislation, which has effects extending decades into the future, there is no requirement for the minister to report on what they expect to happen, on whether what happened matches the expectation—

**The Chair:** Mr. Lawton, I'll just remind you about being repetitive. You've said that a number of times.

**Andrew Lawton:** Which part do you mean?

**The Chair:** I mean the “no reporting requirement” part. If you can, just remember not to be repetitive. Thank you.

**Andrew Lawton:** I understand. Thank you, Madam Chair.

I was trying to relate the subamendment to the amendment in particular, but I guess this committee is relatively well versed on the amendment itself by now—I hope.

We can't afford to shortchange Canadians when we're talking about their life savings or the totality of their retirement plans. If you accept the amendment—which I'm sure after this debate our Liberal colleagues will have to do because it makes no sense to oppose it—there is no reason to oppose the subamendment, because opposing it would basically be saying, “Yes, we want a report, but we don't want the report to say anything useful about the people whose retirement security is at stake.” I don't find that to be a particularly defensible position.

If they oppose both the amendment and the subamendment, that would be highly illustrative, because they'd be saying that the government should be able to reduce CPP contribution rates and report to Parliament the impact only if and when it chooses. This is fundamentally a lack of transparency and accountability, and I don't see how my Liberal colleagues could ultimately support it.

Then we get to the practical drafting points. We have listed in our subamendment the differentiation of the demographic cohorts that we believe are valuable to explore:

current retirees, near-retirees, Generation X, Millennials and Generation Z

**The Chair:** Mr. Lawton, you've repeated this point a number of times. If you can, try something new.

**Andrew Lawton:** Okay.

I'm aware that in listing those, we are leaving out subsequent generations, which are yet to be defined but will still fall within the 75-year projection and, in general, the decades to come. It may be that the next time this is reassessed, Parliament will have to add further generational cohorts to that.

I note that there is some disagreement about where the boundaries on those lie, which is why I think it's valuable to note that we are not being instructive. We are not saying that the minister has to define "millennial" as being from 1981 to 1996. We're not telling the minister to define whether a near-retiree is someone looking at retiring within 10 years or 15 years. It's a very reasonable subamendment. In some ways, we're leaving that to the discretion of the minister and the resources they rely on to formulate this report, but it's crucial that the report itself is formulated.

The committee could, theoretically—if my Liberal colleagues want to propose an amendment to this effect—spell out birth year ranges in the legislation. I don't think that's necessary. Statistics Canada has also done some work on this, as many of my colleagues would know and have incorporated it by reference. The minister may wish to determine for himself or herself what those terms would be in the report.

I don't want this to be in isolation from the work being done by the chief actuary, because the technical capacity for generational modelling and all of that exists within the Office of the Superintendent of Financial Institutions. The subamendment really requires implicitly that the consultation be done by the minister, but the minister has to be able to draw in this information and ultimately make these determinations.

All of this is part and parcel of why these two sections, the subamendment and the amendment, speak more broadly. I have some further thoughts that I think get more to the amendment itself. I'm happy to share those once we've dispatched with the subamendment.

I do not believe fundamentally that we should be passing any legislation that does not understand how and why certain groups are affected differently. The government already has this approach through the gender-based analysis. They already have this through other things. I don't know why we wouldn't look at pensions and retirement, which are fundamentally about reaching a particular place in life. Why would we exclude the differentiations that exist between people at different stages of life who will have very different interactions with CPP and face very different economic realities right now that affect the value of CPP and the role it plays in their lives?

I'm happy to take any questions on this. I would strongly encourage support of this subamendment.

• (4005)

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

Go ahead, Mr. Lawrence.

**Philip Lawrence:** I have had the opportunity to comment on this already, so I will make my comments fairly brief. I know there are

other people on the list who want to talk about the idea of intergenerational disclosure of the impact.

I'm old enough to remember that CPP used to send out statements for each individual as to where they were. Believe this or not, it was actually on paper. I know that folks around here are too young, but as an old man, I can remember getting paper statements. I know—it's crazy.

It gave you an idea as to where your CPP was. Obviously, the impact of the solvency of CPP 75 years out will be different on, say, me at 47 than on someone who is 20 years old. I have a much shorter runway to collect my CPP, and there's a shorter runway to pay it out.

The idea is to provide, in a way that's hopefully easily understood by all Canadians, something that says if I am 25, here is the likely solvency of CPP. Obviously, with the longer runway, you have a longer time for things to go bad or good, as opposed to if you have a bit of a shorter runway. It's what that might look like as well.

I promised I would be brief, so I will be brief. I'm hopeful. Do you know what? We have some great members on the other side. We can get a deal done and improve this bill by working together as team Canada.

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

Go ahead, Ms. Goodridge.

**Laila Goodridge (Fort McMurray—Cold Lake, CPC):** Thank you, Madam Chair.

I think this is such a critically important subamendment. I remember when I was first entering the job market and talking—

**The Chair:** I apologize, Ms. Goodridge.

Please don't crinkle your snacks near the microphone. If you are going to eat snacks out of a package, please do it away from the table. Thank you very much. It's for the interpreters.

Ms. Goodridge, you can continue.

**Laila Goodridge:** Thank you, Madam Chair. I don't have snacks, so I appreciate that.

When I was first entering the job market, I remember having many conversations with my dad specifically about what the world looked like and how things have changed. My dad used to talk about inflation all the time. That was really important to him. He often used to take us to the store and say, "When I was a kid, what you know as a five-cent candy was a one-cent candy, and for what you guys know as a one-cent candy, we could get five of them for that." Part of why he stressed this was that the generations did not experience things in the same way. It is incumbent on us as legislators to acknowledge that reality and to look at it.

My dad bought his first home in Fort McMurray for well under \$100,000. He had a fair salary, so he could afford to have a good life and raise a family. Many of my friends had one parent who worked and that was doable. I was looking to buy a house when I graduated from university. At the time, when I went to buy my first house in Fort McMurray, had I wanted to buy the same house as my dad's, it would have been over \$600,000. That was for the exact same 1,100 square foot starter home.

The reason I—

• (4010)

[Translation]

**Steeve Lavoie:** I have a point of order, Madam Chair.

**The Chair:** You have the floor, Mr. Lavoie.

**Steeve Lavoie:** I simply want to remind the honourable member who just joined us—and I'm glad to have her with us—that she has to keep her comments to the amendment. I'm not suggesting that her family isn't interesting. I have no doubt we could discuss her family and her first homebuying experience all evening long, but it would be nice if she could stick to the amendment instead.

[English]

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

[Translation]

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

Mr. Lawrence, has the floor on the same point of order.

**Philip Lawrence:** Sorry, but there's no interpretation.

**The Chair:** All right.

Is it working now?

Great.

[English]

Would you like him to repeat that point of order for you?

**Philip Lawrence:** I wouldn't mind.

[Translation]

**Steeve Lavoie:** I was telling the honourable member who just joined us to get back to the subject at hand, the amendment. I'm not suggesting that her family and her life aren't interesting. I think they are, but not right now, when we're discussing the amendment. For our purposes, she should return to the amendment.

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

[English]

Ms. Goodridge, as a reminder, we're on subamendment four of CPC-13. If you can stick to that particular subamendment, that would be appreciated.

**Laila Goodridge:** Well, part of the reason I'm bringing this up is to show some of the differences in the different generational pieces. It's incredibly important to do that when we're having these conversations about why these amendments and subamendments are important and why we're bringing them forward. It is precisely because there are massive shifts and changes between different generations. Frankly, if we're not looking at what has gone wrong in the

past and are just going to continue on, any changes to the CPP will have a lasting impact on the future of Canadians.

As we currently see, with any change to the CPP... Our inboxes are not typically filled by 18-year-olds who are just entering the workforce; they're filled by people who are either at retirement or about to retire. The reason I brought that up is to highlight that in the same little community for the same house, the change is remarkable. As legislators, if we're not going to acknowledge that this exists and acknowledge that we should probably look at what it means and how the changes we're proposing are going to have an impact, then we're failing. We're not just failing as legislators today; we're failing the generations to come.

I know the Liberals are quick to point out if something is deviating from the subamendment, but the reality is that I don't think they're listening. I don't think they're listening to Canadians who are concerned about what any of these changes to the CPP are about. I don't think they're listening to the fact that these changes could have very different impacts on different generations and different pieces. I don't understand why they wouldn't want to have some kind of mandatory review. This is being done in peer jurisdictions. This is quite normal. This is just good math. It's good actuarial science. If we're not looking at some of these pieces, how are we going to be making the best long-term financial decisions?

Any changes to the CPP matter deeply to Canadians. For a lot of Canadians, this is their one and only retirement plan. If we're going to say that having mandatory reports isn't required because it's too much work and if they want to just keep it under the guise of darkness, I don't think that's going to fly very well with Canadians. That's why Conservatives are fighting for this, and it is why Conservatives will continue fighting for this.

Frankly, I don't understand. If the Liberals have a concern about this, why won't they put their hands up and speak to why they think this is a bad subamendment? They seem to have all kinds of different opinions on whether what we're saying is in line with what they want to hear, but we haven't heard them speak to this. I think that's incredibly important.

The reality is that Canadians deserve to have the assurance that this plan will serve them as well as it served my dad's generation, my grandparents' generation and the generations before that. People are paying into this plan, thinking it is going to provide them with something. With the cost of living going up as it is and with inflation being at an ever-increasing rate, the reality right now is that being on a fixed income is incredibly difficult, especially for the single seniors out there who do not have the same tax benefits and the same space as senior couples. There are so many differences.

I sit on the status of women committee, and we've heard a lot about the differences in the tax system between a single senior and a couple. That has a material impact on this. If we're not willing to look at what the generational impacts are, then we're not actually taking into account the piece that matters. When we're solving a problem, we can solve the immediate problem that's in front of us, or we can look to try to solve a problem down the road. Generally speaking, the best solutions don't just work in the immediate; they work because they take into account all of the history of this.

• (4015)

Madam Chair, I think it is absolutely incumbent on us that we have these reports and that we look at what the generational piece is. I would welcome some commentary from the Liberals as to what their thoughts are on this particular subamendment.

**The Chair:** Thank you, Ms. Goodridge.

Mr. Ho.

**Vincent Ho:** Thank you for lending me the chair, Madam Chair.

**The Chair:** I did not lend you the chair.

**Vincent Ho:** I'm sorry. I meant for lending me the floor, Madam Chair.

Let's talk about the CPP today. The CPP is a very dynamic organization, which I've had the pleasure of studying quite a lot at school.

**Carlos Leitão:** I have a point of order, Madam Chair.

I think we are here to talk not about the CPP but about the amendment or the subamendment.

**The Chair:** Thank you, Mr. Leitão.

Mr. Ho, stick to the subamendment, please.

**Vincent Ho:** Thank you.

In response to that point of order, we were talking about the operation of the CPP before I was rudely interrupted. We are quite literally talking about the CPP today. The amendment, the subamendment and the subamendment to that are all related to the CPP, so I don't know why it would be off topic.

I have had the pleasure of studying this very dynamic organization throughout my career. This subamendment is very important. It comes down to one thing. It comes down to transparency, which is a word that doesn't seem to exist in the vocabulary of Liberals. We've seen time and time again that they do the opposite of that.

It asks the government to show Canadians.... The CPP, of course, is at arm's length from the government. The money does not belong to the government, as much as some Liberal insiders believe that the money belongs to the government. They believe you can tell it what it can invest in, maybe force it to invest in some politically-sensitive, insider-backed investments. It shouldn't be. It should be independent. It has been independent.

It's not about slogans. It's not about press releases. This is about transparency.

**The Chair:** Mr. Ho, I remind you to stay focused on the subamendment.

**Vincent Ho:** I appreciate the feedback on that, Madam Chair.

The amendment here is talking about a report. It's about transparency. My argument is to submit that these transparency measures are important; it's about who's going to benefit from these transparency measures.

It's not a rehashing of existing information that could be readily available. This is about disclosing additional information. Again, this is information that the CPP should have and collect already. It's just presenting it so that each generation can see the impact of the fund, the solvency of the fund and its viability moving forward.

This is in the backdrop of today's Liberal recession. Graduates now are graduating school this year, in 2026, into a recession, much like in other recessions. This is a made-by-Liberals recession. It's not as though it's a global financial crisis, where every country is impacted and governments are struggling to get a handle on it and provide relief to families, workers and businesses. We are living in a recession that is a made-by-Liberals, made-in-Ottawa recession, because we're the only country in the G20 in a recession. It's more important than ever—

• (4020)

**Carlos Leitão:** I have a point of order, Madam Chair.

Can we get back to the subamendment, please? We are talking about recessions and the G20—

**Andrew Lawton:** Yes, you're admitting there's a recession.

**Vincent Ho:** Wow, you're admitting there's a recession. Congratulations.

**The Chair:** Thank you, Mr. Leitão.

Mr. Ho, I would just—

Is it on the same point of order, Mr. Lawrence? Please, go ahead.

**Philip Lawrence:** One of the important things we've talked about is that there are a series of macroeconomic issues that could impede or impact the financial sustainability of the CPP. The member, being a former minister of finance in Quebec, would understand that.

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

This is entering into debate.

Mr. Ho, if...

There's another point of order.

Mr. Lavoie, go ahead.

[Translation]

**Steve Lavoie:** I agree with my colleague Mr. Lawrence. Context is important, but Mr. Ho is repeating what Mr. Lawton already said. Members were told that they were being repetitive, but the same can be said of our colleagues. Is it repetition if the comment was already made?

I'm asking, because everything the member just said Mr. Lawton said previously.

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

[*English*]

On the same point of order, we have Ms. Goodridge.

[*Translation*]

**Laila Goodridge:** Madam Chair, what Mr. Lavoie said isn't a point of order, because—

**The Chair:** All right.

[*English*]

**The Chair:** Thank you very much, Ms. Goodrich.

Mr. Ho, you continue to have the floor. I would like to remind you to continue with relevance to the subamendment that is on the floor. You can repeat something someone else has said, but please don't repeat it yourself again and again.

**Vincent Ho:** Okay. I'm trying to make original arguments.

**The Chair:** I think people would like to hear something new, after closing in on 11 hours of committee testimony at this moment.

**Vincent Ho:** There's a special point.... It's a very important bill.

**Andrew Lawton:** You just have a round.

**Vincent Ho:** Those points of order lasted several minutes already. I was interrupted by them.

I want to link it back to why recession matters. Recession means negative GDP growth. It usually means fewer jobs. It's workers who have those jobs who pay into the CPP. It's a generation now graduating into a made-by-Liberal, made-in-Ottawa recession. It's very important that we study these intergenerational effects or at least have some data on the intergenerational effects of the CPP and, of course, the sustainability of the CPP as it pays out those pension obligations, because it's dependent on the growth of those assets, dependent on the contributions of current generations.

This is all about the different generations. We have gen X, we have gen Y, we have gen Z. I have the pleasure of being gen Y, although some people, when they first look at me, may say I'm in gen Z. I digress.

It's not an unreasonable request. This is a bare minimum that we expect parliamentarians to be looking at. This is not an issue that is at the top of everyone's mind, but it's also very important that this will affect almost everyone. Everyone who works for a paycheque will deal with CPP. Even small and medium-sized businesses have to make employer contributions as well, and they have to deal with the CPP. Every Canadian worker who pays into the CPP deserves to know more about the viability of the CPP.

Of course, the assets that CPP invests in traditionally have been a lot of liquid assets—a lot of real estate, infrastructure assets, private equity, venture capital. Of course, most of those returns now no longer have the.... They generally have created better risk-adjusted returns than public equities; therefore, you can generate better returns, hypothetically, than by investing in a public market, like buying a stock index passively—the S&P 500 or the TSX 60. Those as-

sumptions have changed recently. Those alternative asset classes are no longer generating the same level of risk-adjusted return.

When you look at the CPP and its viability for the next generation, if it's still continuing to use that sort of investment mandate.... That has been a recipe for success for many decades. The next generation, the youngest generation, which might not withdraw from the CPP until 40 or 50 years from now, needs to know that perhaps there are assets that are maybe not generating the same sort of risk-adjusted return as those of previous generations.

What has worked—the contribution rates that have worked before to get the same withdrawals—might not be the same, because we're living in a Liberal, low-growth environment. You're not going to expect asset returns to have the same returns as for previous generations. It's very important that we study the intergenerational impacts when we're in a Liberal, low-growth—

• (4025)

**Laila Goodridge:** Recession.

**Vincent Ho:** Yes, we just heard “recession”. That's breaking news right there.

It's a reasonable request. I don't see why we would oppose this. This amendment is specific, but not so prescriptive that, if we get the minister or the CPP to produce the information and present it in a way that works for them, also producing more information that contributes....

There are lots of side conversations happening right now.

**Marie-France Lalonde (Orléans, Lib.):** They're talking on your side.

**Vincent Ho:** There are several parties talking, actually. There are several conversations.

**Emma Harrison (Peterborough, Lib.):** Come on, Vincent. Keep going. You're doing great.

**Vincent Ho:** It's about predictability.

To many people, the CPP might not be enough. They look at their OAS and, if applicable, GIS. If they get their CPP, that might not be enough to sustain their lifestyle.

We know, for example, that for the younger generation now, home ownership is lower than before. A lot of the time people expect that when they retire and their mortgage is paid off.... They still have to pay rent, utilities and property taxes, but they don't have to worry about mortgage payments after they retire, because their 25- or 30-year mortgage has been fully paid off.

That's no longer the case for many people now, because they may be renters for life. People may be renters when they're 30 or 35 years old, but now they may be renters when they're 65 or 70 years old, even though they've worked their whole lives.

Their CPP and OAS might not be able to cover rent, which continues to increase. We've seen rents double in the last 11 years under this Liberal government, because of their lacklustre housing and out-of-control immigration policies.

It's about knowing that the CPP is going to be paying the amounts for people to be able to afford to live. Now you have to add rent payments after you retire, which again, many homeowners might not have to deal with—

**Kent MacDonald:** Madam Chair, I have a point of order.

This entire thesis by Mr. Ho has nothing to do with the subamendment that we're debating here today.

I would ask that you rein him back in terms of speaking to the subamendment and not this thesis that he's given us, although we well appreciate receiving it.

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

Mr. Ho, this is another reminder for relevance to the subamendment. Please stick to the topic at hand.

Thank you.

• (4030)

**Vincent Ho:** Thank you for the reminder from the member.

I mean, we're talking about, “estimated lifetime contributions, estimated lifetime benefits and the impact of the reduction in contribution rates beginning in 2027.”

These might be cents today, but they could be dollars later on.

I have a lot of other points I could make, but I think I've made the big ones on this subamendment. I'm going to cede the floor, and maybe we can move to a vote on this important subamendment.

Maybe we'll get more Liberal members on this committee to admit that we're in a Liberal recession.

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

Shall subamendment 4 to CPC-13 pass?

(Subamendment negatived: nays 6; yeas 4)

**The Chair:** We are returning to CPC-13.

Go ahead, Mr. Lawton.

**Andrew Lawton:** Thank you very much, Madam Chair.

Disappointed as I am about the vote on the previous subamendment, we have to move forward, onward and in the spirit of collaboration.

I want to get to the crux of this. What we're trying to do in this reporting requirement is ensure—again, this is just such a fundamentally clear point—that we have accurate information being communicated to Parliament and, by extension, to the people of Canada on information that is highly relevant about the sustainability of the CPP.

When we talk about what needs to be in that report, I think a lot of things will ultimately come down to how well Canada's pension funds are being managed and invested. I cannot stress the impor-

tance of that enough. I want to assuage any concerns Canadians may have.

Mr. Lawrence dealt with this very capably earlier, as he so often does.

We have a system right now that is working and producing good returns for Canadians. I think that's important to know. One of the best ways to understand how that system is faring for Canadians is by understanding how other systems are faring and what some of the differences are between them.

To that end, I'm going to be moving a subamendment that I think would significantly enhance the reporting requirement here. It's ultimately a subamendment that will compare CPP with international pension systems and programs. I'm sure that, when we get into debate on the subamendment, we can delve into some of those things. I mention a few particular countries in the subamendment.

To give some context here on the why, I'll say this for the benefit of other members.

[*Translation*]

The goal is simple. When the minister reports to Parliament on the amendments to the Canada pension plan, the report should also tell Parliament how the plan compares with public pension plans in the U.S., Australia and Sweden, with respect to funding levels, reliance on investment income and the extent to which each plan delivers promised long-term benefits.

[*English*]

The context matters. The CPP does not exist in isolation. It's one of several approaches that wealthy democratic countries have taken to the same problem: How do you ensure that workers have secure retirement income? Each country has made different choices. These choices have produced very different results in terms of sustainability.

The United States, for example, has a largely pay-as-you-go system. It invests its reserves very conservatively. It faces well-documented, long-term funding pressures. Australia took a different path. They've built a system around mandatory employer contributions. You have Sweden, which has restructured its pension system, moving away from pure pay-as-you-go and introducing stabilizers to keep the system in balance—

• (4035)

**The Chair:** I'm sorry, Mr. Lawton. Mr. Garon has a point of order.

[*Translation*]

**Jean-Denis Garon:** [*Inaudible—Editor*]...list of people who will discuss it.

[English]

**The Chair:** Oh, okay. I thought you had a point of order.

[Translation]

**Jean-Denis Garon:** You have to have some fun, Madam Chair.

[English]

**The Chair:** Okay.

I'm sorry, Mr. Lawton.

[Translation]

**Andrew Lawton:** Canada's approach, which involves the use of a professionally managed globally diverse investment portfolio to partially prefund the plan, is truly distinctive and enjoys wide international recognition.

It's worthwhile to clearly state that information in a report to Parliament, because it gives Canadians a foundation to understand what we have, why it works and what is at stake when—

[English]

**The Chair:** I'm sorry, Mr. Lawton. Monsieur Garon does have a point of order.

[Translation]

**Jean-Denis Garon:** I have a point of order. I am really referring to the Standing Orders now. This isn't a point of debate.

The Standing Orders, as I understand them, prevent members from proposing subamendments that are very similar to previous ones. Once the committee has considered, and disposed of, the matter, it can't be reintroduced.

I'd like to know the spirit of the rules. Perhaps we can give the clerk a moment to check that.

I'm not done. I can't be accused of abusing my speaking time today, unlike others.

I'd like to know something within the meaning of the Standing Orders. When does it become repetition to put forward a subamendment that repeats the same request contained in a previous subamendment, except with a couple of commas switched around?

At what point are such subamendments deemed to be out of order because they are too similar to previous ones?

**The Chair:** I have a question. I'll check with the clerks. Thank you.

[English]

**Andrew Lawton:** Madam Chair, may I make an intervention on that as part of your consideration?

**The Chair:** No. I'm talking to the clerk. I will turn to you when you have the floor.

[Translation]

Thank you, Mr. Garon.

We're going to consider the text of the subamendment. However, you're right. Members can't move an amendment or subamendment that's too similar to an amendment that has been moved already if the committee has already made a decision on it.

At least one subamendment today and another one moved yesterday were too similar. As a result, I said that the wording of these subamendments made them inadmissible. We're going to consider the wording of this subamendment.

Thank you very much for your remarks. Of course, we'll come back to this when we receive the text of the subamendment.

Thank you.

[English]

Mr. Lawton, you may continue.

**Andrew Lawton:** Thank you, Madam Chair.

That was, I think, a very reasonable approach. I hope that, if my colleague challenges the subamendment, you will allow an intervention on that, because I understand what he's getting at. If it comes to that point, you won't allow people to intercede—

**The Chair:** If the chair rules that something is inadmissible, you can challenge the chair and we go to a vote. There's no debate on that whatsoever.

**Andrew Lawton:** I'm sorry, but—

**The Chair:** If you would like to continue on your motion, focus on that, please.

**Andrew Lawton:** I will. I'm just saying that if someone makes a point of order, I hope you'll allow a response as you judiciously weigh the outcome.

**The Chair:** No, those are points of order, not points of debate.

**Andrew Lawton:** Okay. You don't want to hear—

[Translation]

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

[English]

**The Chair:** Monsieur Garon, go ahead on a point of order.

[Translation]

**Jean-Denis Garon:** I think my Conservative colleagues know I hold them in high regard. I think that's well known. There's nothing personal about this. However, when my colleague tells me that he thinks he understands where I'm going when I speak, implying that I want to obstruct their excellent parliamentary work, I think that's an unfair criticism.

[English]

**Vincent Ho:** I have a point of order.

That's debate.

**The Chair:** Excuse me, Mr. Ho. I did not give you the floor. Wait until I recognize you. Monsieur Garon still has the floor.

Thank you.

[*Translation*]

**Jean-Denis Garon:** I think it's a real point of order.

[*English*]

**Vincent Ho:** I have a point of order.

**The Chair:** No, Mr. Ho. I will continue with Monsieur Garon. I will turn to you in a moment.

**Vincent Ho:** I have a point of order, Madam Chair.

[*Translation*]

**Jean-Denis Garon:** As a parliamentarian, I think I have the right to ask whether we may be wasting our time. The Conservatives, like anyone here, can move as many subamendments as they want. The subamendments can be new and constructive and have new content. We'll debate them; there's no problem with that.

I think that claiming to know where a colleague is going, implying that I'm filibustering, when I have spoken for three minutes out of around 20 hours of debate, is unfair.

I encourage my colleague, beneath his facade of fake kindness, to be careful about what he says when he talks about colleagues.

• (4040)

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

[*English*]

I would like to remind all colleagues that we are all honourable members. We approach everyone in that vein. We treat everyone like that.

Thank you, Monsieur Garon, for that.

Mr. Ho, do you have a point of order?

**Andrew Lawton:** I wish to raise a question of privilege.

**Vincent Ho:** I withdraw my point of order.

**The Chair:** Okay. Thank you.

Mr. Lawton, you have the floor.

**Andrew Lawton:** Thank you.

I was listening through interpretation. What I heard Monsieur Garon attribute to me was not what I said. I want to make sure he understands what I—

**The Chair:** Mr. Lawton, this is not a debatable point.

**Andrew Lawton:** Actually, it is, Madam Chair, because he imputed motive, which is a violation of privilege. I believe it stems from a misunderstanding or, potentially, a mistranslation.

What I said was that I understand where he's coming from, not that I understand where he's going. Those have fundamentally different meanings. I was trying to respond to that with respect. I wasn't accusing him of going anywhere.

I just want to make sure he understands that.

**The Chair:** Thank you for clarifying that.

You continue to have the floor. We would certainly like to receive the text as soon as possible.

**Andrew Lawton:** Thank you. I'm at that point now.

Ultimately, what I'm pointing out is that people would have a lot more confidence and trust in the report on CPP—which we believe is necessary—if we could see how Canada's system stacks up against those of other jurisdictions.

With that being said, my subamendment is that the amendment be amended by adding after proposed subsection 43.1(1) the following:

(1.1) The report prepared under subsection (1) and the report prepared under subsection (3) must include a comparison between the Canada Pension Plan and public or mandatory pension systems in other jurisdictions, including the United States, Australia and Sweden, with respect to funding levels, advance funding, reliance on investment income and the long-term financing of promised benefits.

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

We will have a brief suspension while you send that in and while we have it circulated for translation.

• (1640)

(Pause)

• (1655)

**The Chair:** We are continuing.

[*Translation*]

Mr. Garon, you have the floor.

**Jean-Denis Garon:** Would it be possible to take the floor next turn so that I have time to read the subamendment?

**The Chair:** Yes, absolutely.

[*English*]

**Andrew Lawton:** We can suspend if you would like.

**The Chair:** No, it's okay.

We'll continue with Ms. Goodridge.

**Laila Goodridge:** Thank you, Madam Chair.

Considering that the last subamendment was not accepted, I really do think that it is key.

Canadians expect us to make sure that their Canada pension plan has adequate reporting. Having a report prepared that compares the Canada pension plan with those of other jurisdictions that are effectively peer jurisdictions, such as the United States, Australia and Sweden, is a very good practice. It will give us the space to understand whether the funding levels are in line with our peer jurisdictions. Are we overly reliant on one stream of financing over the other? Is it meeting the expectations of Canadians?

This is a very common-sense subamendment that simply allows us to have more information when it comes to what we're putting into the Canada pension plan. This is something that many Canadians want to understand, because they have growing fears of what their retirement is going to look like.

Doing this work now by having Parliament look through this, and having those peer jurisdictions considered, will put us in a better place to make sure we're making the right decisions in regard to any proposed or anticipated changes. Frankly, there are more and more Canadians who rely solely on CPP, and later on OAS and GIS, as their form of savings. If that isn't meeting the mark, if that's not meeting the expectations of Canadians, it's better for us to figure that out sooner rather than later.

I don't see how the Liberals could vote against this. This is very simple. It isn't asking for a big and sweeping change. I'm not sure if we're even going to hear from anyone on the Liberal side as to what their thoughts are, or if they're just going to do what they've done with other subamendments. They raise a few points of order occasionally and vote it down.

I hope they see that this is a very common-sense solution. This is about having a comparison between our pension plan and how it's invested, and those of peer jurisdictions. I would welcome everyone to vote in favour of this.

• (4100)

**The Chair:** Thank you, Ms. Goodridge.

[Translation]

Mr. Garon, are you ready?

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

This is the fifth time we have considered a subamendment to CPC-13.

I am a Quebecker. The public portion of my pension plan is with the Caisse de dépôt et placement du Québec. Understandably, debating the Canada pension plan for 62 hours doesn't fill me with excitement. That said, we have to do it, since we're part of a federal parliamentary committee. Personally, my money is with the Caisse de dépôt et placement du Québec. Madam Chair, you'll see that what I'm saying is related to the amendment.

As far as the Quebec pension plan goes, the Caisse de dépôt et placement du Québec is a national treasure. Since Mr. Leitão used to be Quebec's finance minister, he can attest to that. Obviously, the Quebec plan is aligned with the federal plan in many respects, but we're talking about comparable elements. The contribution rates are different. The benefits are similar, but there's a harmony.

One thing is certain: we're proud of the Caisse de dépôt et placement du Québec. It has been a key development tool in Quebec's history. It's an amazing model, and we look after it. There is something I find odd. I find it hard to see members of the Parliament of Quebec spending 40 hours denigrating the Caisse de dépôt et placement du Québec. For Quebeckers, we find it to be a very important structuring tool. It's a social safety net, a vehicle that aims to force people to save.

Mr. Leitão has previously sat in Quebec City, but I don't know if he has ever seen a situation like this. Dozens of hours have been spent denigrating the Quebec pension plan. I think that's a problem. In Quebec, we're too proud of our system for that.

Report after report, the Conservatives are saying that when they go door to door, people tell them that they're terrorized by the

thought of not getting their pensions and that they wonder whether they'll be able to make ends meet. I don't want to put anyone's word into question, but if it's true that people tell them they're terrorized by this thought, it has to do with the amendment. We're missing a report.

Between two trips to the grocery store and the children's swimming lessons, I would like to see three-coloured graphs that show the actuarial structure of the Canada pension plan. Maybe the reason people are terrorized is that the Conservatives are denigrating the Canada pension plan. They're attacking it, even. In Quebec, I don't think we would put up with that. We're too proud of our plan. When I go door to door in Quebec, people talk to me about the high-speed rail and all sorts of things, but they don't tell me they're afraid of not getting their pension.

An actuarial report has been drafted. Mr. Leitão actually knows the details better than I do. I think a report is tabled every 36 months, as is the case here. The contribution rates are adjusted, and the benefits are indexed. Employer plans are adjusted, and they're complementary to the established adjustment factors. In Quebec, no one tells us that they're afraid of not receiving their pension.

I would like my colleague opposite, who is very familiar with the Quebec pension plan, to tell me one thing. In Quebec, people aren't being terrorized. Do we really do things differently when it comes to publishing information?

I would like my colleague Mr. Leitão to comment on that. I'm very interested in that. In fact, it's one of the only things to have interested me in this debate. It would be worth us spending some time on that.

• (4105)

[English]

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

Mr. Ho, you're next on the list.

**Vincent Ho:** Thank you, Madam Chair.

This is a very great and unique subamendment talking about comparisons between different jurisdictions. I know that some of these different pension systems across the world operate differently. They have different rules, different contribution rates, different contribution timelines and different draw rates. However, it's still worth having those comparisons. Of course, one could argue that you could just pick up the annual report of another pension plan from a different country. Yes, theoretically, one could do that, but it's not an apples-to-apples comparison.

It's important that we be able to compare and distill information drawn from these other jurisdictions and put it into one report so that Canadians can see and have a comparison that is more apples to apples. This is because reports will be written differently. There are going to be different types of information disclosed. The reports will be written in different formats and have different lengths. They're going to be in different languages. They're going to be in different formats of varying degrees and maybe with different reporting periods and different fiscal year end dates as well.

Also, of course, we're looking at being able to make it more comparable in terms of normalizing the asset classes those pension plans invest in. There is geographic diversification. These pension plans invest in all kinds of countries around the world, and they have different weights in those different countries in terms of the investment class and in terms of different asset classes altogether. Therefore, we would be able to normalize that.

To be able to normalize that information across those peer countries, including—without limitation to the United States—Australia and Sweden, and to be able to present that information to Canadians so that they can have an apples-to-apples comparison rather than an apples-to-oranges comparison is very important, because we do want to compare—

[*Translation*]

**Steeve Lavoie:** I have a point of order, Madam Chair.

**The Chair:** Mr. Lavoie, go ahead on the point of order.

**Steeve Lavoie:** I think this isn't the first time he has been reminded of this, but I want to remind our colleague not to repeat himself. He's talking about comparing countries. He has repeated that about three times now. I want us to get back to the debate and not repeat the information several times.

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

[*English*]

Mr. Ho, we've unfortunately had to repeat several times that people not be repetitive. Could you just remember the Standing Orders and try to present some new arguments?

Thank you.

**Vincent Ho:** Thank you for the reminder.

It's different, because I'm talking about the comparability, about how it's not just picking up.... Let's say you have, listed on the same stock exchange, two companies that are under the same accounting standards and are headquartered in the same jurisdiction. Then you can compare two companies. If you pick up the financial statements of TD Bank and BMO, for example, you can get a pretty comparable analysis, just because they're governed by the same rules. However, pension plans of different countries are not going to be governed by the same rules, so if a pensioner, a Canadian worker, were to pick up those documents, they would not be able to just compare....

I'm talking not just about the importance of comparing, which is one point, but also about the normalization of the comparability, which is the second point. Therefore, I'm not repeating myself. Those are two different arguments, and I think they're important issues that are worth discussing. Of course, Liberals don't like to talk about comparison, because we bring up the fact that we're the only country in the G20 that is in a Liberal, homegrown, made-in-Ottawa, made-by-a-Liberal recession.

• (4110)

**Emma Harrison:** I have a point of order.

**Vincent Ho:** See? I get a point of order every time I bring that up.

**The Chair:** Ms. Harrison, go ahead on your point of order.

**Emma Harrison:** I know I've only been here for a bit, but this is getting incredibly repetitive, and I think Canadians as a whole would be really disappointed that their tax dollars are going to this waste of time.

**The Chair:** Thank you, Ms. Harrison.

Mr. Ho, you have the floor.

**Vincent Ho:** Wow. You call it a “waste of time”. How about the—

**Emma Harrison:** It's embarrassing. It's sad.

**Vincent Ho:** —\$70-billion deficit that your government wants to run? I mean, this is quite—

**The Chair:** Mr. Ho, could you please stick to the subamendment?

**Laila Goodridge:** It's \$72 billion.

**Vincent Ho:** I'd like to respond to that.

**The Chair:** No, this is not a debate, Mr. Ho. You have the floor on the subamendment. Please stick to the topic.

**Vincent Ho:** Personal attacks, like whoa. Going back to this.... I'm sorry, but could you put that in the record? She has something to say.

**The Chair:** Mr. Ho, could you continue? I couldn't hear it.

**Vincent Ho:** It was through the translation, the microphone. She just said something.

**The Chair:** You weren't listening to the translation, so that's very rich.

**Vincent Ho:** I didn't know if she said it in French.

**The Chair:** Mr. Ho, please stick to the subamendment. I'd like to maintain order in this committee. Thank you.

**Vincent Ho:** I'm trying to finish my point, and it just keeps being interrupted. The comparability between jurisdictions needs to be normalized so that the reader, the user of that information, can actually find usefulness in the information across years, across asset classes and across contribution rates. Then there's the fund's overall performance and also the statements that the pensioners themselves would receive based on their own individual position.

These are all very important aspects, because we are talking about a paradigm change when it comes to some of the assumptions in the pension industry. There could be lower returns, different levels of inflation and different interest rates, and people could be living longer—with longer life expectancies—working longer and taking a phased retirement rather than just retiring at whatever age that may be. Of course, there are higher costs, because, for example, food costs are not factored in the CPI, and the inflation numbers that might be referenced are outpacing the rate of inflation. Of course, retirees who depend on the CPP still need to—

**The Chair:** Mr. Ho, can you please stick to the subamendment that has been proposed?

**Vincent Ho:** Of course, because food inflation is different in different countries, and we have the highest food inflation in the G7. More and more retirees now are no longer homeowners because of the Liberal housing crisis that we live in.

**Jake Sawatzky:** I have a point of order. We're on clause 43 right now. We've been on clause 43 for how long? It's been several hours.

**The Chair:** It's been about seven hours.

**Jake Sawatzky:** It's about seven hours on a clause. This could have been done in three hours. We are at, I believe, 14 hours now. We've talked about trees falling in the forest. I'm curious as to what's going to come up next. Is Sisyphus really happy? What's the answer to the trolley problem? There are so many random tangents being taken.

Nothing is getting done here. Taxpayer money is going into the resources here, into being extended. We're legislating on the fly. Random amendments are being created. It's being put into translation. We're waiting. Nothing's getting done here. Can we just please stick to the topic at hand? Be concise, stop repeating things and actually maybe get some stuff done, please. Thank you.

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

Mr. Ho, you continue to have the floor. Could you please stick to the subamendment topic?

**Vincent Ho:** We have the floor. We're running a \$70-billion deficit. You divided it up. It's a lot of money.

**The Chair:** Mr. Ho, please stick to the subamendment.

**Vincent Ho:** I never said anything about trees falling in the forest. Maybe you should just quote yourself, Jake.

Anyway, getting back to my point, for retirees it used to be that you could pay your basic necessities, like food, transportation, fuel, clothing and all that kind of stuff. You then had your housing costs, which were much lower, because you just had to pay for property taxes, maintenance fees—maintenance for the property—and utilities. You would hypothetically have paid off your mortgage within 25, 30 or 35 years.

• (4115)

**The Chair:** Mr. Ho, can you bring this back to the subamendment, please, specifically, and what the subamendment number 5 for CPC-13 is?

**Vincent Ho:** We're talking about specifics, so I'll read the words of the subamendment that relate to the argument I'm making. It is with respect to funding levels, advanced funding, reliance on investment income and the long-term financing of promised benefits.

That's of the three countries, right? It's the United States, Australia.... I'm just reading the last portion of that subamendment. I can read the whole subamendment if you want me to, but I'll read the second half, starting at this, “between the Canada Pension Plan and public or mandatory pension systems in other jurisdictions, including the United States, Australia and Sweden, with respect to funding levels, advance—

**The Chair:** I'm sorry, Mr. Ho. There's a point of order from Mr. Garon.

[*Translation*]

**Jean-Denis Garon:** Madam Chair, I don't know whether it's possible, by checking the blues, to confirm that the subamendment had already been read out before. Maybe I missed it, but it seems to me that it had already been read out once.

**The Chair:** You're right, Mr. Garon. We have already stated the subamendment.

Mr. Ho, again, please, pursuant to the Standing Orders, it's important not to be repetitive.

If you have new points to add or new things to say, Mr. Ho, you may continue. However, avoid repetition and stay focused on the subamendment to the clause that we're currently considering.

[*English*]

**Vincent Ho:** Thank you for the kind reminders from the chair and all our colleagues, but I was accused of not relating my points to the subamendment. That's why I am reading the parts of the subamendment that are relevant to the argument I'm making at hand. I'm not even reading the whole subamendment, because I don't want to put the committee through reading the entire subamendment word for word. I'm just reading portions. Then I got accused of reading the wrong subamendment. No, I'm reading the correct subamendment.

**The Chair:** Mr. Ho, will you please focus on the subamendment?

**Vincent Ho:** I'll go back to the argument I'm making. Now we have retirees who have to continue paying rent because the home ownership rates are—

**The Chair:** Mr. Ho, you've repeated this point several times. Could you please start something new?

**Vincent Ho:** I keep getting interrupted every time I make this point. I can't get to the point I'm trying to make.

**The Chair:** Mr. Ho, it's because it's incredibly repetitive.

[*Translation*]

**Steve Lavoie:** On a point of order.

[*English*]

**The Chair:** There is a standing order that says that members are not supposed to be repetitive.

**Vincent Ho:** I haven't gotten to my point. I was trying to set up—

**The Chair:** We are on clause-by-clause.

Mr. Ho, you have the floor, but you need to say something new on this.

There's a point of order from Mr. Lavoie.

[*Translation*]

**Steve Lavoie:** Madam Chair, I would like to know if there's a limit to the number of times a colleague can be reminded.

You have reminded him several times now, and he's carrying on. I have never experienced that in my life. You have reminded him seven, eight or nine times, and he's continuing to repeat the same things.

Reminders have to be given gently and amicably, as Mr. Ho said, and they were given amicably. However, is there a maximum number of reminders that can be given?

**The Chair:** No, Mr. Lavoie, there is no maximum number of reminders, but there are the Standing Orders to follow, and we'll continue to remind the members of this committee to respect the Standing Orders and follow the committee's standards.

[*English*]

Mr. Ho, you continue to have the floor.

**Vincent Ho:** Thank you, Chair.

I was trying to get to the point, and, each time, I get interrupted by points of order. I'm just trying to set up the argument.

The crux of this is that we have higher life expectancies, first of all. Of course, that's different in different countries, so it's worth having that country-by-country comparison. Higher life expectancy is a good thing, but one of the issues presented by higher life expectancies would be more payouts from the pension system. That would affect the contribution rates of workers.

Having that comparison with different countries would be important. We know that birth rates are different in different countries.

**Jake Sawatzky:** I have a point of order. It's absurd that I actually even have to say this, but it's not relevant. That's it.

• (4120)

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

Again, Mr. Ho, please stick to the subamendment for the relevance of your points. Thank you.

**Vincent Ho:** Okay. Birth rates, life expectancies and other things that I'm going to get to are very relevant, because they're different in different countries. Normalizing the comparability of the key assumptions used by different pension plans is important.

Immigration levels are a big one. See, I got a reaction from them when I just said the words "immigration levels". Some of my honourable Liberal colleagues on the other side had a reaction. Of course, we've had out-of-control immigration.

**An hon. member:** Oh, oh!

**Vincent Ho:** Why is he laughing? I know this is not the most interesting subject matter—

**Carlos Leitão:** Four times—

**Vincent Ho:** It is also important subject matter. Different immigration levels would also affect the contribution rates. Who's contributing has an effect on.... Overly high immigration levels in a short period of time, for example, could reduce wages, which could reduce contribution rates and would require workers to work more because they're now making less and saving less.

It's also whether their CPP is enough and their OAS is enough. It might not be enough to sustain their lifestyle, and they'll have to top up their RRSPs, TFSA's and additional savings vehicles in order to make themselves whole through retirement.

There are also things like workforce growth, the demographics of the workforce and the distribution of the age. It's not just the medi-

an age or the average age of the population, which is different in different countries. It's also the distribution of seniors to young people and middle-aged people.

Of course, there's wage growth and productivity growth. We know we have the lowest investment per worker in the G7 and the lowest productivity in the G7—

**The Chair:** Mr. Ho, the subamendment is with regard to the pension plans in different countries. If you could please stick to the actual topic at hand, that would be much appreciated by the committee members.

**Vincent Ho:** Thank you, Chair. We are.

I'm not going to read the subamendment, because.... I'm going to be accused of not reading it, but it talks about comparing the reporting of pension plans in different countries. Of course, pension plans use different assumptions and have different ways of displaying that information—different accounting methods, for example. Creative accounting is something this Liberal Prime Minister has managed to showcase with his promise in the last year and three months. Canadians don't live in creative accounting, though. They live in reality; they don't live in Liberal press releases.

As Canadians live longer, their benefits must be paid for longer. We've seen a very weak wage growth, and contributions may be lower than expected. If productivity remains weak, the economy, the jobs and the employment rate supporting the pension system will be weaker.

If employment weakens, then contribution revenue is affected, and then, of course, all these assumptions matter. Having comparability and letting Canadians know that.... We do live in Canada—

**Shuvaloy Majumdar (Calgary Heritage, CPC):** We live in the greatest country in the world.

**Vincent Ho:** —but we have to make sure that we live in a world.... We can't just look at our own performance in anything. We have to look at the performance of other countries.

I know the Liberals like to cherry-pick data. Every time, as Conservatives and as opposition parties, we draw comparisons to other countries in terms of Canada's relative performance, we are accused of talking down Canada, while the party that's bringing down Canada is this Liberal government.

These are some of the arguments.... I'd like to speak more to this subamendment, but I'm going to be accused of wasting resources. There is a \$70-billion deficit this year. One day of a deficit to the tune of.... It's much more than lights, a clerk and some staff here.

[*Translation*]

**Steeve Lavoie:** On a point of order.

**The Chair:** Mr. Lavoie, you have the floor.

• (4125)

[*English*]

**Vincent Ho:** It's not even a drop in the bucket compared to the \$70-billion deficit.

**The Chair:** Mr. Ho, there's a point of order.

Thank you.

[*Translation*]

**Steeve Lavoie:** Madam Chair, I would again ask our colleague, who was talking about shedding light and so on, to come back to the subamendment, as you kindly asked him to several times, because he had completely gone elsewhere.

Thank you.

[*English*]

**The Chair:** Thank you.

Mr. Ho, go ahead.

**Vincent Ho:** These points of order have gone very off topic too, and are very accusatory. I'm trying to respond to them, but anyway, I'll wrap it up there and let other colleagues speak.

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

Mr. Majumdar, you have the floor.

**Shuvaloy Majumdar:** This is a real honour. This is my first time at the finance committee.

I want to say, Madam Chair, greetings to you. It's been quite some time since we've been able to work together, and I'm grateful for the opportunity.

I have to note that Mr. Lavoie has excellent sartorial choices, with his striped shirt and solid tie. I have the same choice today, whereas Mr. Leitão has chosen the inverse of a solid shirt and a striped tie, and I think that's excellent as well. I just wanted to compliment them on their spring decisions. That's something I struggle with generally, so it's nice to have it affirmed that sometimes I get things correct.

Now, I know that members around the table are not interested in a conversation about sartorial decisions. I respect that, and I do want to get into the substance of the subamendment, because I actually have a bit of a background in this. Before I came into political life, I spent time working at a consulting firm where investment, energy and technology were core parts of how I earned a living. Pension funds and how sovereign funds in other parts of the world manage investment is a fascinating conversation and is completely relevant to this committee.

The subamendment is actually something that I bring a particular amount of enthusiasm for, and I say so because, as you know, around the world, the pools of capital are actually fairly concentrated, whether that's in Toronto, New York, Scandinavia or the Gulf countries. In Asia, you have Singapore and massive family offices in places like India and elsewhere. The performance of these major funds is critical to international finance but, more importantly, to Canadian taxpayers when it comes to the Canadian pension plan.

For our great and honourable colleague from the Bloc, I am also an admirer of the Caisse de dépôt. How they work around the world is emblematic of a fund that thinks clearly and unambiguously about returns for shareholders. They have a strong risk-adjusted portfolio, which I think the Canadian pension plan sometimes follows into different markets. It has been good in many ways for Canadian investment partners in returns to our taxpayers for the sacred pensions that we must guard.

In the spirit of getting it right, a comparison with how other jurisdictions look at this is very germane to the committee and to the bill, and I think this amendment will be well received by the public when they view this testimony in the public record. I have five points that I'd like to make on this. I aim to be not necessarily repetitive, but I will be if I find that my points are not getting across clearly. They are distinct points, and I think they are ways to help us think about how comparing the CPP with the United States, Australia and Sweden can advance funding, reliance on investment income and long-term financing of promised benefits.

Let me get started.

The first would be that advance funding builds intergenerational equity and reduces future fiscal pressure. Benchmarking the CPP's partial advance-funding model, which I know came under reform in the mid-1990s, against Australia's fully prefunded mandatory superannuation systems shows how accumulating assets today insulates future retirees and taxpayers from demographic shocks. In contrast, the U.S. Social Security system's predominantly pay-as-you-go structure has produced large unfunded obligations and projected shortfalls, underscoring the value of prefunding and of honouring promises without abrupt tax hikes or benefits adjustments.

Demographic shocks are something that Canada will have to deal with after 10 years of terrible management when it comes to our population levels and how immigration has impacted the funding base for the CPP. Those public policy questions actually make it critical for us to compare with other jurisdictions to see how adjustments are made for the kind of mess and chaos that Liberal governance in this country has resulted in. The lax control over our immigration has created an obligation and a funding pool for the CPP that will have massive long-term consequences.

We must look at other jurisdictions to get a sense as to how they're dealing with demographic pressures, not just of population through immigration, but population through natural growth, and how that might have long-term impacts on how we think about our pension fund. The public disclosure and reporting of that comparison is something that is I think critical to the finances of our country, especially given how much of a share it has in our national life. I'll start with that first point.

The second point is that funding-level comparisons also provide objective sustainability benchmarks.

● (4130)

International data on assets-to-expenditure ratios, buffer funds, as you would see in Sweden, and fully funded individual accounts, as you would see in Australia, allow rigorous assessment of the CPP's long-standing and currently strongly funded position and the chief actuary's 75-year sustainability findings. This helps the committee distinguish between systems that have built credible reserves and those facing growing actuarial deficits, informing evidence-based calibration of contribution rates and benefit promises.

It might sound like accounting gobbledygook but, at the end of the day, really being able to understand how to establish a sustainable pension fund and comparing the performance of our pension fund are critical.

You may have discovered, Madam Chair, that whenever members of Parliament, through OPQs, Order Paper questions, or through other means, try to get some transparency on these types of questions on the sustainability of pensions, we never get any answers. They stand apart from government. Parliament does not have the ability to draw from the pensions the kind of transparency that Canadians demand on key decisions on the long-term sustainability of it.

We're talking about 75-year benchmark bandwidths. Pensions around the world that are obligatory for populations have similar actuarial disclosures. Being able to really get into the guts of understanding how the pension plan safeguards the long-term interests of Canadians, mom-and-pop people who need to make sure that they can plan their retirement comfortably, including with inflation and currency changes, is something that I think the public would benefit from. The subamendment speaks to that through the proposal to have that comparison disclosed.

My third point is that reliance on professional investment returns enhances resilience. Contrasting the CPP investment board's diversified global portfolio and growing contribution of investment income, which I believe is projected to represent a rising share of revenues, with Australia's privately managed superannuation funds' and the U.S. trust funds' more constrained returns demonstrates how well-governed investment strategies can meaningfully supplement contributions, lowering long-term dependence on payroll taxes while managing market risk through independent professional oversight.

One key part of professional benchmarking with these funds is really critical to the future of these funds. You hear rumours in different jurisdictions about the government, maybe even Liberals, looking at cordoning off or mandating by law a portion of CPP to be invested into Canadian projects versus international projects, and about how the mix of global and domestic investment structures would be managed. There's a reason there's a separation between that, between partisan interest and political interest and thinking of long-term sustainability.

One of the successes of the Canadian pension fund, even if their returns, compared to massive major indices, are not entirely that different, is that it has largely been devoid of the kind of corruption you might imagine happening in other jurisdictions. Safeguarding against that by making sure that professional investment returns are scrutinized appropriately, in a way that safeguards against the polit-

ical interests of the party of the day, is a critical issue to examine when we look at other jurisdictions.

My fourth point is that long-term financing lessons protect promised benefits from political and demographic risks. Comparisons reveal how Sweden's notionally defined contribution framework, with automatic balancing framework mechanisms and buffer funds, alongside Australia's explicitly funded accounts, provide clearer pathways to sustainable financing than pure pay-as-you-go models that risk sudden adjustments. As you see from U.S. benefits, upon trust fund depletion, this equips the committee to evaluate whether CPP enhancements maintain the plan's ability to deliver promised benefits across generations under realistic economic and demographic scenarios.

Political and demographic risks are the chief risks that the pension funds in Canada have to guard against. It's a point that I raised a little earlier. I mentioned that I didn't want to be redundant, but they do string together. When the political class decides to get engaged with macrofinance and says that it's going to get involved with pension plans and major investment institutions, when the Prime Minister shows up and acts in foreign jurisdictions as though he is somehow the vanguard, the chairman of the board, for Canadian pension investment, and he can control investment....

He's having a major investment conference this fall. Invitations have gone out to major investors, but none of the investors understand what the objective of the meeting is.

● (4135)

The Prime Minister is acting as though the pension funds are investment funds he can commandeer for his own interest. Objectively, that's the type of political interference that cannot be trusted. Even trying to paint a debt fund as a sovereign debt fund—borrowing money, with billions of dollars in interest accrued for it—

**Carlos Leitão:** Madam Chair, on a point of order, I'm sorry, but we are talking about the subamendment. We are not talking about possible alleged political interference in the management of the CPP. What my colleague is saying is interesting, but it is off topic.

**The Chair:** Thank you, Mr. Leitão.

Mr. Majumdar, please stick to relevance with respect to the subamendment.

**Shuvaloy Majumdar:** Madam Chair, I am making my points. It's very relevant. We are asking for the management of the CPP to be compared with the management of sovereign funds and pension funds in other jurisdictions.

If the Prime Minister is politicizing the CPP through his international diplomacy, as he has in Qatar, the U.A.E. and India, it is deeply concerning. Public press statements have all produced the kind of language where there is a perception of the political class deciding and driving how pension fund investment will be deployed. It is absolutely critical that we compare the CPP with other funds in similar jurisdictions. I know it may seem off topic, but it's absolutely germane to the subamendment and exactly why we're trying to push for this to be included. We're making a case through empirical adjustment, not rhetoric.

These are all facts that the Liberal government has produced for us to consider. They're not things that were made up out of thin air. To suggest that our concern about political and demographic risk to the CPP's governance is somehow not relevant to the matter is, I think, objectively obscene. We need to make sure we stay on topic, which is exactly what I'm doing by not getting distracted from the accountabilities that are required when we look at our funds and how those funds work in other jurisdictions.

I'll get into it a bit more. Comparisons reveal how Sweden's notional defined contribution framework with automatic balancing mechanisms and buffer funds.... Let me go to pure pay-as-you-go models. Pay-as-you-go models create massive exposure to risk adjustment. Look at what's happening with U.S. funds. This is something we should be very diligent in guarding against. Looking at positive and negative examples in other jurisdictions is quite relevant to this.

My fifth and final point is that global best practices strengthen governance, transparency and fiscal discipline. These are all key ideas that I wish I could carve into the desk of every Liberal legislator. It's about examining independent investment governance, which is the CPP model; clear individual account structures, which is the Australian model; and regular public reporting, which is the Swedish model—alongside expert analysis, such as that done by my dear friend Dr. Jack Mintz, the giant economic brain that Canada has. His emphasis on keeping pension funds healthy through undistorted, high risk-adjusted returns and sustainable retirement income reforms helps identify approaches that maximize returns for contributors. They minimize policy distortions and build public confidence in the long-term financing of Canada's public pension commitments.

Understanding how that weighs against other pensions around the world is really important for this committee to do, and these five points speak to the subamendment being offered up. Let me repeat them so the crowd back home understands what I've been going through. I can be a bit loquacious and verbose, and I apologize for that. There are five major points I want to suggest in terms of why this subamendment is worthy of committee consideration and worthy of passing.

The first is that advanced funding builds intergenerational equity and reduces future fiscal pressure. The second is that funding level comparisons provide objective sustainability benchmarks. The third is that reliance on professional investment returns enhances fund resilience. The fourth is that long-term financing lessons protect promised benefits from political and demographic risk, and the fifth is that global best practices strengthen governance, transparency and fiscal discipline.

These are five key things that are all essential to understanding why the report must include a comparison between the Canadian pension plan and public funding systems in other jurisdictions. I think there are some empirical truths at the core of them. They're not things that are what I would necessarily describe as typically partisan. They are all fair points in international finance and the governance of pension funds. They're all things that would help our pension fund and help our finance officials plan more judiciously and expeditiously for the benefit of Canadian taxpayers.

● (4140)

They're all things that guard against the political risks of parties that choose to use funds as their own slush funds to direct to their own projects or the kinds of demographic mistakes that Liberals have made that have created a real quandary for our country and our pensioners in the long term and are essential to the success of our national finances.

I look forward to having a continued healthy discussion on all of these types of topics. I hope members found my intervention to be useful. It's something that I really enjoy getting an opportunity to do in committees like this, which are important to our nation's public finances.

I yield the floor to the chair.

**The Chair:** Great. Thank you very much, Mr. Majumdar.

We'll now continue with Mr. Lawton.

**Andrew Lawton:** Oh.

**The Chair:** You don't have to if you don't want to.

**Andrew Lawton:** You know, it's hard to follow Mr. Majumdar, but I will do my best as the mover of this subamendment.

I thank you, Madam Chair. I also thank Mr. Majumdar.

To contextualize the expertise that he offered there, I first encountered Mr. Majumdar when I was working in media. When you could get him—because he was always so busy doing work—he was always one of the most tremendous guests, because of his analysis of matters—not just of what's going on in the world but clearly how pensions work, as well. It was a bit of a throwback, hearing his comments today, which were very welcome and very thoughtful and I hope will move our colleagues, who so far have not shown a very collaborative spirit on our subamendments, to support this one, which is very important.

What I'm getting at here is that we want a report from the Minister of Finance, but we also want to make sure that the report is valuable and offers information that will help Canadians and help parliamentarians, by extension. That's why, as subamendments have come up, we've thought of ways that we could be...not restrictive—I don't want to say that—but prescriptive, yes, on what sort of information would be helpful for that report. I think that our previous witness alluded to some of the challenges that you.... I'm sorry. I don't want to put words in his mouth. He pointed to the report that was already done by the chief actuary. In reviewing that report, we see areas where Canadians, I think, would benefit from having more information. One of them is a basic comparison of different systems around the world.

Some of the information that would be in that would address what I don't want to say are complicated questions, because they're pretty simple ones, but are important questions, such as this: Is the plan fully funded, partially funded or pay-as-you-go?

We know that in a Canadian context, it's partially funded, with large assets that have been accumulated in advance. If you look at the U.S. Social Security system, it takes a very different approach. It's primarily pay-as-you-go with trust funds. You have Australia's superannuation, which is fully funded through individual accounts. Again, that's a very different approach. Then in Scandinavia, which Mr. Majumdar referred to, you have a combination of notional accounts and a funded component. I would note that in Scandinavia they have sovereign wealth funds, but unlike the sovereign wealth fund that the Liberals have proposed, in Scandinavia they have wealth to put in the fund, so it's not an apples-to-apples comparison. Ours was proposed by the Prime Minister to be funded through debt, which is the opposite of wealth, one might say.

Some of the other questions that come up when you're comparing these systems are questions that would be answered in the report if our subamendment were passed—I'm feeling optimistic, so I'll say when our subamendment is passed—and they include this one: Are contributions invested in markets? In Canada, yes, they are, through the Canada Pension Plan Investment Board. In the United States, with Social Security, it's very different. The investment in markets is very limited. You have trust funds mainly holding government securities. If you look at Australia, yes, there are investments. They're through private superannuation funds. In Sweden, yes, they are, but only for the premium pension component. That's a point of distinction that's very relevant.

Then we look at one of the other questions: How important is investment income to paying future benefits? This is one of the changes, interestingly enough. I may be playing fast and loose with the word “interesting”, seeing the reactions from my Liberal colleagues, but it is important, if not fascinating and riveting. In Canada, it's actually growing—the importance of investment income for future benefits—whereas in the U.S., they don't have as much exposure. Their social security system, which is, I'd say, a lot less stable as a result, is relatively limited. In Australia, it's essential: The system does not exist without making gains on the investment income. In Sweden, it is important as well, in particular when you look at the funded component.

One of the other questions that I think should be answered by this report is whether future benefits are backed by accumulated as-

sets. On this one, there's a fair amount of similarity between different systems. It's partly so in Canada and less so in the United States, whereas it is largely but not exclusively so in Australia. In Sweden, I think it's at a somewhat comparable level to Canada, but don't quote me on the exact numbers.

Here's where you get to the crucial part of sustainability, and I think this goes back to the essence of the amendment itself, in that we want sustainability to be a key part of the report. Does the system rely mainly on future workers paying for retirees? In Canada, fortunately, the answer is less so than in traditional pay-as-you-go plans, but it's not a total “no”. In the U.S., that's entirely the case. That's one of the reasons the demographic calculations are so potentially harmful but also why they are so important.

• (4145)

In Australia it isn't because it's primarily individuals' savings. That's where I think you'd probably have, on a spectrum, polar opposites—between the Australia approach and the United States approach—whereas, in Sweden, it's a bit of a mixed bag.

One other question is, does the system have an automatic sustainability mechanism? This is what brings us, exactly, to Bill C-30. We have contribution rates that can be adjusted through the statutory review process, but the reason that statutory review process is so important is that we, as parliamentarians, need to access the information required to change the statute. I don't see why we would limit the amount of information we have available to us by not taking the opportunity to compel the Minister of Finance to produce a report in three months, and also one in five years—a retrospective review that takes into consideration what we've learned, what we've seen and how we go from there.

In the U.S., there is no strong automatic mechanism. It's Congress that has to act, and that's why you have these very dramatic showdowns in the U.S. Congress over this issue. It's always been described as the political third rail, because of all that's implicated in that. In Australia, it very much depends on contribution rules and account balances—again, it's more individualized—whereas in Sweden it's actually automatic, as they've managed to come up with an automatic balancing mechanism.

I think that, when we look at one of the other questions that should be addressed in this report, “Are benefits defined by statute or by accumulated savings?”, well, in Canada, it's a defined benefit, and this changes every year.

Certainly, from my perspective, as members of Parliament we strive for incredible customer service with our constituents. It doesn't matter how or whether or not they voted; we represent all of these people, and I think we take that responsibility very seriously. We have constituents coming to us with a great deal of concern about their retirement—if they're even able to retire, which is a whole other can of worms that's been aggravated by the last 10 years of Liberal mismanagement of the economy.

With defined benefits, there's at least some predictability: You know how much you're going to get, and you know what that looks like. However, the problem with a defined benefit is that you need to then contextualize it and make sure that the fund has enough to pay those benefits. It's also a defined benefit in the U.S. social security system; whereas, in Australia, it's the defined contribution. Again, those are the two ends of the spectrum here. In Sweden, it's a bit mixed, and that's one of the things that have come up.

These are just a few, just a light smattering, if you will, of the differentiations among systems—and I looked at just four countries. I looked at Canada, the United States, Australia and Sweden. If my colleagues would like, I'm happy to look at some other countries, but I think these are four relatively good pillars that give us a pretty reasonable sense of what's happening.

I would ask, just fundamentally, if we were to get the minister to include these data in this report, which I think we should, how does the Canada pension plan's funded ratio compare with peer public pension systems? That is a bit of a mouthful to say, “peer public pension systems”, but I think we can all spit it out. Is CPP closer to Australia's funded model or the U.S. pay-as-you-go model?

Where do we want to go? What are we striving for there? We should ensure that is the frame through which we limit this discourse. What percentage of future CPP obligations are expected to be financed from existing assets versus future contributions? Again, these are very instructive questions for a minister—for all Canadians, basically, and for all parliamentarians, certainly.

Then, on advanced funding, how much of the CPP's current asset base exists because Canada moved away from pure pay-as-you go financing in the late 1990s? Another question is, how unusual is CPP's advanced level of funding among OECD countries? Which comparable countries have accumulated larger or smaller pension reserves relative to annual benefits?

You know, there are some questions we could ask on investment income as well, for the countries that rely heavily on that, as Canada does. What proportion of future CPP benefits are expected to be financed by investment returns rather than contributions? We could also look at the report, hopefully, for an answer to this question: How does CPP's reliance on investment earnings compare with Social Security in the United States? Another question is this: Would CPP remain sustainable if future investment returns were lower than projected?

• (4150)

Then we have the long-term implications. Again, all of us, I believe, want a sustainable system here. We want something that can live out the 75 years in the chief actuary's projections.

Over a 75-year horizon, how does the CPP's actuarial status compare with major pension systems in the United States, Australia, Sweden and other like jurisdictions, even if they have different approaches to the question of how to structure their pension system? Which jurisdictions have automatic mechanisms to maintain sustainability, and does the Canada Pension Plan have comparable safeguards? Finally, for now, what lessons can Canada draw from countries that have faced pension funding shortfalls?

I hope that, with Canada Day approaching in just a few weeks, all of us understand that we live in the greatest country in the world. We want to preserve everything great about this country, and continue working and continue striving. That should be a shared goal that all of us have.

I talk to people from other countries, whether they live here or abroad, and we can all celebrate and love Canada. Whatever policy disagreements and debates we have, we want our country to be better at doing all of the things that we need to have a citizenry that is thriving. We want to make sure that people have the dignity that comes with being able to retire—being able to enjoy spending time with your family, spending time with your grandkids. To have a sustainable pension system is so crucial.

When we look at the structure and design of this, a design that is being recalibrated through Bill C-30, we just want to make sure we have the best information available. If there are things we can learn from other countries, I think we should welcome that in the report that the Minister of Finance should have to do. If there are things that other countries are doing that we need to run far away from, that is also just as useful to know.

I think it's important to run away from much of what the Liberal government has done in the last 10 years economically, which has got us into this mess where CPP is so disproportionately necessary for Canadians getting up in age, relative to the past, when people had stronger pensions and savings to rely on. These are things that have been gutted by....

Some of the Liberal colleagues across the way are new members, so their hands are cleaner, but for others in the Liberal government right now, they're not. Some of them have been here a while. This is why we're trying to safeguard for future generations, and we should all want that.

We have proposed a report in this subamendment, which would very simply force the minister, when drafting a report to Parliament, to compare the Canada pension plan with those of the U.S., Australia, Sweden and other jurisdictions. Basically, we want a pretty reasonable assessment, and I think it's a very reasonable requirement.

The subamendment gets at a key challenge. International comparisons are informative, even if there are fundamentally different philosophies behind these different systems. This is not to change the system in Canada. This is simply to ensure that we are proving the benefit to Canadians, proving the benefit to Canada, and learning what's working and what's not.

If we're going to go through the process, as I hope we will, with the passage of our amendment of having this report to Parliament, I want to make sure it has all of these key details in it to ensure that Canadians have the greatest information available.

Now, if you, Madam Chair, or any of my colleagues have any questions on it, I'm happy to answer those, but that was why I moved that subamendment. I hope we'll find unanimous support from this committee.

• (4155)

**The Chair:** Thank you, Mr. Lawton. I don't have any questions for you, actually.

**Andrew Lawton:** I'm glad I was exhaustive in my—

**The Chair:** Mr. Jackson, you have the floor.

**Grant Jackson:** Thank you, Madam Chair.

I'm glad that Mr. Lawton mentioned that.... At the end, of course, I wasn't exactly sure who had moved this subamendment. I'm glad to know, so that I can thank him for moving what I think is fairly reasonable in a long list of reasonable subamendments to a very reasonable amendment that we have put forward here over the last short while, in terms of the discussion regarding Bill C-30.

Now, I am really struggling, after hearing just the tail end of Mr. Lawton's speech, to understand what the Liberal opposition to this subamendment may in fact be. It reads as pretty common sense to me. We simply want the inclusion of other pension plans that exist across the globe in like-minded countries.

I don't know why it would be a bad thing for Canadians to have that included in this regular reporting scheme that we're seeking to establish here under CPC-13 in terms of the reporting requirements that we would put forward for the Minister of Finance to prepare.

Including the comparative jurisdictions of the United States, Australia and Sweden makes sense to us and to most Canadians. We often compare ourselves to these countries in many other ways, whether it's our sports, our demographics, our health systems—you name it. These are countries that we often compare ourselves to. I think it's fair that we do that with our pension system as well.

In terms of advancing funding levels, advanced funding and reliance on investment income—you pick the topic in terms of how pension funds are set up and how they're invested, operated and managed by federal governments across the western world, if you will—that's something that is important for Canadians to see.

It comes back to the principle in this discussion we've been having for most of the day about language that's accessible to Canadians. Most Canadians aren't actuaries. They're not pension fund managers. They just want it to be there when they need it. Ensuring that it is, as well as the demographic information we were talking about when I last intervened at this committee.... It's important for

Canadians to see how that's managed and what the comparatives are across like-minded nations.

We could be doing better. We could be doing much worse, but we could be doing better. If that analysis isn't provided in a language that's easily consumable to Canadians across this great country. Whether it's reliance on investment income.... You can pick the topic, but it is important that some of this language be included in the subamendment.

**The Chair:** I question the relevance, Mr. Jackson. This is subamendment five.

**Grant Jackson:** Yes.

**The Chair:** That is an amendment you've already dealt with, so if you could, please stick to the topic at hand. Thank you.

**Grant Jackson:** Subamendment five is about including comparisons to the United States, Australia and Sweden. Is it correct that this is the subamendment we're on?

**The Chair:** Yes. Please stick to the topic at hand.

**Grant Jackson:** I'm with you, Madam Chair.

It's important that this is included. It's an important subamendment. We're looking forward to Liberal support. We'll see if we get it.

**Some hon. members:** Oh, oh!

**Grant Jackson:** I'm not sure what the new member who has joined us across the way said.

Are you going on the speaking list?

**John-Paul Danko (Hamilton West—Ancaster—Dundas, Lib.):** My magic eight ball says no.

**The Chair:** You have the floor, Mr. Jackson. You can keep going.

• (4200)

**Grant Jackson:** That's good. I'm glad you're reminding our Liberal colleagues of that, Madam Chair.

I'm not sure what the reference to a magic eight ball by the member for Hamilton West—Ancaster—Dundas has to do with the subamendment or the discussion on CPC-13, but I digress. I'm sure we'll have lots more amendments and discussion on this subamendment from him in the time to come.

I would leave my comments at that. It's a great subamendment. I look forward to interventions from colleagues across the way and to unanimous support for it moving forward.

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

Shall amendment five to CPC-13 carry?

**Philip Lawrence:** I'd like a recorded vote, Madam Chair.

**The Chair:** We'll have a recorded vote.

(Subamendment negated: nays 6; yeas 4)

**The Chair:** We're back to CPC-13.

Mr. Lawrence.

**Philip Lawrence:** Thank you very much.

One thing that has come up through our discussion is the need to have a greater level of clarity with respect to some of the technical terms that govern the CPP.

Specifically, there is a term called the “statutory contribution rate” or the “contribution margin”. While I'm sure these are well understood by actuaries, I think most Canadians, including me before doing the appropriate research for this, wouldn't understand what they mean. That's why we need to provide additional clarity.

For that reason, I would like to offer a subamendment. I move that the amendment be amended by adding after proposed subsection 43.1(1) the following:

(1.1) The report prepared under subsection (1) and the report prepared under subsection (3) must include an explanation of the minimum contribution rate required to sustain the Canada Pension Plan, the difference between that rate and the statutory contribution rate, the margin of safety provided by that difference and the circumstances under which future contribution-rate increases could become necessary.

**The Chair:** Thank you, Mr. Lawrence. Can you please submit that in writing?

**Philip Lawrence:** We will, Chair.

**The Chair:** You know I'm going to check.

Can we stand this subamendment and continue on?

**Philip Lawrence:** Because of the precedent set by Mr. Turnbull, no. I think we've been working...

**The Chair:** All right. We're going to have a very brief suspension.

• (1800) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (1815)

**The Chair:** Colleagues, you will have subamendment six to CPC-13 in your inboxes.

Mr. Lawrence, you have the floor.

**Philip Lawrence:** I believe another member wants to comment on that, so I will stand down and allow Mr. Kram to do so, unless there's someone else on the list.

**The Chair:** No.

Mr. Kram, go ahead.

**Michael Kram (Regina—Wascana, CPC):** Thank you very much, Madam Chair.

I'm pleased to have the opportunity to speak to the amendment moved by my colleague Mr. Lawrence.

It's my understanding that Bill C-30 seeks to lower the CPP contribution limit from 9.9% to 9.5%. That doesn't sound like a particularly large number, but given that the Canada pension plan is a very important part of this country's social safety net, on which many seniors depend for their standard of living, it's important that we be prudent in making sure that we identify any potential ramifications of this decision.

It's my understanding that the chief actuary officer has provided to the committee a statement that the minimum contribution to the CPP should be 9.2% if the CPP is going to be sustainable long-term. As we all know, this is just an estimate. It depends on many different things and many factors that influence economic performance. For example, what happens if people start living longer? What happens if people have a longer life expectancy and collect CPP benefits into their eighties and nineties and beyond? What will that mean to the sustainability of the Canada pension plan? What happens if more people opt to collect CPP closer to 60 or closer to 70? Have all these factors been accounted for in the figure that was provided by the chief actuary officer? What happens if economic performance increases or decreases?

We have to take into consideration the performance of the investment portfolio, which is obviously not carved in stone. They're just estimates and well-educated guesses that the chief actuary officer has to make. If the investment performance deteriorates, what will that mean to the long-term sustainability of the Canada pension plan?

We also have to consider that the investment portfolio is adjusted on an ongoing basis. Sometimes the investments will be in one sector versus another. Sometimes the investments will be moved from one country to another. Have we considered the sustainability of the countries in which we are making these investments? We certainly don't want to rush into any decisions that we may live to regret in the future.

For all these reasons, I think it's pretty reasonable to have this study take place. I hope that all members of the committee will support the subamendment that was moved by my colleague Mr. Lawrence.

That should do it for now, Madam Chair.

• (4220)

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

Mr. Strauss.

**Matt Strauss:** Hi, Chair. It's nice to see you again.

I see we have two screens in the committee room this time, so it would be nice if one of the screens had the follow-along. I still think it would improve the discussion from every corner.

**The Chair:** Mr. Strauss, you have access to all of the information.

**Matt Strauss:** I know, but it's good to have it in real time. I don't have the random access working memory to—

**The Chair:** It's all in your email.

**John-Paul Danko:** Let's not pretend it matters.

**Matt Strauss:** I think it super matters.

I'm new here, but sometimes a fresh perspective is worthwhile. Just because something has been done one way all along, that doesn't mean it always has to be done that way. I would love to see more openness to suggestions for improvement.

As for the subamendment, I'm merely arriving now. I want to voice my strong concurrence on the subamendment. I can see that a lot of work went into its preparation. This level of nuance is extremely commendable. I'm very proud of the team that put it together. I think they were up all night.

It's a shame that something as important as an economic update implementation measure has to be as rushed as it is. That might be coming with this fresh perspective. It seems like something that could have taken a lot more time or could have had a lot more time budgeted for it than it had.

It's always a good time to voice my surprise at how silly some of the stuff that happens here is. We probably would have had an agreement from both sides on that particular statement at this particular time.

It's nice to see Mr. Sawatzky chuckling. I haven't seen him in a while—not since yesterday.

To familiarize everyone with the text of the subamendment, it says, “The report prepared under subsection (1)”—

**The Chair:** It's already been read into the record, Mr. Strauss. We're trying to avoid repetition, so if you could make your argument, that would be appreciated.

**Matt Strauss:** That is commendable. I despise repetition. I didn't know that had occurred.

Mr. Sawatzky is really losing it over there. How long has he been here? Someone should sub him out.

**The Chair:** Mr. Strauss, please speak to the subamendment. This is clause-by-clause. We try to take it seriously.

**Matt Strauss:** I know, I know.

• (4225)

**The Chair:** If you have arguments to make in favour or against, you're welcome to do that.

**Matt Strauss:** Mr. Turnbull isn't here. I thought he made a good point yesterday.

**The Chair:** Mr. Strauss, we're not supposed to talk about the whereabouts of individuals.

**Matt Strauss:** I'm sorry. I didn't realize that was a committee rule. I thought that was just in the chamber.

**The Chair:** Just in general, we like to respect other members.

**Matt Strauss:** I appreciate your tutelage on that point, Chair.

Yesterday, another committee member, who may or may not be here at the present time, made the point that Conservatives frequently oppose measures to increase red tape. I'll be honest with the committee. I thought that was a really good point. Having commended all of the work that went into this particular subamendment, I also have to voice my concern on that point. It does seem like these endless reports could increase billable hours from the public service. I don't want to see that.

As you're aware, Chair, I have just arrived. Hopefully, I can talk about my own presence or absence in the room. I think there are good points to be made on both sides. I'm interested to see how the debate grows and how it evolves. Hopefully, it can be organic and

bipartisan. I will make my decision on how I'm going to vote on this one only when the vote occurs.

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

Let's move on to Mr. Jackson.

**Grant Jackson:** I think it's a very good subamendment, to be quite honest with you. I'm glad Mr. Lawrence moved it. I look forward to hearing what members on the Liberal bench have to say about it.

There's a theme to our subamendments. They're trying to make our amendment...which seeks to make the bill better. Dr. Strauss raised a good point, which is that if the bill hadn't been so rushed, there might have been fewer amendments and subamendments at this stage of the game. Unfortunately, we are where we are.

Speaking to the subamendment to CPC-13, I think it's important for readers. This comes back to the theme of accessible, consumable language for Canadians, whether it's talking about the margin of safety, historical margins of safety or how much deterioration, for example, would be needed for contribution increases.

In terms of statutory rates, minimum rates and historical rates—whether it's any of those topics—defining that and making it consumable for everyday Canadians who want to understand the health of their pension plan is important. It demonstrates financial resilience and transparency by showing current and historical margins of safety. This would help stakeholders understand how much buffer actually exists against adverse experiences that may happen in the marketplace. Whether it's a market downturn or a significant demographic shift, this would reinforce confidence that the system is prudently managing funds over time.

We feel that including this would highlight trends and early warning signals that may not otherwise be caught. Certainly, it would be fair to say that it would be less accessible to parliamentarians and the public in general if this provision is not adopted. Presenting historical margins of safety would reveal whether resilience is strengthening or eroding. It ensures that it's encapsulated in a report that's tabled before Parliament, so it's right there in the record permanently for Canadians to review when they're making a determination about the health of a fund.

The trend analysis would allow decision-makers to identify emerging risks rather than reacting only when the threshold has already been breached, so it's good for parliamentarians. Too often in government we're reactive after a problem happens. We miss the warning signs and allow something to spiral into a crisis. Then everybody panics, throws their hands up and says, “Oh my God, we have to do something about this”, when we could have caught it sooner and minimized the impact and damage to Canadians.

There are lots of examples of that, Madam Chair. You're very familiar with them, so I don't need to go into that, but they certainly do exist.

Including these provisions in the amendment to the bill would quantify risk tolerance and trigger points. Illustrating how much deterioration would be required before contribution increases are needed would make risk thresholds explicit. Again, this would help Canadians understand not just the likelihood but the timing of contribution changes under different scenarios, such as whether they need to happen faster than Parliament can necessarily do that through the legislative process. We understand that it can be a cumbersome process.

If these indicators are there and regularly reported on, perhaps Canadians might start demanding changes to contribution rates sooner than a legislative process, given the spool up and how long it takes for legislation to be drafted and go through the rigmarole on the House side, etc. I think these indicators would probably be helpful in allowing a quicker response, should some crisis point occur at some given time in the future.

In addition to that, it would enable clearer policy and funding discussions. Linking margins of safety to contribution requirements would become easier not just for the Minister of Finance but for all parliamentarians. This comes back to what I was talking about earlier regarding the conversations we have at the door when we get whatever questions come at us as soon as somebody opens the door once we've knocked on it. If it's about the CPP, it would be easier to explain the trade-offs among stability, higher margins, future shocks, affordability and whether lower contributions today impact higher risk tomorrow.

- (4230)

Overall, the conditions we've provided in this subamendment would improve communication and the tools from the Department of Finance, the chief actuary and parliamentarians...directly to their constituents. The subamendment didn't specifically outline this, but perhaps it could even include a graphic comparison that would compare the statutory rate, the minimum rate and the historical rates. We could outline that in a simple graphic for Canadians and include that in the report itself when it's tabled annually.

People need information in bite-sized portions these days. We're talking about the 20-second TikTok clip world. That's where people consume more and more of their "news" and "information". It has a whole set of problems of its own that we're dealing with at the PROC committee. I'd welcome feedback from members on that at any point, but that's not for today. I recognize that's not necessarily a healthy way to consume information, but it is happening whether we like it or not.

Having documents from the Department of Finance include perhaps a graphic or having these reports, as we've moved, would be an important step for ensuring that accurate information is getting out there in a consumable format given all the disinformation we're seeing.

Just to recap, it would show the pension fund's ability to absorb shocks, would provide insight into long-term funding discipline through history, would clarify when contribution increases would

and should be triggered and would support intergenerational fairness and stability. We had a subamendment—unfortunately defeated—that talked about that. Adding the provisions in this subamendment would still assist the intergenerational fairness and stability questions that we were raising earlier, and it would enhance the understanding and accessibility of information through funding rate comparisons.

It's a good subamendment. It would not create all that much more work for the Department of Finance. As Mr. Lawrence and Dr. Strauss pointed out, Conservatives often criticize make-work projects. This is a pretty simple thing for the Department of Finance to add to their creation list that would not cause an onerous burden to the officials who do important work on behalf of Canadians.

I sincerely hope that government members support this amendment. It's a good one that makes sense to me.

Thanks, Madam Chair.

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

Mr. Strauss.

**Matt Strauss:** I really welcome the debate, as when I left the mic, I was honestly not sure which way I would be voting on this one. The issue of red tape means a lot to me. Tomorrow will be—

**An hon. member:** What a waste of tonight.

**Matt Strauss:** I agree on that point as well. There is a lot of time wasted in committees and in the chamber, frankly. Although I'm disappointed that it seems like Mr. Danko is speaking out of turn, I would love to hear more from him on this point, because it's an interesting point of debate that Mr. Turnbull raised yesterday.

I listened very carefully to my colleague Mr. Jackson, and he says it wouldn't take that much time to prepare this report. Looking at it, it seems like it would be maybe three or four line items. I imagine that it couldn't be more than five to 10 minutes of professional time for the right person in the Department of Finance to prepare this. Having considered all of the remarks Mr. Jackson made, I'm more inclined to his point of view. I'm leaning towards a yes vote on this subamendment now, but I haven't really heard anything from the opposite side.

I gather, although I've only just arrived, that most of these subamendments and amendments have not been adopted. If it's an issue of professional time and red tape, I'm not really seeing that the amount of information required rises to such a substantial level that both parties couldn't vote for this amendment. I'm hoping to see them do that. If not, at the very least they owe it to Canadians to raise their hands and say why not.

I'm freely acknowledging that I am substituting on this committee, but even as a substitute, I've been here for multiple hours now. I spent two hours here yesterday, and that was the only major consideration that was put forward by the parliamentary secretary. With this report being much shorter, all of them should be voting for this one.

A subject as important as the Canada pension plan, frankly, ought to be treated as sacred. It is a contract among workers, retirees and the Government of Canada, so to have this basic information publicly accessible and reported yearly seems really reasonable. That's my decision. I'm just looking to see if any hands come up, because I'd love to hear the other side if it exists, but at this point, this is a yes from me.

Thanks, Chair.

● (4235)

**The Chair:** That's great.

Thank you.

Shall subamendment six on CPC-13 carry?

We'll have a recorded division.

**The Clerk of the Committee (Vicky Sedhya Maurice-Sevigny):** The vote is on subamendment six to CPC-13.

(Subamendment negated: nays 6; yeas 4)

**The Chair:** Mr. Lawrence, we're back to CPC-13.

**Philip Lawrence:** Thank you.

One of the measures we have seen has had increasing importance. It was more or less dormant for maybe 15 years. The last time it was a significant issue was with inflation and after COVID. A former colleague of mine, Marty Morantz, raised the issue. Because of the amount of printing that went on during the COVID era, we would have inflation. Many people said he was wrong.

At that time the former Prime Minister, finance minister, and even the former Bank of Canada governor and current Bank of Canada governor, Tiff Macklem, said that inflation would be low for long. That proved to be untrue. Inflation has been proven to have a huge impact on the wealth of Canadians. It will also have a big impact on the CPP.

As has been a theme of Conservatives throughout the review of this clause-by-clause study, we would like to work with the government for greater disclosure and more transparency.

I would propose the following subamendment, which seeks to do just that. It demonstrates the impact of inflation on the CPP so that Canadians have a good view of it.

I move that the amendment be amended by adding after proposed subsection 43.1(1) the following:

(1.1) The report prepared under subsection (1) and the report prepared under subsection (3) must include projected Canada Pension Plan assets in both nominal and inflation-adjusted dollars and must include, to the extent that the information is available, projected assets per contributor and projected assets per beneficiary.

● (4240)

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

If you could send that in writing, we will briefly suspend and get the translation to you.

**Philip Lawrence:** Okay.

**The Chair:** Thank you.

● (1840)

(Pause)

● (1855)

**The Chair:** We are resuming the committee meeting.

Mr. Jackson, you have the floor on CPC subamendment seven to CPC-13.

**Grant Jackson:** Madam Chair, I'm glad to be back.

I've just received that translation in my inbox. Thank you very much to the folks who do the great work on translation.

Continuing with our theme of trying to ensure that, overall, this amendment provides the accountability that we feel Canadians deserve, we're asking for some additional projections, shall we say, to be added to the reports, which the amendment would add into the bill under discussion.

I think it's important to highlight that Canadians watching this will ask, "Why are the Conservatives asking for these provisions to be added?"

**Ryan Turnbull:** [*Inaudible—Editor*] filibuster.

**Grant Jackson:** It is a good question, Mr. Turnbull. I'm happy to attempt to answer it.

We think it's important for a number of reasons. Starting with including the "projected...Pension Plan assets in both nominal and inflation-adjusted dollars", this preserves real purchasing power insight. Showing projected assets in both nominal and inflation-adjusted—or real—dollars ensures that Canadians can understand not just how large the fund appears to grow but also what that growth actually means in terms of future benefit-paying capacity after inflation erodes value.

Also, it would add in some transparency or prevent the misinterpretation of growth. Nominal figures alone can exaggerate perceived financial strength over long horizons, so including real-dollar projections distinguishes true economic improvement from inflation-driven increases, enabling a more accurate assessment of the plan's sustainability.

This is fairly timely, considering the financial projections the government continues to put forward, overall, as it has done for the last 11 years. Its members continue to grandstand about the great economic growth they've created for this country, when in fact, they've created the largest household debt per capita in the G7, amongst many other extremely concerning economic indicators in real dollars versus their nominal projections, which they continue to tout as the only numbers that matter, in terms of trying to sell their success to Canadians.

By putting this specific provision in this subamendment, we would at least be able to tell both stories to Canadians, with respect to the Canada Pension Plan, which would be at least one area in which we could protect them from Liberal victory-flag waving, shall we call it, on other matters with respect to the economy and the finances of Canadians.

In addition, the provisions put forward in this subamendment would improve contribution and policy planning. Inflation-adjustment projections better align with real wage growth, benefit indexation and cost of living adjustments, which would help policy-makers and actuaries set contribution rates and funding strategies that are appropriate in real economic terms.

Additionally, it would provide meaningful participant-level perspective. Again, coming back to the Canadians, particularly—well, not necessarily particularly—young Canadians who are new to contributing to the CPP as they're getting into the workforce. It would ensure their perspective at a participant level.

Reporting “assets per contributor” would highlight the average funding support backing current workers' future benefits, while “assets per beneficiary” would show the adequacy of resources available to pay retirees, making aggregate figures more relevant to individual stakeholders.

Again, it's important to come back to the demographic breakdown and what they're contributing, what that means if catastrophic events occur or what's going to be left for them when they get to the pensionable age, based on what they've contributed over the course of their working career.

These are a couple of important amendments. People may ask me, when they see this clip, why “inflation-adjusted” projections are important, what this means and why it was included in this subamendment, so I think it's important to explain that to Canadians. Inflation-adjusted projections—also called real-dollar projections—show the future value of pension plan assets after removing the effects of inflation.

We've been dealing with a period of challenging inflationary levels postpandemic. The cost of living has not come down, even though the government, I'm sure, is just about to point out that the inflationary target is within the Bank of Canada's limit. They often mention that in question period. This doesn't mean the impact of inflation—which wasn't in the period during and just after COVID—and its effects on the cost of living aren't still being felt by Canadians.

It's about showing the future value of pension plan assets, instead of just showing how many dollars the fund might have in the future. Adding this requirement to the amendment would show what those dollars will actually be worth in terms of purchasing power in the moment when an individual Canadian viewing the projection would access it. As a simple explanation, these projections would help Canadians have a better understanding of the real purchasing power of what every one of their CPP dollars will be able to buy when it comes time to turn to the “brown envelopes”, as we like to call them, when they arrive for Canadians to support them in their retirement years.

An actuary would start with a nominal projection of assets. Then they would strip out the inflation by discounting future values back into today's dollars using an assumed inflation rate. The result would be a real inflation-adjusted projection, reflecting the true economic value of the pension plan. This matters because benefit payments are often indexed to inflation, which does not reflect the challenges we just outlined. It would allow an apples-to-apples

comparison over time, since all values are expressed in constant dollars. It would highlight whether the plan's assets are truly growing in a meaningful way—not just keeping up with rising prices but also planning ahead for what prices may be long term, down the road. It would support better policy decisions, since contribution rates and funding adequacy should be evaluated in real economic terms.

Madam Chair, from our perspective, that's the case for why this subamendment matters. We've been pretty reasonable in the comments outlined here with respect to why this excellent subamendment has been moved. It is an important one. I look forward to the government members' making some comment on this matter. Of course, we would certainly like to see them come around to supporting it in the end.

I think some of my colleagues here have important comments to make with respect to the subamendment and the important provisions therein, so I will end my comments for now and turn it over to those colleagues.

Thank you very much.

● (4300)

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

Go ahead, Mr. Kelly.

**Pat Kelly:** Thank you, Chair.

I want to thank Mr. Jackson for this subamendment.

This is yet another way in which we could improve the bill. That is, after all, what we are here to do as parliamentarians: to consider different options and different ways that we might make this bill more effective. Just before the amendment was moved, Mr. Lawrence reminded the committee of testimony about inflation that we had here at the finance committee back in 2021.

Our colleague, Marty Morantz, raised the spectre of inflation, but I did as well at that meeting. I was there and it was.... No, perhaps we're even thinking of two different meetings, but we had the former governor of the Bank of Canada there, and we said that zero interest rates and quantitative easing would surely trigger inflation eventually. We were assured that it would not. In fact, the former governor said they were only worried about deflation at the time, and inflation would be a lovely problem to have. He didn't see it as a possibility at all.

The effects of inflation are devastating, especially on vulnerable Canadians, on those who are employed in wage employment that does not keep pace with inflation and also on people who may be on fixed incomes that do not index to inflation. It's important that we communicate—and that the Government of Canada communicates—to people so they understand the impacts of inflation. Inflation is a creeping thing that is not visible in the air each day, but it piles up over time, especially when we talk about these long time horizons that the returns on investment project. If the numbers get off just a bit early, the compounding effects over time can be quite devastating for Canadians.

Canadians should be able to see and read a report that will easily and simply, in plain language, communicate what their spending power will be, what their purchasing power will be, so that they can plan accordingly and be prepared for their retirement, when they really will have very limited options left. In many cases, they won't have the option to go back. Either Canadians may feel that they're at a point in life in which they wish to enjoy retirement, or health, mobility and whatnot may prevent them from working or at least make it undesirable to have to do so.

Ensuring that Canadians know what their number is, know when they're going to be able to retire and understand what their purchasing power would be given the effects of inflation over time is just good policy. That's why we have encouraged the government to take this step through this subamendment.

I wanted to make sure that I got on the speaking list, but I wasn't sure whether the government had a response yet. I hope it does now. With that, I will turn it over and see if Mr. Turnbull has any comments on this particular amendment. I hope he will support it.

• (4305)

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

Mr. Lawrence is next.

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

I want to talk a bit about the impact that inflation will have on CPP going forward. It's amazing the impact that time can have on money.

If, in fact, this does pass and there is a reduction of 0.4% in the contributions, it will save taxpayers about \$3 billion, I think it was. As Albert Einstein famously said, the most powerful force in the world is compounding interest, and it sort of becomes clear as we look at the impact. The assets are projected to be, after the amendment in 2050, \$239 billion lower, which is 8% of the total amount.

By 2100, it will be \$8.3 trillion lower, or 30%. You see the delta, not just in absolute terms, which is obviously massive, but the percentage also increases. By 2100, the fund is roughly 30% smaller than expected. This shrinks the buffer available to absorb future shocks, and that's the worry.

So far, I'm certainly not convinced that the move to lower the contribution rate is by any means reckless. Given the affordability crisis, given the fact that we have the highest food inflation in the G7, given the fact that Canadians are facing three of the last four quarters in recession and given that the GDP per capita in the last 10 years has been the lowest since the Great Depression, I do understand the need to give Canadians a break, even a relatively modest one of 0.4%.

If we look going forward once again, because we want additional information in this subamendment about inflation, we can see that it also will affect the assets-to-expenditure ratio. This is one of the key sustainability metrics that actuaries will look at, and what this does is it says, based on a snapshot in time, how long, if there were no more contributions or investment growth, for how long we could sustain CPP.

Without the amendment or the reduction in contribution, the number in 2050 would have been 14.1. If the amendment passes, it's projected to be at 13. Now, there are lot of assumptions that go into that, some of which I've talked about before, the 4.05% rate of growth consistently.

We know with almost certainty that it won't be 4.05, but that does seem like a reasonable average going forward. Then, in 2100, instead of it being at 20.7, it reduces it to 14.5. A lower asset-to-expenditures ratio means that the plan has less of a cushion built up for the second half of the century, when demographic pressures are the strongest, meaning that there'll be more retirees per worker. That could become worse if immigration had recently declined. If that trend were to continue, all that simply means is that there are fewer workers per retiree or fewer contributors per recipient. That could be a significant challenge if our fertility or birth rate were to stay the same or lower at the same time that immigration was reduced. It will create significant strain going forward.

That's why it's important, to get back to the subamendment, to not just say it in nominal terms but in real terms or in inflation-adjusted terms so that Canadians can understand the importance.

• (4310)

The other part that happens with inflation—the numbers are bigger later on, but arguably the leverage is greater earlier on—is greater dependence on investment performance. Investments' income share of total revenue falls more than previously expected—in 2050, 1%, and in 2100, 7%. By the end of the century, the plan becomes more dependent on the Canada Pension Plan Investment Board returns to keep it in balance. Any sustained period of lower than assumed returns will have a bigger impact.

All this goes to say that inflation is incredibly important when looking at long-term investments, regardless of whether you're looking at the CPP, a pension plan or your own RRSP. You couldn't be told that if you've saved \$50 a month up until now.... If you're 60—I don't know the exact number, but let's say it might add up to \$1 million—you'd say, "Well, that's great. If I'm 20, then I'll have \$1 million for retirement." Well, \$1 million 40 years from now will be worth considerably less. What's more valuable is to have, at a rate of savings, what the actual amount is in inflation-adjusted numbers, so that you can gauge whether that is sufficient for your retirement.

Now, at 47 years of age, my retirement is getting closer, and so inflation will have less of an impact. However, if there were younger members here—maybe one who has a striking resemblance to Justin Trudeau—inflation would have a much greater impact going forward there.

With that, I think I've done as much as I wish to explain on the importance of this subamendment—of importance of including inflation in future projections with respect to CPP. At this point, I will rest my case, as it were.

• (4315)

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

We have Mr. Jackson.

**Grant Jackson:** Not to belabour this point, but Mr. Kelly just twigged a couple of things that I wanted to pick up on and flesh out a bit more.

I often hear from seniors that they feel they have completed their part of the bargain in this country. They worked hard, followed the rules and paid their taxes; now their CPP doesn't go far enough to help them sustain their life. In fact, we know that there are more seniors at food banks, as well as becoming housing-displaced or outright homeless, than ever before in this country. Clearly, there is an understanding gap between people who have contributed and are contributing to the CPP and what that CPP is going to look like when it turns around and starts paying Canadians back.

The increased or enhanced provisions within the act, which we're trying to amend here today, might not fix that problem in terms of buying power, but they would at least give Canadians a bit more of a heads-up that this is what's coming—that this is what the dollar amount will actually be worth in terms of their buying power when they hit 65, 75, 85 or, if they're lucky, when they hit 95, versus what may be in their mind as the perception that they're going to be getting back from CPP after having paid into it their entire lives.

I do hear from Canadians, and it's a pretty disappointing result. They've worked very hard and contributed to their community and to society, and then they can't afford groceries at the end of the week.

I just heard a story about somebody from Harvest Manitoba. Her job at the Health Sciences Centre Winnipeg was to drive people to the food banks. When she retired, including her pensions, she still didn't have enough money to keep a roof over her head and pay for her groceries. She's now accessing the food bank herself, in retirement, after a career in the health care sector trying to connect people with the supports that food banks in Winnipeg offer. This is a tragic state of affairs as far as I'm concerned.

The point is that this individual maybe did everything they could to save everything they could, and nothing more could have been done. However, maybe they could have saved more if they had known that their CPP was only going to go a certain distance, a certain length. If that can be explained better with annual or regular reporting, as we're requiring of the finance minister with our amendment, I think that's a good thing. Canadians can then more accurately plan their finances with the information available to them, which will be more accessible and in a more consumable format. I think that's an important thing for Canadians to do. Certainly for this individual it may have benefited her in terms of her own financial planning and the situation she is now very tragically involved in.

Mr. Kelly raised an important point about the realistic funding and contribution decisions that this would outline, as well as the enabling of consistent comparisons over time, which I believe would also allow Canadians to have a better understanding of what the dollar figures will be worth and what their purchasing power will be when they come to be of a pensionable age.

• (4320)

**Ryan Turnbull:** I have a point of order, Madam Chair.

**The Chair:** Mr. Turnbull, go ahead on a point of order.

**Ryan Turnbull:** Madam Chair, I know the member opposite is talking about dollar figures. The Conservatives have now wasted 16 hours in total at this committee. They subamend their own amendments on the fly. It's basically "legislate on the fly" on that side.

**Pat Kelly:** On a point of order, is there a rule against that?

**Ryan Turnbull:** We had 17 finance officials here yesterday, and eight of them are here today for the better part of the day. I would like to know, what is the cost per hour of running this committee that Conservatives are wasting parliamentary resources on, when they're not serious about passing legislation?

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

I'm sorry. Who had the floor? Mr. Jackson....

Mr. Lake, go ahead.

**Hon. Mike Lake (Leduc—Wetaskiwin, CPC):** On that point of order, can the chair rule on whether that is actually a point of order?

**The Chair:** Mr. Lake, I'm not going back to Mr. Turnbull. I allowed him to speak, but I've turned the floor back to Mr. Jackson.

**Hon. Mike Lake:** Okay.

**Grant Jackson:** I'm just curious about whether that was a point of order or whether the member opposite is asking you to answer that question, Madam Chair. I'm not clear.

**The Chair:** Mr. Jackson, you have the floor.

**Grant Jackson:** Okay. Well, I guess we'll leave that as it is.

Nonetheless, I think I have certainly made my case to support this amendment. It makes perfect sense to me. I think it's a good provision to support Canadians in their understanding of their Canada pension plan. I look forward to the government members supporting it during a vote in short order.

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

Mr. Lake, go ahead.

**Hon. Mike Lake:** I found that point of order interesting in the context. Mr. Turnbull's been part of a government that, over the last decade, has taken the debt from \$616 billion to, I think, \$1.4 trillion right now. I believe we're running....

Pardon me?

**The Chair:** Mr. Lake, we're on the subamendment. Could you get to the subamendment?

**Hon. Mike Lake:** It's just...it was hard for me to concentrate with Mr. Turnbull chirping at me.

**The Chair:** Yes, Mr. Turnbull. Go ahead.

**Ryan Turnbull:** On a point of order, Madam Chair, I know Mr. Lake is very experienced in Parliament. He even carries the hon- orific title there, so he knows how this works.

I notice that he's making an argument, but it doesn't really relate to the actual subamendment that has been proposed by his col- leagues. I wonder, could you bump him back into his lane? I call it a "lane assist".

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

One moment. I'll address you in a second, Mr. Kelly.

Mr. Lake, we've actually.... This has been a consistent theme for the past two days, and so I'd just like to remind all members to fo- cus on the fact that we're doing clause-by-clause, and we are cur- rently on subamendment seven of CPC-13. I would encourage you to focus your comments on that for relevance.

However, before I turn to Mr. Lake, I know Mr. Kelly has a point of order.

**Pat Kelly:** Yes. There was some lack of clarity on whether you had ruled on what Mr. Turnbull had intervened about, and I think that's what Mr. Lake was referring to.

**The Chair:** Thank you, Mr. Kelly. That's not a point of order.

Mr. Lake, you have the floor on CPC subamendment seven to CPC-13.

**Hon. Mike Lake:** Is it subamendment seven or six?

**The Chair:** It's seven.

**Grant Jackson:** It's six on ours but seven on theirs.

**Hon. Mike Lake:** Oh. Okay. I'm sorry. We're looking at different information.

The conversation is around reporting, of course. I think that, right now, in this era, Canadians have less and less information from the government. Let's face it: Our Parliament is sitting less than it used to sit under previous governments. We've seen, over the last few years, more....

I'm sorry, Mr. Turnbull. Do you want to weigh in?

**Ryan Turnbull:** I was talking to my colleagues. I'm sorry.

**Hon. Mike Lake:** We're seeing less transparency than we've ever seen, and I think that Canadians are rightly concerned about what the impact is going to be of the record levels of spending. I do think it's on topic when we talk about reporting and about the impacts of inflation on Canadians' pensions. It's important to talk about the things that are leading to that in making the argument for this sub- amendment.

We're dealing with a situation in which we had—and we can just look back in history at the impact—a Trudeau government of the 1970s and early 1980s that ran deficits in 14 out of 15 years. We just had another Trudeau government that ran deficits in 10 out of 10 years. Now we have a new government, led by a new Prime Minister, but it's very similar to the old government. It's actually outspending the previous government, with bigger deficits than were projected under the previous government. I think that's going to have an impact. Canadians are rightly concerned about the im- pact it's going to have on their pensions.

If you go back in time to see the impact of the record level of Trudeau spending from the 1970s and 1980s and our coming out of those deficits, it wasn't until a generation later that we saw the real impact in—

• (4325)

[*Translation*]

**Steve Lavoie:** Madam Chair, I have a point of order.

**The Chair:** Mr. Lavoie, you have the floor.

**Steve Lavoie:** I just looked at the subamendment. The com- ments from my honourable colleague Mr. Lake have nothing to do with the subamendment when he talks about past governments.

I'd like him to stick to the subamendment, please.

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

[*English*]

On the same point of order, I have Mr. Kelly.

**Pat Kelly:** I was following his argument quite carefully—

**The Chair:** Okay, this is turning into a debate. Thank you, Mr. Kelly.

**Pat Kelly:** He has talked about the effects of inflation—

**The Chair:** Mr. Kelly, this is turning into a debate. Thank you.

I have Mr. Lake.

**Hon. Mike Lake:** Thank you, Madam Chair.

I was in mid-thought about the impact of those deficits. What we saw with the deficits and the significant debt taken on under Pierre Trudeau was a circumstance similar to what we're looking at right now, where the next nine years under a Conservative government.... I know that my Liberal friends, in the early days of their govern- ment, liked to shout out across the floor that the Mulroney deficits were the biggest in Canadian history at the time. It's important to point out that the Mulroney deficits during that time in government were entirely interest on the debt run up by the Trudeau govern- ment of the seventies and early eighties. They were entirely inter- est. Other than interest, the budgets were in balance.

The real bill didn't come due then, though. The real bill came due in 1995. Some of us are old enough to remember 1995, although perhaps not the member directly across the table from me. In 1995, those of us who were around will remember that the government of the day, with Paul Martin as finance minister—the Chrétien-Martin government of the day—because of a drop in our credit rating, had to cut by 32% what I think was called the Canada social transfer at the time. Billions and billions of dollars in one shot were cut from spending in transfers to the provinces for health care, social ser- vices and education over a two-year period, from 1995 to 1997.

I know that some on this committee share my interest in international development. Do you know what our lowest level of spending in international development was? It was in the early 2000s and was still coming out of those cuts under the Chrétien-Martin government. I think we were down to around 0.21% of ODA. Our ODA was—

[Translation]

**Steeve Lavoie:** I have a point of order, Madam Chair.

[English]

**Hon. Mike Lake:** I'm sorry. I am coming back to—

**Kent MacDonald:** We don't need a history lesson.

[Translation]

**The Chair:** Mr. Lavoie, you have the floor on the point of order.

[English]

**Hon. Mike Lake:** Well, apparently you do, actually.

**The Chair:** Excuse me, folks.

Mr. Lake and Mr. MacDonald, Mr. Lavoie has the floor. Thank you.

[Translation]

**Steeve Lavoie:** Thank you, Madam Chair.

I just want to give my colleague the same reminder, that is, to focus on the subamendment, which is actually very specific, rather than recounting stories from the past. They have nothing to do with the subamendment.

I invite him to reread the subamendment, give the floor to another speaker who can debate it or focus on the subamendment, please.

Thank you.

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

[English]

Mr. Lake, this has been a consistent theme throughout the day. I'll remind folks to stay on the topic of the subamendment.

Please continue.

**Hon. Mike Lake:** I appreciate that. The honourable member asked me to reread the subamendment, so I will do that.

**The Chair:** Mr. Lake, we've established a protocol here that we don't reread the subamendment once it has already been read in.

**Hon. Mike Lake:** I think the member asked to have the subamendment reread in.

[Translation]

**Steeve Lavoie:** As I said earlier, you can let someone else have your turn.

[English]

**Hon. Mike Lake:** He said that in his request.

[Translation]

**Steeve Lavoie:** What I said, Mr. Lake, is that you can give your turn to someone else and reread the subamendment.

[English]

**The Chair:** It has been—

**Hon. Mike Lake:** Is his request is withdrawn? Is that what's happening right now?

**The Chair:** It doesn't matter, because we have established a protocol throughout the day that we're not doing that.

**Hon. Mike Lake:** Okay.

**The Chair:** For consistency, I would ask that you continue with your argument, stay focused and not be repetitive.

**Hon. Mike Lake:** It's interesting. Mr. MacDonald said, "We don't need a history lesson." The entire discussion we're having today is an indication that we absolutely need a history lesson.

What we're talking about is reporting transparency. We're talking about the long-term sustainability of programs that are important to Canadians. History tells us that at times when we've run deficits like the deficits we're running today and at times when we've been in situations like the situation we're in today... We are currently spending more on interest on the debt than we are on the Canada health transfer.

• (4330)

**Ryan Turnbull:** I have a point of order, Madam Chair.

What does debt service have to do with the chief actuary's report on the solvency of the Canada pension plan? That's what we're talking about here.

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

**Ryan Turnbull:** What does that have to do with this? Relevance is a legitimate point of order, as we all know.

I would like the chair to request that Mr. Lake get on topic.

**Hon. Mike Lake:** I find it telling—

**The Chair:** Give me one second, Mr. Lake.

Thank you, Mr. Turnbull.

Again, I will remind the member to stay focused.

Mr. Lawrence, are you raising your hand on the same point of order?

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

**The Chair:** Is it going to be debate, or is it going to be a point of order?

**Philip Lawrence:** I believe it will be relevant to his point of order.

**The Chair:** Okay. I'd like to hear you out.

**Philip Lawrence:** He raised the issue of relevance. I will be brief, but the MCR is related directly to the macroeconomic position.

**The Chair:** That is debate.

**Philip Lawrence:** He was talking about relevance. I'm talking about relevance.

**The Chair:** That's fine, but that's debate.

We'll allow Mr. Lake to continue.

**Hon. Mike Lake:** I think it is incredibly telling that the Liberal parliamentary secretary to the Minister of Finance has just said that the fiscal situation of the country has no relevance whatsoever to the long-term sustainability of our pension plan.

**Ryan Turnbull:** I have a point of order.

That's not what I said, Madam Chair.

**Hon. Mike Lake:** I find that absolutely astonishing. It's recorded. We're not in camera.

**Ryan Turnbull:** Madam Chair—

**The Chair:** Both of you, please.... I have the floor right now. I'm going to ask that we not devolve into a tit-for-tat.

I would like Mr. Lake to continue with his point. We will treat everybody as honourable members. We will not go after each other personally.

**Hon. Mike Lake:** I was not going after him personally. I was just responding to the comment he made.

**The Chair:** Please carry on with your argument on the subamendment.

**Hon. Mike Lake:** That is fair.

We're in a situation right now where the fiscal situation of the government is absolutely going to affect the long-term sustainability of programs that Canadians count on—of all programs that Canadians count on.

**Ryan Turnbull:** It's not about that. It's about the Canada pension plan.

**Hon. Mike Lake:** Madam Chair, I'm not sure. Are we in open debate right now? His microphone is on.

**The Chair:** Mr. Kelly, you have a point of order.

**Pat Kelly:** Yes.

We are not permitted to interrupt members while they're speaking, and Mr. Turnbull is interrupting Mr. Lake. I get the thread of his argument, and I'm eager to hear it.

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

I ask everyone to please be respectful.

Mr. Lake, you may continue.

**Hon. Mike Lake:** I am also glad to cede the floor to Mr. Turnbull if he wants to take some time to weigh in on the conversation. I'd like to hear more about how the current fiscal situation of the government will not have any impact on anything down the road for the future of Canadians.

I will go back to the history lesson that the Liberals don't need, apparently. The history lesson tells us that when you undertake spending and when you put forward policies that lead to a fiscal crisis, an energy crisis.... We saw this in the late 1970s and 1980s. We

saw an affordability crisis and certainly an interest crisis. All of those things are going to have an impact down the road on programs that are important to Canadians.

**The Chair:** Mr. Lake, just remember that this is about the subamendment about a report on the CPP. Make sure you tie this back to the subamendment, please.

**Hon. Mike Lake:** Absolutely, Madam Chair.

I was mentioning that we're in a situation where our interest payments are now higher than the Canada health transfer. We're going to be in a situation that will absolutely affect our ability to fund—

**Ryan Turnbull:** I have a point of order, Madam Chair.

I'm sorry, but the member is not speaking to the issue at hand, which is the Canada pension plan, our reduction of the contribution amount by 40 basis points and the Conservatives asking for a subamendment to their amendment about reporting on that. It's not relevant to the actual subamendment that's been proposed. There's no tie-in. I don't hear any link.

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

I would just ask Mr. Lake to please focus on the subamendment to the amendment, which is about the report. We are in clause-by-clause. It is important to stick to the focus of the subamendment, please.

**Hon. Mike Lake:** I will look forward to Mr. Turnbull's next turn answering questions in the House of Commons and to hearing him stick to the topic that's asked in a question in the House of Commons during question period. I look forward to seeing the results of his raising this—

**The Chair:** As per the Standing Orders—and we've gone over this a number of times in committee today—members need to be relevant in their arguments. I'm going to ask that we continue to stick to relevancy when it comes to the particular subamendment we are debating right now to CPC-13.

Thank you, Mr. Lake.

• (4335)

**Hon. Mike Lake:** The subamendment speaks to reporting. The subamendment speaks to the importance of reporting. I think at this point in time, Canadians are losing trust. They're losing trust in this government—many Canadians. In my part of the country, many Canadians are losing faith in this government. They're losing trust in this government. Increased reporting would lead to a rebuilding of that trust. I would note that the chair is nodding with me. I appreciate your agreement.

**The Chair:** Mr. Lake, I'll have to interrupt there to just clarify the record, because you shouldn't put words in the mouth of the chair. I'll ask you to retract that, please.

**Hon. Mike Lake:** I retract that. I appreciate that. We're both honourable members.

I point out the importance of that reporting and the importance of building trust because Canadians are looking at the situation and have seen reports that say by 2030, our interest payments will actually be higher than the amount of the deficit.

**Ryan Turnbull:** I have a point of order, Madam Chair.

**The Chair:** Mr. Turnbull has a point of order.

**Ryan Turnbull:** Relevance is a point of order.

Again, the member opposite is speaking to interest payments. We're talking about Canada pension plan contributions and the sustainability of the pension plan. That's the only thing that's relevant to this particular section of the spring economic update implementation act, Bill C-30. Does the member opposite not realize that he's making comments in a universe all around it that have nothing to do with the actual...? This is what relevance is all about in this committee.

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

Mr. Lake, again, if you could, please focus on the subamendment.

**Hon. Mike Lake:** This conversation is really important. I'm glad to hear Liberal members weighing in with their thoughts on this. I would argue that as you see a potential for economic collapse and as you see the potential that fewer Canadians will be working and paying into the system, one might question whether the system is sustainable. When you see that we're going to be paying more on interest payments—

**Ryan Turnbull:** I have a point of order, Chair.

**The Chair:** We have a point of order from Mr. Turnbull.

**Ryan Turnbull:** The system being sustainable is not what we're talking about. We're talking about the Canada pension plan, the pension plan that Canadians contribute to out of their paycheque.

**Hon. Mike Lake:** The one that is funded out of employment income—

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

**Hon. Mike Lake:** —so if employment goes down because of—

**Ryan Turnbull:** We just lowered the pension plan contribution.

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

You have the floor, Mr. Lake.

**Hon. Mike Lake:** Madam Chair, I think I've made the points that I wanted to make at this point in time. I'll listen to what our other colleagues have to say.

I will point out, though, that I'm very glad to see that some Liberals are willing to take part in this conversation, not just simply rubber-stamp through legislation, as I've been seeing in almost every other committee since the Liberals took over the majority in all committees. Thank you.

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

Ms. Kronis.

**Tamara Kronis (Nanaimo—Ladysmith, CPC):** Thank you so much, Madam Chair.

I really want to thank everyone for welcoming me to this committee. I'm actually really glad to be here. It's not a committee that I've been to very many times, but it is a really important committee.

We're discussing clause 43.1 of Bill C-30, which impacts the Canada pension plan, and I know that's not only important to peo-

ple in my community but important to people in all of our communities.

I'm sorry, but did I say something funny?

**The Chair:** Your colleague did.

**Tamara Kronis:** I'm sorry.

What we're debating, if I understand it correctly, is a subamendment to an amendment to add clause 43.1 to Bill C-30. I'm going to break it down and explain why I'm here to support that subamendment. I know that sounds incredibly procedural. Particularly for the people in my community watching from home, I'm going to explain why that matters.

Clause 43, which is the overall part of Bill C-30 that we're studying, deals with changes to Canada pension plan contribution rates. Those are the rates that workers, employers and self-employed Canadians pay into the CPP, which means this clause would affect how much money is collected for the Canada pension plan on a go-forward basis.

As my colleague from across the table said, this clause would reduce future CPP contribution rates. For employees and employers, that rate would move down to 4.75%. For self-employed people, who are paying both the employee and employer portions, it would go down to 9.5%. That change, in case anyone wants to find it, is in division 5 of part 3, which is the part of the bill that deals with the Canada pension plan.

As my colleague from across the table said, we would be reducing CPP contributions “by 40 basis points”. That would be good for some Canadians in the short term, but it would not be automatically good for all Canadians overall, because it would depend on—those who look at this area on a regular basis know—whether the CPP can absorb the lower revenue without weakening the plan. If that were to happen, it would create future pressure to raise the rates again. That would shift the costs onto younger workers, which is something we talk about in the House of Commons on a regular basis.

● (4340)

**Ryan Turnbull:** You guys advocated for this.

**Tamara Kronis:** I'm getting there. We're talking about a subamendment to an amendment, and I'm talking about why I'm supporting it.

**Ryan Turnbull:** She invoked the Simms protocol, so we're allowed to [*Inaudible—Editor*].

**The Chair:** Ms. Kronis, please carry on.

**Tamara Kronis:** Thank you.

Going from 4.95% to 4.75% looks like 0.2%, but when they're taken together, the total employer and employee contribution is reduced by 40 basis points. In the short term, it's going to help workers because a little less CPP comes off their paycheques.

It will also help employers—as I'm sure my colleagues are happy to point out—because their payroll costs go down slightly. It also helps self-employed Canadians because they pay both sides of the CPP, so they see the full reduction directly. When it comes to small businesses, especially in this economy with tight margins, even a small reduction in payroll costs can matter when rent, wages, insurance and other expenses are already high.

There is no question that my colleagues across the table are going to present this as affordability relief. However, it could also hurt younger workers. One of the themes we have seen consistently in this government is that there seems to be a lack of consideration for young people and for people who are trying to save to buy a house and trying to save to get ahead. It certainly affects the people coming along behind them, because if or when the reduced contribution rate leaves the CPP with less revenue, it will definitely create pressure for higher rates later.

That also hurts future retirees, because if the plan's financial cushion is reduced over time, that is going to have an impact, even if benefits are not cut now. It could also hurt contributors more generally if Parliament is not shown whether the lower rate is sustainable. That, in turn, can hurt the trust in CPP if the government lowers contributions without clearly explaining the long-term impact.

That is the key point here. The change doesn't necessarily mean CPP benefits are being cut now, but it does mean less money is being collected than would otherwise be collected, and that raises a question of whether the lower revenue is safe for the plan in the long term.

That brings me to the amendment and the subamendment, because it shows us why they matter. The government is going to say that the reduction is safe. If that is what they want to say, then they should be able to show the numbers—not just the headline number and the total assets in future dollars, but the real value of these assets after inflation and what these assets look like per contributor and per beneficiary.

If that 40 basis-point reduction is helpful in paying CPP today but creates a risk for people relying on CPP tomorrow, that is something Parliament should be aware of and is something reasonable to debate, because the decisions we have to make in the House always involve trade-offs.

We may or may not decide we want to help today's workers, employers and self-employed Canadians with this modest reduction in contributions, taking into account the ways it might hurt future retirees and workers. If the lower rate weakens the CPP's long-term financing or if it leads to pressure for higher rates later, that is something we should be taking into account.

The responsible position isn't simply a yes or a no, a good or a bad. The responsible position is to show us the actual actuarial impact—boy, that's a tongue twister—and then let's discuss it. Let us work together to do what is best for Canadians.

I'm sorry, Mr. Turnbull. Are you trying to say something to me?

• (4345)

**Ryan Turnbull:** Madam Chair, she's asking me a question. She's evoking what's called the Simms protocol, which is in the Standing

Orders. I can cite it for you. She can ask me a question and not cede the floor, and I can answer.

**The Chair:** That is true. There is the Simms protocol.

**Tamara Kronis:** Are you hoping to do—

**Ryan Turnbull:** No, I was just adding a point to your argument, which is that there was a report tabled in Parliament yesterday. That's what we heard in witness testimony. The impact that you're asking for is already in that report, which was tabled in Parliament yesterday. Essentially, the argument you're making is redundant. I just want to make sure that you are aware of that.

**Tamara Kronis:** I am aware of that, and that's where I was heading. In fact, you practically anticipated the next sentence that I was going to say, which is that the office of the chief actuary already publishes reports on public pension plans and can value the impact of tabled bills and amendments affecting public pension plans, which is the kind of transparency that Parliament should require and is exactly the information that the minister should be paying attention to.

That's where the amendment and the subamendment are heading, because what we would like to do with this amendment and subamendment is force the government to show its work, not simply in an actuarial report that may be tabled, but in a ministerial report that is tabled in the House and that can be debated by parliamentarians in the exercise of our discussion of these issues in the best interests of Canadians.

Basically, what the amendment then says is that shortly after this change takes effect, the Minister of Finance has to prepare a report explaining what these CPP amendments do to the financial state of the CPP and to contribution rates. Then the report has to be tabled in both the House of Commons and the Senate within a set timeline. I think it's 15 days. That way, Parliament wouldn't just pass a rate cut and move on. What would happen is the minister would have to come back to the House with a formal public account of the impact that we could then debate in the House of Commons and that Canadians would become aware of.

What the subamendment does is add more detail to what the report has to include. It requires the minister to include projections of CPP assets done two ways. The first part would be in nominal dollars, which means the raw dollar amount for future years. The second part would be in inflation-adjusted dollars, which is what those dollars are really worth after taking inflation into account. This matters, because a big future number can sound reassuring, but inflation can make it less meaningful.

That's something Canadians of all walks of life are seeing right now in our communities. It's something that we see every time we go to the grocery store. These numbers are big, and inflation is impacting our bottom line. We know that in most cases, inflation is going up faster than our wages, and that is something we are concerned about.

What this does—

**Ryan Turnbull:** I have a point of order, Madam Chair.

Wages have been increasing faster than inflation for over three years.

**The Chair:** Thank you, Mr. Turnbull. That's debate.

Ms. Kronis, go ahead.

**Tamara Kronis:** Even I know that's debate.

I was saying that what the report will do is require the minister to report the impact of the changes that the government wants to make in Bill C-30 to the Canada pension plan in both nominal dollars—the numbers as you do the math—and inflation-adjusted dollars. That matters, because while a big future number may sound reassuring, inflation can make it less meaningful. For example, saying that the CPP fund will have a certain number of billions of dollars in 2040 doesn't actually tell us that much today unless we also know what that amount is worth in today's dollars. It also, I suppose, helps to know what projected inflation rates might be and what those numbers might convert to in the long run.

The subamendment would also require, where the information is available, the minister to come back to the House with projected CPP assets per contributor and per beneficiary. That's important, because the total size of the fund is not the whole story. As Canada's population ages, we need to know not just the number of people making contributions but also the number of people who will be drawing benefits. That matters a great deal. We've had a lot of talk in the last decade or so about how shifting demographics are going to have a big impact on the CPP and on the plan, so it's important to do that.

What that means is that the fund may grow in total dollars, but the amount available per worker or per retiree may be less strong. That's something that Canadians really care about, because it affects our future ability to support Canadians in their retirement as we move on. Put very simply, what the amendment says is that if the government wants to lower CPP contributions, that's fine—they can make it sound as good as they want—but we want a report back to Parliament on what that means for CPP's finances. The subamendment says that, on top of that, the report shouldn't be allowed to just use broad headline numbers. It has to show the real value of CPP assets after inflation and show not only what the fund looks like on a per-person basis but what it looks like for contributors and beneficiaries.

The reason this is important and the reason I'm here to support this subamendment is that it's about protecting transparency. CPP is not a normal government program that's funded from general revenue. It is a contributory pension plan that workers and employers pay into over their entire working lives. Changes to contribution

rates affect paycheques today, but they also affect the long-term strength of the plan.

This touches on issues of intergenerational fairness and touches on issues of transparency, and those are some of the core issues that we come to this place to address. A lower contribution rate may very well give workers and employers some relief now, but I have to tell you, Madam Chair, that when government is going to the CPP to be able to provide relief, it is really going into one of the core pockets where Canadians get really worried about things. They get really worried about the state of our economy. I get a lot of emails in my office urging us to keep our hands off the CPP—emails from those worried about what we might do to it in this place.

When we talk about affecting our financial cushion and adding risk for younger workers, it's difficult. What these reports we are asking for through the amendment and the subamendment would do is make the numbers harder to spin. A report that only gives total assets in nominal dollars could make the program look stronger than it really is. Requiring inflation-adjusted figures and per-contributor and per-beneficiary figures gives parliamentarians and Canadians a clearer picture. That strengthens accountability, and it is something that I think we would all agree we're here to do. That's why I'm surprised to hear that members across the table are potentially not supporting this amendment and subamendment.

● (4350)

When you explain it the way that I've explained it—when you explain in plain-language terms that people care about the Canada pension plan because it is their financial cushion in retirement—it really lays bare why this amendment and subamendment are so important to us. The simplest way to say it is that the amendment is about making sure that Parliament and Canadians know whether cutting CPP contributions is truly safe for the long-term health of the pension plan, and not just whether it sounds like another good announcement to make in the short term. I think Canadians are looking for that kind of reassurance. They want to understand the financial state of the Canada pension plan and the effect that the things we do in this House will have on contribution rates.

The amendment says that the report has to be filed “in each House of Parliament on any of the first 15 days on which that House is sitting after the report is completed.” By “both Houses”, what we mean is that the report has to be provided to both Parliament and the Senate. That is important, because, of course, it allows both Houses, which represent Canadians and deal with those issues, to have input and look at it from the different perspectives and different dynamics that both Houses provide. That is another thing that I hope is going to reassure Canadians that we are acting responsibly with the CPP and with their money, because, again, that is something I hear about on a regular basis.

The first 15 sitting days matter because we don't sit every day of the week. That gives the government a defined parliamentary timeline, as opposed to just a number of days, to table the report. The subamendment doesn't replace the reporting requirement or create a separate report. It adds more detail to what the minister's report has to include. It says the report has to include, as I think I've said, assets in both nominal dollars and inflation-adjusted dollars.

Of course, when we talk about a projection, what we're talking about is an estimate of how much money or value the CPP is expected to have in the future—not just current figures, but also forward-looking numbers that will help parliamentarians and Canadians understand what the plan may look like over time. We're asking the minister to bring the actuarial report that my colleague talked about to life and turn that information into what I hope will be highly digestible information that will be tabled in both the House and the Senate so that we can consider it.

That's also why the subamendment talks about inflation-adjusted dollars in addition to nominal dollars. Inflation-adjusted dollars will show the real value of the assets.

● (4355)

**Ryan Turnbull:** I have a point of order.

I think that's the fourth time the member opposite has mentioned the very same point. I know we've tried to decrease repetition in the interventions.

**Tamara Kronis:** I'm sorry, but it's been a—

**The Chair:** Wait one second, Ms. Kronis.

Thank you, Mr. Turnbull.

It has become a practice, and it is also in the Standing Orders, not to be repetitive when we're doing clause-by-clause, so if you could, make new arguments or allow one of your other colleagues to continue.

**Tamara Kronis:** I'll try to bring it back. I know it has been a really long day for everybody. These are very important topics, though, that are close to Canadians' hearts. I'm trying to do this in an unrepeatable way. I apologize. This is a very dense bill and a fairly dense meeting. I'm trying to do that.

As the population ages and more Canadians retire, more people will receive benefits from the CPP, which is why we need to understand the impact on a per-beneficiary basis. I want to clarify that we're not debating and we're not suggesting that there should be a completely separate process. What we're talking about is whether the reporting requirement in the amendment should be strengthened so that the report is clear, useful and meaningful. That will allow for more information to be available.

I also want to clarify that this is not about allowing red tape for the sake of it. It really is about making sure that what we get is a real report with real numbers that can be tested and understood and will tell the whole story.

I'll close by saying that the Canada pension plan is not ordinary government spending or a short-term program. It is a long-term promise that we make to Canadians. Our constituents, no matter

where we are in the country, expect Parliament to manage the CPP carefully. They expect us to be transparent and to do our job.

That is why I support both the subamendment and the amendment. I think it is clear. I think it's reasonable. I think it's accountable. If the changes in the division are sound, then the government should have no concern about providing this information. If there are risks, Parliament and Canadians deserve to see them. For that reason, this amendment and subamendment have my support.

Thank you.

● (4400)

**The Chair:** Thank you, Ms. Kronis.

Go ahead, Mr. Jackson.

**Ryan Turnbull:** Great argument. We're convinced. We'll vote in favour now.

**Tamara Kronis:** Excellent. I'll take you at your word.

**Grant Jackson:** Thank you, Madam Chair.

The parliamentary secretary did say he would support this, so that's positive.

I just want to respond to a few things that he put on the record. He said that somehow the comments Mr. Lake made about inflation had nothing to do with the subamendment. In fact, it's actually spelled out in the subamendment that we're asking for inflation-adjusted dollars and that the report must include, to the extent the information is available, the impacts of inflation on real assets, projected assets, per contributor and per beneficiary.

For the parliamentary secretary to maintain the opinion that inflation has no impact on that... I don't think the subamendment would have been allowed if it was out of the scope, for starters. Secondly, I think it's a pretty shocking admission that the parliamentary secretary believes that inflation won't have any impact on the buying power of people's CPP in the future. I'd just like to outline for him a few reasons why that is the case, which is why we've included this provision in the subamendment.

Inflation very clearly erodes purchasing power if benefits are not indexed, but indexation increases sustainability pressure. For contributors, wage growth versus inflation matters. If wages keep up with inflation, contribution revenues rise in nominal terms. If they don't, like the government is doing, that can present challenges. If wage growth lags, contributions lose real value. That's a clear fact that everybody—maybe not everybody now that the parliamentary secretary has mentioned this—or most people understand. That's the impact of inflation on pensionable funds.

That's why we've asked for this subamendment. It's to make it clear to Manitobans—and all Canadians in fact—the impacts that this will have, including government actions on inflationary spending policies. That is exactly what Mr. Lake was trying to get to, but he was unfortunately interrupted many times. Perhaps the members opposite would have gotten a clearer picture if they had allowed him to speak right through and make his argument in one connected presentation. Alas, here we are.

The bottom line for the parliamentary secretary and others is that inflation is one of the most important risks in pension financing. That's very clear, sound fiscal policy that everybody knows. It is not out of order and it's certainly not off topic to include that in a subamendment to an amendment to a bill that's about future fiscal planning regarding the Canada pension plan.

The members opposite still haven't had enough, so they clearly don't understand that it directly affects the real value of benefits, the size of liabilities and the effectiveness of investment strategies. I think that's very clear. All we're asking for is that projections outlining all those factors be included in the bill when it gets enacted so that those provisions are included for Canadians to understand. That's why the subamendment is on the floor. We look forward to them supporting it when we get to the vote in due course.

Thank you, Madam Chair.

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

Mr. Kelly is next.

**Pat Kelly:** Thank you, Madam Chair.

I too had comments that stem from some of the exchanges that occurred during Mr. Lake's argument, which I thought he was making quite clearly by drawing a line over the historical experience of deficits and out-of-control government spending on inflation, which erodes the purchasing power of Canadians' savings and their retirement incomes.

The point is that a report that gives only nominal figures and does not adjust for inflation does not give Canadians the information they need. People might say, "Well, how important is that? Is that really something we have lived experience with in Canada?" The answer to that is yes.

That was Mr. Lake's point. Up until today, probably the two most irresponsible finance ministers in Canadian history—Allan MacEachen and Marc Lalonde—left Parliament basically kiting interest and issuing new debt to pay the interest on existing debt. In a household, if somebody is taking out a new credit card just to make the interest payment on the old credit card, we know what kind of disaster that leads to. That was the situation in 1984 in Canada. That erodes and changes the future value of assets.

That's why it's so important that we express these numbers in purchasing power terms so that Canadians can understand them. In so many ways, as Mr. Lake was saying, we are repeating the history we went through 40 years ago, wherein a prime minister named Trudeau made such a mess and was so utterly incompetent in his energy policy—

• (4405)

**The Chair:** Mr. Kelly, please stick to the subamendment.

**Pat Kelly:** This is happening again, and this is why the subamendment—

**The Chair:** Yes, but—

**Pat Kelly:** That's why we moved this subamendment. It's so that Canadians will see things in inflation-adjusted terms. As history repeats itself under the government and it copies the policies of that government, we could very well find ourselves in a situation where.... Imagine a person in the 1980s who was looking at their future retirement benefits and understood them only in nominal terms and did not foresee what inflation might do to these nominal terms and how that affected their ability to plan their own retirement. I followed that argument. On the other side, they didn't seem to think it was relevant. They refused. They weren't interested in learning from history. We become doomed to repeat it when we don't learn from it.

Sadly, that's unfolding in so many ways in our political discourse today. We're here to try to make better laws, improve bills and improve legislation. It's our job as legislators, and that's what we're doing. We're trying to add both nominal and inflation-adjusted dollars to the reporting we will have.

I thought it was a valid argument made by Mr. Lake. That's why I'm stating it. I think I've kept it to the limitations of this particular amendment, which deals with ensuring Canadians have inflation-adjusted information so they can understand what they have ahead of themselves. The reason—

**Jake Sawatzky:** I have a point of order, Chair.

**The Chair:** I have Mr. Sawatzky on a point of order.

**Jake Sawatzky:** Once again, we're seeing a lot of repetition and irrelevant information. We're at 10 hours now. We've been on one clause for the whole time. I'm a little surprised that we haven't been able to move past one clause in 10 hours.

**Pat Kelly:** Is this a point of order?

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

Mr. Kelly, if you can, stick to the amendment, please.

**Pat Kelly:** I believe I was, but I'll defer to you and ensure that I'm as tight to the amendment as possible so that Mr. Sawatzky and others can follow the debate.

I hope Mr. Sawatzky isn't trying to direct from the other side what members think is important to debate and how much time members—

**The Chair:** Thank you, Mr. Kelly. Please stick to the subamendment. We are in clause-by-clause.

**Pat Kelly:** Yes, indeed we are. I've forcefully made the argument about the relevance of historical experience to this amendment.

With that, I am prepared to cede my time. Since members on the other side have had so much to say without having the floor, perhaps one of them would like to take the floor and give us their remarks.

• (4410)

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

[*Translation*]

Mr. Garon, you have the floor.

**Jean-Denis Garon:** I have missed you all. I wanted to take the time to tell you that first. I'm always happy to take the floor back and see that we can pick up where we left off, once more.

I just have a question for my Conservative colleagues.

You'll be surprised, but this is a real question in this whole debate.

Each of their subamendments seeks to produce a new report, the goal of which is to have concise, simple and digestible information for Canadians. I think I understand that well.

They have been listing the information they want in these reports for 10 hours now. I would like to know how, technically, 10 hours' worth of information can fit into a simple and concise report. I even wonder if the amendments are admissible, because they don't seem to fulfill the goal they were drafted to fulfill.

Canadians are tired of waiting to read the actuarial reports for the Canada pension plan. However, it's a bit too complicated for their subway commute, so we'll make it simpler.

The Conservatives are spending 10 hours to tell us what's needed in the simple report. What's the point of their subamendments?

It's an open-ended question, and I know there are a number of speakers on the list. It might be nice for them to answer a question for which the answer wasn't written in advance. It might liven up their day a bit.

[*English*]

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

Mr. Lake is on the list.

Please go ahead.

**Hon. Mike Lake:** Thank you.

It's nice to see my friend Monsieur Garon here at committee. I'm dropping in as a guest. We've served on a committee together in the past, and I found him to be a very good colleague to work with on issues that were important. I think it was the health committee we were on together at the time.

Mr. Sawatzky referred to concerns about interest and inflation as "irrelevant". I found that to be an interesting comment. Of course, he wasn't in the House in the early—

**An hon. member:** I have a point of order.

**Hon. Mike Lake:** I'm sorry. Is there a point of order? Is he going to correct the record? Is that what he's saying?

**The Chair:** Mr. Lake, please continue.

**Hon. Mike Lake:** No, someone has called a point of order.

**Jake Sawatzky:** I have a point of order.

**The Chair:** I'm sorry. I didn't hear that, Mr. Sawatzky.

**Jake Sawatzky:** I would like to correct the record.

I didn't say that. When we were talking about this specific clause, I said that they were speaking in very general terms and that we wanted to get more specific so we could actually get something done. That's what I was referring to.

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

Mr. Lake.

**Hon. Mike Lake:** I appreciate that clarification.

If you take a look at the clause, it talks about—I know I can't read it out—a report on “nominal and inflation-adjusted dollars”.

I remember a time—this was before Mr. Sawatzky's time in the House—when we were talking about the spending we saw ramping up during and beyond COVID. I remember our leader Pierre Poilievre, in the House of Commons, day after day talking about the impact of all that spending on inflation. I remember both the former prime minister and former finance minister Chrystia Freeland laughing that off. In fact, there was a fairly famous exchange between former prime minister Trudeau and I believe Glen McGregor, a reporter. He was asking about the impact of inflation. The former prime minister literally laughed and said that inflation was at a record low. He was laughing it off. It clearly isn't something that is—

**Ryan Turnbull:** I have a point of order, Madam Chair.

**The Chair:** Mr. Turnbull, go ahead on your point of order.

**Ryan Turnbull:** It's on the relevance of Justin Trudeau and a different government to the argument that the member is making regarding this particular clause, which—

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

I will again ask the member to—

**Pat Kelly:** I have a point of order.

**The Chair:** Hold on for one second, Mr. Kelly.

I will once again ask the member to stick to relevance and the topic at hand, which is subamendment seven to CPC-13. It is on an additional reporting requirement of a report.

Mr. Kelly, do you have a point of order?

**Pat Kelly:** Yes.

It's standard to allow members to correct the record when they've misspoken. I heard Mr. Turnbull say on the record say that this is a new government. This is not a new government. This is a—

• (4415)

**The Chair:** Thank you very much, Mr. Kelly. That's debate. Nice try.

Mr. Lake.

**Pat Kelly:** I'm here available for civics lessons anytime.

**Some hon. members:** Oh, oh!

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

Mr. Lake has the floor.

**Hon. Mike Lake:** I have the benefit of sitting near Mr. Kelly and getting civics lessons every day during question period, so I can attest to the value of that.

I will point out, though, that this subamendment is only four lines long, and I was definitely on topic talking about inflation and the importance of including inflation-adjusted information in reports. I think it's even more relevant because we're dealing with a now 11-year-old government—the current government is much like the old government—and a finance minister who has been in the government for 11 years. It's a government that has just laughed off inflation. It has literally laughed it off if you look back at the clips.

We're talking about a subamendment that says that maybe it would be important for reporting to include inflation-adjusted information, because we're seeing the impacts of inflation. This inflation is directly attributable to the deliberate actions of the government and deliberate steps that the government has done to increase spending to levels we've never seen in this country, to increase debt to levels we've never seen in this country, to ramp up deficits—

**Ryan Turnbull:** I have a point of order, Madam Chair.

**The Chair:** Mr. Lake, please stick to subamendment seven of CPC-13, which I will remind you is on additional reporting for a report on the CPP.

**Hon. Mike Lake:** It talks about reporting both nominal and inflation-adjusted dollars. It talks about the impact of inflation.

**Carlos Leitão:** It's going forward.

**Hon. Mike Lake:** I'm sorry, Mr.—

**Carlos Leitão:** It's not the past four years, but the next four years—going forward.

**Hon. Mike Lake:** I'll allow the Liberal member to weigh in. We'd love to hear what the Liberals think about this, so if—

**The Chair:** Please continue, Mr. Lake.

Again, it's been a theme of the day to make sure that we are consistently referring to the subamendment we are on in clause-by-clause, so I will ask you to stick to the topic at hand.

**Hon. Mike Lake:** I am sensing that some are reconsidering positions over there. As we have the conversation a bit longer, I feel like we might see some movement there. In my experience, as people have better conversations, sometimes people can be persuaded to take positions that would reflect more common sense. Hopefully, we'll see that in this discussion, because I don't agree that this conversation is irrelevant. I don't agree that the conversation around inflation is irrelevant to this conversation.

I think the bells are ringing.

**The Chair:** The bells are ringing. Do we have unanimous consent to continue for the next 15 minutes?

**Some hon. members:** No.

**The Chair:** The meeting is suspended.

*[The meeting was suspended at 8:18 p.m., Tuesday, June 9]*

*[The meeting resumed at 7:37 a.m., Wednesday, June 10]*

• (5535)

**The Chair:** Good morning, colleagues.

We are returning to subamendment seven of CPC-13.

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

I understand that the officials are having difficulty getting through security. Since one of the critical elements of this review is to discuss this with the officials, I don't believe we should start until we have the officials.

**The Chair:** Do you have questions for the officials?

**Philip Lawrence:** Yes.

**The Chair:** Okay.

How about we continue on subamendment seven, and then when officials...or could we park this? Then, if you have particular questions, we could move on to the next and we'll stand that clause. How does that sound, Mr. Lawrence?

**Philip Lawrence:** It's not satisfactory, Madam Chair, because I have questions throughout for officials. My understanding is that the officials should be here. I believe that's part of the process, and I wouldn't want this process to go incorrectly.

**The Chair:** That's cute. Thank you for sharing that.

I'm going to ask for unanimous consent to stand CPC-13, new clause 43.1, and to move on to clause 44. If it's the case that you have questions on that one as well, we can stand that.

**Philip Lawrence:** No, I believe that we should move appropriately, which is to have all of the officials for all of the clauses.

**The Chair:** Do we have unanimous consent to stand new clause 43.1?

**Some hon. members:** No.

**The Chair:** We will take a brief suspension and return once the officials are here.

Actually, we have a number of officials in the room, and I think we have some online as well.

**Philip Lawrence:** Do we have them all?

**The Chair:** We don't have all of them, but they are coming in. Is there one in particular you'd like to ask a question? We can check to see if they're here.

**Philip Lawrence:** Could you provide me with the roster of officials we're supposed to have and the ones we do have?

**The Chair:** I think everyone has that. It's been sent out.

**Philip Lawrence:** Yes, but which officials are actually here of those who are supposed to be here?

**The Chair:** Can I ask which one you'd like to ask a question of? Then we can confirm.

**Philip Lawrence:** I would prefer to see who's here and who's not. The conversation, as you know, can be fluid, and questions can come up, Madam Chair. We do have to do things appropriately.

**The Chair:** Could I ask which official you'd like to ask a question of, Mr. Lawrence?

**Philip Lawrence:** As I said, it can be a fluid conversation, and there can be different issues that come up. I would like the full complement here.

**The Chair:** Sure. I'm just asking if there is a particular official in this moment, because it is 7:30 and we're on hour 19 of this meeting. I'm curious whether you have a particular official you'd like to ask a question of.

**Philip Lawrence:** My respectful request, Madam Chair, is that we conduct this meeting as scheduled and according to the rules, which is to have the full complement of officials here.

**The Chair:** Again, Mr. Lawrence, I'd like to know if there is a particular official in this moment of whom you would like to ask a question. Could you let me know? If that official isn't here, then we will suspend the meeting. Could you tell me which one it is, please?

• (5540)

**Philip Lawrence:** Thank you, Madam Chair.

I'm going to respectfully request that the clerk provide us with a list of officials who are currently here and of those who are missing.

**The Chair:** Mr. Lawrence, you have a list of the officials who are scheduled to be here. Could you tell me which one you would like to ask a question of?

**Philip Lawrence:** Once again, Madam Chair, I respectfully request a list of the officials who are currently present.

**The Chair:** Again, I'm going to ask whether there is a particular official. Is there a department that you want to ask a question of in this moment?

**Philip Lawrence:** The request that I put forward, which I think is a reasonable one, is to have present all of the staff officials we are supposed to have, in accordance with the rules.

**The Chair:** I will briefly suspend while we provide you with that list. I look forward to your asking some questions of the officials.

**Philip Lawrence:** As do I.

**The Chair:** Thank you.

• (0740)

(Pause)

• (0810)

**The Chair:** Colleagues, we're going to resume.

We have all of the finance officials here, and given that we are on the seventh subamendment to CPC-13, we will begin the study now.

Mr. McLean, you're first now. Go ahead.

**Greg McLean (Calgary Centre, CPC):** Am I speaking to the amendment right away?

**The Chair:** We have been on this amendment for quite some time.

**Greg McLean:** Is nobody ahead of me on the speaking list?

**The Chair:** You are the first on the speaking list today. Please go ahead.

**Greg McLean:** Okay. Pardon me, colleagues, and excuse me if I'm playing catch-up on this.

The whole issue around the Canada pension plan, of course, is the nature of what Canadians can expect from the plan going forward, because it is very much a plan that Canadians have to depend on. The amendment we're speaking to here is, of course, that we actually get preparation in both nominal and inflation-adjusted dollars so that people can see what's going on.

As you know, it's an open-ended pension plan. That means the people paying into the pension plan today are funding the retirees of today. They're not funding their own pension plan. That's part of the issue here. I've seen these 70-year forecasts that look at this pension plan being viable for the foreseeable future, and it's all based upon—my colleague Mr. Turnbull will know this as well—scenario analysis, as if there will be no hiccups going forward here on where Canadians pensions will be, going forward.

As I say, it's purely scenario-based, so having more of a robust illustration of what that means on both a nominal and an inflation-adjusted basis.... Of course, inflation is going to be a guess, as well, going forward, but the government is pretty good at that, based on 10- and 30-year bond rates. Having that will give some illustration of what numbers people can actually expect to see in terms of visibility on the viability of their pensions going forward.

I'll also raise at this point in time that the issue with pensions is a sore one for many people in the financial industry, who see the government continuing to use the debt-to-GDP ratio and including Canadians' pension assets as if they're the government's assets. I get correspondence on this all the time. I think the whole issue of pensions and what people expect from pensions have to be very clear, and that's why this amendment is there.

What does it actually mean? We've gone through a period—you'll know this, Madam Chair—where we raised the pension contribution amount and then raised it to a second tier, and now we're cutting it, so the obvious line of sight on what this means going forward is confusing for everybody involved in the process. You raise it, then you stick a surtax on it, more or less, and now you're coming back and cutting it.

Every one of these times, we were doing this for the viability of the pension plan. Now we're suddenly saying, "Well, we have enough in this pension plan. We just had a study on it that showed it had 70-year viability at the amount we were taking money out." Now, we're actually saying, "Well, it's viable even if we don't take as much from Canadians as we have in the past." There's mass confusion around this, and there does need to be some serious financial modelling and some second analysis, some second eyes, on this and what it means for the numbers that have been presented up to this point in time, because it is, like I say, pie in the sky.

If you think about it, somebody's saying, yes, it's barely viable, but you know, in the right financial scenarios—no pandemics, no wars, no recessions, no real hiccups in the foreseeable future—these pension plan contribution amounts will be viable for the foreseeable future for the people who are actually going to be requiring the withdrawals going forward.

We also have an issue about who's contributing and who's extracting. You'll know again, Madam Chair, that the contributors are generally people who are working in the economy. Your withdrawal rate is based upon how much you've contributed and for how much of your working life you actually put money into this plan. That is different for people who have worked for different parts of life, including mothers, who may have taken time off to raise their children. They may not have a full pension here going forward. As well, there are new Canadians who may have spent only a handful of years working in Canada and have a lower contribution percentage.

If you think about our birth rate in Canada, it's 1.3 children per woman. That means we're not sustaining ourselves, so we are going to be bringing in labour that hasn't put a full contribution into the Canada pension plan, yet we are all also going to make sure we see that these people are sustained going forward here.

• (5615)

Think about comparisons with other countries. Chile has a closed pension plan. Effectively, your pension plan with the government follows you: "Here are your contributions and here is what you're going to get, going forward." It is mandatory, and it's something that works for the whole country. It's a better example in the sense that, in the open-ended system, as I said earlier, people paying now are paying for people who are extracting now. The line of sight is based on a scenario—

• (5620)

**The Chair:** Mr. McLean, I want to make sure you're on the correct subamendment. This one is about reporting on inflation. Could you please stick to the—

**Greg McLean:** It says both "nominal" and "inflation". It says that the report "must include the projected Canada pension plan assets in both—

**The Chair:** Mr. McLean, we've gone over this several times in committee in the last 18 hours.

Members, don't reread a subamendment that has already been read into the record. Also, given the standing order on relevance, don't be repetitive. Focus on the subamendment at hand.

Thank you, Mr. McLean.

**Greg McLean:** Okay. I was talking about pensions.

I apologized at the beginning for not being part of the discussion yesterday. What was it that I said that was repetitive?

**The Chair:** The subamendment at hand is about a report on the Canada pension plan. If you could focus on that specific element of the subamendment in your remarks, it would be appreciated.

Thank you.

**Greg McLean:** I think I was speaking to that. I was speaking pretty clearly to why we have to do this. It says, "nominal and inflation-adjusted dollars and must include, to the extent that the information is available, projected assets per contributor".

**The Chair:** Again, please don't reread the subamendment into the record.

If you can keep your argument to why you support this subamendment, or why you don't support it, it would be appreciated by the committee.

**Greg McLean:** I want to make sure I'm on track here.

What was it that I said in my comments that was not relevant to the subamendment?

**The Chair:** Could you please focus on the subject matter of the subamendment at hand?

Thank you, Mr. McLean. You have the floor and can continue.

**Greg McLean:** Just so I'm focused here, Madam Chair—

**The Chair:** There was a previous subamendment about comparing other pension plans. This one is—

**Greg McLean:** Okay. Therefore, when I was talking about Chile—

**The Chair:** Yes. Could you stick to the topic at hand, please?

**Greg McLean:** All right. Thank you. I appreciate that. I was just trying to get some guidance from you on where I was straying beyond where I should be at this point in time.

We're just going to talk here about the only part of this, of course, that we need to worry about, which are the Canadian assets, the projected contributor and projected assets per beneficiary. This is the issue, of course.

You think about 1.3 children per woman at this point in time, which is hopefully going up, and those people contributing for a good portion of their lifetimes. Then you have the number of workers who need to come into Canada, and they're going to be contributing to a certain extent as well.

You've been in senior homes as well, Madam Chair, where you have people who have not contributed for their whole working lives or what would have been their working lives, and they're having trouble making ends meet. The issue now is how we deal with this from a per person perspective.

The reason I brought up comparable countries before is that there is that line of sight on what each person actually has as far as their pension availability going forward is concerned. It's quite clear in some other countries. That's the reason I brought up the relational aspect of this.

Getting this reported on by our pension plan and the actuaries who look at what it looks like on the go-forward basis is something that parliamentarians, in particular, should always have because, inasmuch as this Canada pension plan has arm's-length management, supposedly, we are looking at mandatory withdrawal from people's paycheques. The paycheque deduction, of course, is a contribution level that they have to withdraw every paycheque, and that's changing. Why is it changing? What does it mean for the viability of the pension plan going forward?

I think it is very important to have that. I think it also gives us an understanding of where the government might be in its modelling as far as inflation goes going forward, because everything is dependent upon the factors involved in the modelling. If the modelling is faulty and predicts that there's going to be low inflation forever and ever, then you can punch holes in that, and Canadians can see that the government expects there to be no inflation for the next 70 years. Maybe it's a faulty analysis, but these are the types of things that Canadians need to have some transparency on, such as what their pension contributions are getting them going forward and, on a per person basis, what that means.

A little more robustness in this is going to be instructive for the people who are preparing these, and there's also the necessity of making sure that we have a system that works for Canadians going forward.

The issue around changing the formula at this point in time, is, I think, distressing for a lot of financial professionals. It is something that says, "This was an unviable pension plan three years ago. The government had to increase the rate and have a surtax, and that made it viable." Now we're coming back and saying, "Okay, it can be viable if we reduce the rate." It's that bait and switch we're going through here with Canadians about the transparency of what their

contributions get them at the end of the day. We need to make sure that it's quite clear, and the information needs to be available.

If the information about how we're modelling this is consistent with the way other assets are being modelled around the world—because there are all kinds of private sector corollaries that show what people will get from their contributions on defined benefit payment plans and that show your contribution and what you will be paid at the end of day and what goes into it—it's on an actuarial basis and we can have line of sight on the exact math.

One thing I always try to bring my colleagues back to is the math around these issues, and the math on these issues has to make sure that it goes around, at the end of the day—dollars in and dollars out. If the Canadian taxpayer is the one who's going to have to bail out a faulty pension plan going forward, it just makes us all poor. Let's make sure that we have a very clear perspective. The modelling matters because the inflation assumption is the factor that will determine whether this meets Canadian needs going forward.

• (5625)

If we have a high inflation projection, people are going to realize that the dollars they are putting in today are worth  $x$  minus inflation, for what it buys 10 years from now, when they're retiring, and that is, of course, a distress for everybody. We've seen periods of high inflation that weren't part of the actuarial analysis that was built into the viability model the chief actuary had, three years ago, when he said that the system was viable. These are things that shift under people's feet, but at the end of the day, the numbers matter.

As far as it goes for parliamentarians, our job is to look at those numbers. If we have a model, we can say that the system is viable at this contribution rate, based on the fact that people will get this amount back, and here's the inflation amount that we're building into that. Let's pretend it's at 5% inflation, which is a very high number from a real perspective, but if it turns out to be 10%, people will realize, "Oh, my buying power is going to be murdered with that rate of inflation the government's foisted upon us at this point in time. My pension plan that I'm contributing to will no longer sustain my life here going forward." We have to make sure that's clearly understood by the people who are contributing to it and expecting not just a payment at the end of the day but a payment for their life's sustenance: the food, the rent and the care they're going to need in their senior years. That's the whole reason we have a pension. Madam Chair, you know that.

The nature of the Canada pension plan is something we brought forth, as a combination of nine provinces working together, with actuarial input, to ensure there was a viable plan for Canadians in their senior years. It started roughly. Initially, the people contributing were the ones paying for their grandparents, who were retiring at that point in time. It was transfer in and transfer out. We've tried to build it up over the years.

Market mechanisms are what determine the rate of return here. You can see those rates of return have been in an ever-building equity environment. Equities have gone up consistently for a number of years, with brief hiccups in 2000, of course, and 2008, and a brief hiccup in 2015, but not across the board. Think about what that means from a long-term perspective.

My colleagues on this side know that I was a portfolio manager before I came here. Having a line of sight on what you have going forward and what your expectation of returns is are very important. Measuring yourself against the market, as far as your performance goes, is a very important indication of how you are managing your client's assets, and I'm not sure that's evident here at all.

Having that clearer illustration, both of the amount per person, on a nominal basis, of what they're putting in, and on an inflation-adjusted basis.... I appreciate that it will be looked at by only less than 1% of the population. However, that less than 1% of the population should be around this table because it is our job to make sure that at the end of the day, these funds we're setting aside are serving their purpose and that Canadians' needs are being met with what they're going to be in the future. That's the whole nature of a pension plan.

With that, I think I've said as much as I can say on this, Madam Chair. I yield the floor. If you would consider that input, I think it would be instructional.

• (5630)

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

Mr. Lawrence, go ahead.

**Philip Lawrence:** Thank you, Chair. I appreciate your giving me the floor.

Because this subamendment deals with both nominal and inflation-adjusted dollars and real asset projections of the Canada pension plan, could we have the officials come up and just tell us how it's currently laid out with respect to the triennial report?

**The Chair:** Thank you.

Are there finance officials, either here or online, who can answer that question?

I know we have Mr. Maxson and Mr. Baddeley here from the finance department. Are either of you able to address that question?

**Mark Maxson:** Good morning, Madam Chair.

The official responsible for that is Mr. Stuart, who was having an issue with his microphone earlier. I don't know whether that microphone was accepted, ultimately.

**The Chair:** Mr. Stuart's headset was not acceptable. He won't be able to respond because of interpretation.

**Philip Lawrence:** I want to be constructive here, so I'm willing to go on with some other comments.

Would Mr. Stuart or Mr. Countryman...? I believe they were the gentlemen who answered the question—

**The Chair:** Mr. Stuart is here on behalf of Mr. Countryman today.

**Philip Lawrence:** Will we be able to get Mr. Stuart back?

**The Chair:** Yes, he's on his way here.

**Philip Lawrence:** In approximately...? That's really the focus of my questions.

**The Chair:** I don't know how long it will take him to get here, but he is on his way.

If you'd like to yield the floor to Ms. Kronis, we can come back to you.

**Philip Lawrence:** According to the Standing Orders, which I'll just read here, I think we need to suspend.

Just give me one second and I will pull up the section in the Standing Orders.

I'm sorry. It's not the Standing Orders. It's the rules of practice and procedure. It says, "During the clause-by-clause consideration of a government bill, officials from the...departments concerned normally [remain] before committee as witnesses...in order to provide technical explanations of the effect of individual clauses of the bill and the technical implications of proposed amendments."

I have a technical question. According to the rules, I'm supposed to have an individual. I would respectfully ask the chair to suspend until we can have either Mr. Stuart or Mr. Countryman. I'd be very pleased for either of them to attend.

**The Chair:** We will briefly suspend.

• (0830)

(Pause)

• (0925)

**The Chair:** I have a little update, colleagues.

The official in question will be another 30 to 45 minutes. Given that the Conservatives have caucus starting in four minutes, I want to see if there is UC to adjourn the meeting.

**Tamara Kronis:** Is this to adjourn the meeting or just suspend it?

**The Chair:** It's to adjourn it.

**Some hon. members:** Agreed.

**The Chair:** Okay. The meeting is adjourned. Thank you.





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