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# Standing Committee on Finance

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Chair: Mr. Peter Fonseca





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• (1000)

[English]

**The Chair (Mr. Peter Fonseca (Mississauga East—Cooksville, Lib.)):** I call this meeting to order. Welcome to meeting 50 of the House of Commons Standing Committee on Finance.

Pursuant to the order of reference of May 10, 2022, the committee is meeting on Bill C-19, An Act to implement certain provisions of the budget tabled in Parliament on April 7, 2022 and other measures.

Today's meeting is taking place in a hybrid format pursuant to the House order of November 25, 2021. Members are attending in person in the room and remotely using the Zoom application. As per the directive of the Board of Internal Economy on March 10, 2022, all those attending the meeting in person must wear a mask, except for members who are at their place during proceedings.

I would like to make a few comments for the benefit of the witnesses and members. Please wait until I recognize you by name before speaking. For those participating by video conference, click on the microphone icon to activate your mike, and please mute yourself when you are not speaking. For interpretation for those on Zoom, you have the choice at the bottom of your screen of the floor, English or French. For those in the room, you can use the earpiece and select the desired channel.

I will remind you that all comments should be addressed through the chair.

For members in the room, if you wish to speak, please raise your hand. For members on Zoom, please use the “raise hand” function and the clerk and I will manage the speaking order as best we can. We appreciate your patience and understanding in this regard. I request that members and witnesses treat each other with mutual respect and decorum.

Now I'd like to welcome today's witnesses.

For our first panel from 10 to 11:30, we have the Centrale des syndicats démocratiques, and Maxime Gilbert, who is a lawyer in the social law department.

From the Co-operative Housing Federation of Canada, we have Tim Ross, executive director.

From Diabetes Canada, we have Andrew Jones with us in the room, the executive director, government affairs, policy and advocacy.

From the Green Budget Coalition we have David Browne, director of conservation, Canadian Wildlife Federation; Tom L. Green, senior climate policy adviser, David Suzuki Foundation; and Andrew Van Iterson, manager.

We'll now begin with Mr. Gilbert from the Centrale des syndicats démocratiques for up to five minutes, please.

Monsieur Gilbert, you have five minutes for your opening remarks. Thank you.

[Translation]

**Mr. Maxime Gilbert (Lawyer, Social Law Department, Centrale des syndicats démocratiques):** Thank you, Mr. Chair.

I hope the sound is good. I unfortunately didn't receive the headset on time.

I want to thank you for this invitation on behalf of the Centrale des syndicats démocratiques, or CSD, which I represent this morning.

My name is Maxime Gilbert. As mentioned, I am a lawyer with the CSD's social law department.

First, I want to thank you for postponing our appearance. It was supposed to take place last Thursday, but unfortunately, that wasn't possible. We're pleased to take this opportunity today to present our remarks on the budget implementation bill.

Our comments essentially focus on division 32 of part 5 of Bill C-19. It's not that the rest of the bill isn't worth a few comments, but CSD wants to review Parliament's response to a demand frequently repeated by many labour organizations. Consequently, I'll be discussing division 32 of part 5, which is entitled Employment Insurance Board of Appeal.

In CSD's view, the fact that the government is finally proposing to reform the employment insurance appeal process is clearly excellent news, particularly since it announced that reform nearly three years ago. Of course, a pandemic occurred in the intervening time, but we are nevertheless pleased to see that action is being taken. However, this division of Bill C-19 should be amended to ensure that the reform is conducted in accordance with the parameters outlined three years ago and based on the lessons learned from the failures of the Social Security Tribunal of Canada, the SST.

We feel that division 32 of part 5 should contain provisions stating that the new Employment Insurance Board of Appeal will report to the tripartite structure of the Employment Insurance Commission, not solely to its chairperson. In our view, the employment insurance appeal process shouldn't return to a tripartite approach solely when an insured is heard. This tripartite approach, which embraces all employment insurance stakeholders, must be part of the entire appeal structure. That would also be consistent with the discussions the government had in the fall of 2018 at the initiative of Mr. Duclos, who was the minister at that time, and with the announcement that Employment and Social Development Canada made in a press release in August 2019, and I quote:

The Canada Employment Insurance Commission will become responsible for first-level EI appeals through the creation of a new tripartite decision-making tribunal called the Employment Insurance Boards of Appeal. As a tripartite organization, the new Boards of Appeal will represent the interests of government, workers and employers, helping put first-level EI appeal decisions back into the hands of those who pay into the EI system, i.e. workers and employers.

Once again, in our view, there must be a direct line of accountability to the Employment Insurance Commission in monitoring the way that union and employer representatives are recruited, appointed and trained and the way they carry out their mandates on the boards of appeal. There must be no repeat of the error made with the SST, which is virtually unaccountable to the Employment Insurance Commission. For the record, when the SST was at its most dysfunctional, the commission was effectively powerless to elicit adjustments from the tribunal or to hold it accountable.

Provisions should also be added to division 32 of part 5 entitling employment insurance claimants to regional representation and to the strong likelihood, if not guarantee, of an in-person hearing. At the SST, the default hearing, as it were, is by telephone. That trend must be reversed so the default hearing is the one conducted in person. Genuine access to an in-person hearing has been recognized as an essential aspect of any reform of the employment insurance appeal system.

In addition, we want hearings to be held, where possible, in the region of the insured so that they are conducted by members who are familiar with the regional labour market rather than by members whose conception of that market is too general and thus detached from reality.

• (1005)

To cite only one example that I consider obvious, the actual situation in the regions is quite different from that in the major centres. As far as possible, decisions must take that fact into account and reflect it.

Furthermore, division 32 of part 5 should provide that all members of the board of appeal shall be appointed on a part-time basis. In its current form, the bill provides for some members of the board to be appointed part time and others on a full-time basis. As a result, part-time and full-time members may exhibit different levels of engagement and effectiveness. That imbalance, which seems apparent from a reading of the bill—

[*English*]

**The Chair:** Monsieur Gilbert, could you start to conclude, please?

[*Translation*]

**Mr. Maxime Gilbert:** All right.

We therefore fear that the difference in status and compensation among members of the board of appeal may result in inequality and unfairness.

As I said earlier, the new appeal process must be set forth in provisions stating that the Employment Insurance Commission of Canada shall direct the process of selecting members, workers, employers and the board of appeal and that the board shall be tripartite in nature only if the social partners are directly involved in selecting and appointing worker and employer members.

• (1010)

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

**Mr. Maxime Gilbert:** Thank you.

[*English*]

**The Chair:** There will be an opportunity during question time to further your comments.

Thank you.

[*Translation*]

**Mr. Maxime Gilbert:** All right.

[*English*]

**The Chair:** We're moving now to the Co-operative Housing Federation of Canada and Tim Ross, executive director.

You have five minutes, please.

**Mr. Timothy Ross (Executive Director, Co-operative Housing Federation of Canada):** Good morning and thank you very much.

It's a pleasure to be here with you today. Thank you for the invitation, on behalf of Canada's housing co-operatives and related organizations that are members of the Co-operative Housing Federation of Canada.

I'd like to acknowledge that I'm grateful to be speaking with you today from the traditional and unceded territory of the Algonquin Anishinabe nation, which has lived here since time immemorial.

Today, I would like to share with you some perspectives on the housing crisis and what the 2022 federal budget can do to help address this acute crisis.

First, I'll start by providing a brief picture of co-op housing in Canada. There are more than 2,200 housing co-operatives, located in every province and territory in Canada. Housing co-ops are home to a quarter of a million Canadians. The vast majority of these housing co-operatives were developed in the 1970s and 1980s, supported by a robust and dedicated federal investment program and, in some jurisdictions, provincial investments as well. Federal investment in new co-op and non-profit housing ended in 1993, and then resumed at a much more modest scale in the early 2000s, but without a dedicated federal co-op housing program. Since 1993, we have really only seen a modest amount of new co-op homes developed, primarily sourced with some provincial funding.

Why does co-op housing matter? Most would agree that we need much more housing supply to address the housing crisis that we're in. We're no doubt in a very serious housing crisis in Canada, so we need more supply.

However, not all supply is created equal. In past decades, market rental housing became less expensive over time, becoming a relatively affordable option for many households. This is no longer the case, because of a process of financialization whereby housing is increasingly treated as an investment. In fact, we're losing more affordable housing in Canada due to financialization today than we're building. These effects are not shared equally, and they adversely affect indigenous peoples and members of racialized communities even more.

The supply response must intentionally build and acquire more housing that is safe from the forces of financialization, which means more co-op and non-profit housing in order to create a housing supply that is truly affordable, secure and inclusive. To be clear, co-op housing is more affordable than market rental housing, because the vast majority of housing co-ops operate on a not-for-profit basis, and their permanently affordable rents become more affordable over time.

Co-op housing also offers security of ownership. There's no outside landlord who might sell property or renovict tenants. Co-ops are inclusive by design, because almost all operate on a mixed-income model. Finally, co-ops are stronger communities. During the pandemic, we've witnessed countless stories of neighbours helping neighbours. The value of this in a world increasingly characterized by division cannot be overstated.

We're very excited to see in the federal budget an announcement of a co-op housing development program funded at \$1.5 billion over five years, along with a commitment that the co-op housing sector will co-design the program with CMHC. The program is anticipated to commit funding for 6,000 co-op homes over the next five years. We need a lot more than 6,000 new co-op homes across the country. Most markets alone could absorb that and benefit from at least that many, but this is an incredibly important start.

We've been reflecting on what did and didn't work so well with previous federal co-op housing programs and how today's housing markets differ. With that in mind, we look forward to a co-op housing development program that focuses on scale, supports acquisition alongside development and enables the co-op housing sector to lead the way by directly delivering the program.

Our sector's excitement to start building more co-op housing is tempered by the fact that we know more is needed to solve the housing crisis. In particular, we know the crisis is hitting indigenous people in urban, rural and northern communities particularly hard. The budget committed 300 million for the development of an urban, rural and northern indigenous housing strategy, which is a start, but it is broadly agreed that this funding level is inadequate. Alongside other advocates, Canada's housing co-ops have been calling for a robustly funded urban, rural and northern indigenous housing strategy developed for and by the indigenous housing sector for years, and we'll continue to do so.

• (1015)

I'll close with appreciation and a sight line on what we can accomplish by building new co-op housing. I equally encourage all the committee members to do what they can to realize a meaningful investment in an urban, rural and northern indigenous housing strategy going forward.

Thank you again for your time and for the invitation to appear here today. I look forward to your questions.

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

Now we'll hear from Diabetes Canada and Andrew Jones, the executive director of government affairs policy and advocacy.

Mr. Jones.

**Mr. Andrew Jones (Executive Director, Government Affairs, Policy and Advocacy, Diabetes Canada):** Thank you, Mr. Chair.

I'm Andrew Jones, executive director of government affairs, policy and advocacy at Diabetes Canada. It's a pleasure to be here this morning to assist in your study of Bill C-19. I'm looking forward to discussing an important issue for people affected by diabetes that aligns with your current study, which is the disability tax credit.

Before I dive into the details surrounding the disability tax credit, let me tell you a little about the burden of diabetes and a number of federal government initiatives from 2021 that are intended to address this burden.

Many of you will know that Canada gave the world the gift of insulin more than 100 years ago. It's a discovery that ranks among the leading achievements of medical research. Because of insulin, millions of people around the world with diabetes live long lives. However, insulin is not a cure and we are not at the finish line. Recently, Diabetes Canada released new diabetes figures that show a steady, continued increase in diabetes in our country, with 11.7 million people in Canada living with diabetes or prediabetes. Just a decade ago, that number was 9.2 million. That's a shocking 27% increase.

Diabetes continues to affect more Canadians than ever before, despite concerted effort and numerous diabetes-related accomplishments in Canada and throughout the world. There is no denying that diabetes is an epidemic.

The good news is that in 2021, in honour of the 100th anniversary of the discovery of insulin in Canada and in recognition of the huge and growing burden of diabetes on Canadians, the federal government and all parliamentarians made significant and laudable commitments to improve prevention, management and research in diabetes. Canada proudly co-hosted a World Health Organization symposium on diabetes in April 2021, and jointly with them, launched the global diabetes compact.

The 2021 federal budget contained important commitments to funding research and developing a national diabetes framework. On June 29, 2021, royal assent was received for Bill C-237, An Act to establish a national framework for diabetes, which was unanimously supported by all parliamentarians. These commitments laid a critical foundation that we can build upon to meaningfully reduce the burden of diabetes in Canada by implementing the recommendations of Diabetes Canada's diabetes 360° nationwide strategy.

Diabetes Canada is eager to continue to collaborate with the federal government on this important and urgent work. Diabetes Canada continues to recommend that the federal government dedicate the necessary financial and human resources required to realize the 2021 budget and Bill C-237 commitments to implement a national diabetes framework, based on the diabetes 360° framework, as quickly and comprehensively as possible. Previous stakeholder consultations suggest an investment of \$150 million in funding over seven years.

I'd like to also take a moment to discuss with you our concerns surrounding the disability tax credit.

I know our friends in the diabetes community, JDRF, appeared before you last week. You may be comforted to know that our position regarding the disability tax credit is well aligned with what you heard last week from JDRF.

We at Diabetes Canada ask that the federal government consider granting eligibility for the disability tax credit to all Canadians with diabetes who are on insulin therapy. We maintain that the current eligibility criteria that requires a life-sustaining therapy for an average of at least 14 hours per week is antiquated and unfair.

Furthermore, we support recommendation 14 of the Canada Revenue Agency's disability advisory committee. They recommend replacing the current eligibility requirements, including the 14-hour rule, with the following: "Individuals who require life-sustaining

therapies...are eligible for the [disability tax credit] because of the time required to administer these therapies.... Without them, the individual could not survive or would face serious life-threatening challenges."

Insulin therapy is on the recommended list of therapies. We believe that anyone who is on insulin therapy, regardless of whether they are living with type 1 or type 2 diabetes, would qualify for the disability tax credit following the advisory committee's recommendation because unfortunately without insulin, they would not survive or they would face serious, life-threatening challenges.

Everyone with type 1 diabetes and some people with type 2 need to use insulin as a treatment. To determine a dose of insulin multiple times a day, people with diabetes must problem solve, make numerous decisions and undertake many activities. These include consulting regularly with their diabetes specialist, checking blood sugar six or more times a day and maintaining a record of the blood sugar levels. With that, they must identify trends requiring alterations to treatment, make complex calculations accounting for such things as the time of day, the amount or type of food they are eating, the activity or exercise they plan to do in the coming hours, how much stress they are under and whether they are fighting a cold or flu.

All of these factors can affect blood sugar levels. Many of these activities are not easily quantified and/or permitted to be counted towards the antiquated 14 hours a week disability tax credit eligibility criteria.

● (1020)

The disability tax credit helps offset costs and enables eligible Canadians with diabetes to manage their condition. We trust that you will amend Bill C-19 to make it easier and fairer for people living with diabetes and relying on life-sustaining therapy to qualify for the credit.

Thank you for your attention. I look forward to answering any questions you might have.

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

Now we'll go to the Green Budget Coalition. For opening remarks, we have Andrew Van Iterson, who is in the room with us.

**Mr. Andrew Van Iterson (Manager, Green Budget Coalition):** Mr. Chairman and honourable committee members, thank you for inviting the Green Budget Coalition to speak to you today.

The Green Budget Coalition, active since 1999, is unique in bringing together the expertise of 21 of Canada's leading environmental organizations, collectively with over one million members, supporters and volunteers. The Green Budget Coalition's mission is to present an analysis of the most pressing issues regarding environmental sustainability in Canada and to make a consolidated annual set of recommendations to the federal government regarding strategic fiscal and budgetary opportunities. We appreciated the opportunity to meet with the Deputy Prime Minister in February.

As the clerk mentioned, I'm pleased to be joined today by two of my expert colleagues to help answer your questions: one of the coalition's co-chairs, David Browne, with the Canadian Wildlife Federation, plus the coalition's lead on climate, Tom Green, with the David Suzuki Foundation.

The Green Budget Coalition made five feature recommendations for budget 2022 addressing three feature objectives of net-zero emissions by 2050, full nature recovery by 2050 and environmental justice. Specifically regarding the renovation wave, they address fossil fuel subsidies and public finance, freshwater management, protected areas and a new office of environmental justice and equity.

The Green Budget Coalition much appreciated the major federal funding announcements advancing climate and nature progress in the April 7 federal budget and the preceding emissions reduction plan. We particularly appreciated the funding for building retrofits for fresh water and for incentives in infrastructure for electric vehicles, including medium- and heavy-duty vehicles. We also appreciated funding for clean electricity, nature-based climate solutions, oceans protection, improving the environmental impacts of agriculture and expanding tax credits to apply to more clean technologies.

At the same time, we were disappointed by the gap on fresh water between the amount announced and the funding necessary, as outlined in our recommendations and committed in the Liberal platform. We were also disappointed by the lack of progress on phasing out fossil fuel subsidies, on permanent funding for protected areas and on the office of environmental justice and equity. Green Budget Coalition members expressed particular concern about the new tax credit for carbon capture, utilization and storage, which is estimated to cost \$2.6 billion over the next five years.

Given that I have a couple of minutes left, I would like to turn to Tom Green with the David Suzuki Foundation to add an extra comment or two on climate change in the budget.

**Mr. Tom L. Green (Senior Climate Policy Adviser, David Suzuki Foundation, Green Budget Coalition):** I'm very pleased to be here today. Thank you, committee members, for the invitation.

As you know, the climate crisis is accelerating, and I understand many of you in Ottawa are on Zoom today because it was impossible to travel around, as electricity is still out in many parts of town. I think the urgency with which we must act is clearly evident, yet as my colleague mentioned, we are continuing to double down on fossil fuel production through the CCUS tax credit, which is very substantial and will rise to \$1.5 billion a year by 2026-27.

We know that we should be putting our money into, for instance, generating more electricity with renewable electricity. Actually, we have a study coming out tomorrow that will show how much can be done with that. Really, we need to rebalance our investments, take away the subsidies and invest where the opportunities are and the real emissions reductions are.

I'd be happy to talk more about that during questions and answers. Thank you.

• (1025)

**The Chair:** Is that it, Mr. Van Iterson and Mr. Green?

**Mr. Andrew Van Iterson:** Yes. Thank you again.

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

Now we are moving to the rounds of questions by members. In our first round, for witnesses to know, each party will have up to six minutes to ask questions. We're beginning with the Conservatives.

I have MP Stewart up, for six minutes, please.

**Mr. Jake Stewart (Miramichi—Grand Lake, CPC):** Thank you, Mr. Chair.

I want to thank all of the witnesses for being here today. I want you to bear with me as I have some raging allergies today, so my nostrils are kind of out of commission.

Anyway, first up, my questions are for Diabetes Canada. Both kids and adults who have type 1 diabetes require life-sustaining therapy for the rest of their lives. Most have insulin pumps that give insulin 24 hours a day. Can you confirm that the inequality of access to the disability tax credit is really about patients and doctors trying to navigate arbitrary and inconsistent rules by the Department of Finance and Revenue Canada?

**Mr. Andrew Jones:** Thanks very much for the question.

Unfortunately, I think you've hit the nail on the head with respect to the disability tax credit. We find that the process for eligibility is full of administrative burdens. Patients are required to fill out lengthy, lengthy forms and communicate with their health care professional. Our major concern is around the threshold of 14 hours per week. What counts towards this 14-hour threshold is arbitrary. As I said in my opening statement, we maintain that individuals who are on insulin therapy—life-saving insulin therapy—ought to just simply qualify for the disability tax credit.

**Mr. Jake Stewart:** I appreciate your answer to the question.

Honestly, I share your opinion and that of JDRF, as does my party.

Would you say that it defies common sense that Canadians requiring insulin multiple times a day for the rest of their lives don't automatically qualify as requiring life-sustaining therapy for at least 14 hours per week? I mean, the government doesn't ask somebody who is blind if they cannot see at least 14 hours per week. It just seems like a very outdated rule that people with type 1 diabetes are faced with every day.

I've had a number of friends with type 1 diabetes, and good friends of mine have children with type 1 diabetes, so I don't have direct experience, but I've seen first-hand the struggles that people have had.

How do you feel about that comment?

**Mr. Andrew Jones:** You know, it sounds to me as though we're well aligned on this issue. We certainly thank you for all your hard work on the issue.

The bottom line is that we're asking the federal government to just simply consider granting eligibility for the disability tax credit to all Canadians with diabetes who are on insulin therapy.

Furthermore, as I mentioned, Revenue Canada has a disability advisory committee, and they've also gone down this road and have recommended great improvements to the eligibility system. We think the government ought to put those recommendations in place, and that will eliminate this 14-hour burden and make it much simpler for those who have type 1 diabetes and who are on insulin therapy to qualify for the disability tax credit.

**Mr. Jake Stewart:** Thank you, Mr. Jones.

You're directly speaking the language, and I'm aligned with you. I think it's long overdue and I think the beauty of this committee is that as parliamentarians we can actually make these changes in committee. We actually have the power to do that if all parties can work together and find common ground.

One of my concerns with the disability tax credit is that there's been some talk in the past by other parties about going from 14 hours to seven, which would help, no question about it. However, I think we're at the point where there are 300,000 Canadians living with type 1 diabetes, or at least having problems with the program, so would you say the gold standard really is making it so that everybody automatically qualifies over and above just going to seven?

• (1030)

**Mr. Andrew Jones:** Yes. The short answer there, of course, is yes.

We believe that seven would be an improvement over 14, but seven still requires administrative burdens and still requires back and forth with health care professionals. There is confusion around what qualifies for the seven hours, when as you said so eloquently, individuals who have type 1 diabetes and who are on insulin therapy require insulin therapy to maintain their life, as harsh as that is.

We believe it's time to get rid of the antiquated and outdated 14-hour rule and just open up that eligibility for individuals who are on insulin therapy.

**Mr. Jake Stewart:** Thank you.

I have one last comment. We appreciate your being here today

When people think of type 1 diabetes, we often think of children, but I think government and parliamentarians alike can forget that with type 1 diabetes, whether you get it when you're a child or when you're older, you have it for the rest of your life. It never goes away. You're always going to have type 1 diabetes.

As parliamentarians, moving that so that everyone can automatically qualify is the right thing to do. As revenue critic, I support it, and I have the support of my party.

I'll have some more questions for you in a little while. I'm not sure how much time I have, Mr. Chair—

**The Chair:** That's the time. We just reached it.

Thank you, MP Stewart.

**Mr. Jake Stewart:** Thank you.

**The Chair:** We'll hear from the Liberals and MP Chatel, for six minutes, please.

**Mrs. Sophie Chatel (Pontiac, Lib.):** Thank you, Mr. Chair.

It's always great to see Mr. Stewart passionately advocating for diabetes.

My questions will turn to Mr. Ross from the Co-operative Housing Federation of Canada.

Mr. Ross, as you mentioned in your opening, we have invested \$1.5 billion in the budget in the new co-op program. You mentioned that you learned a lot about what worked before and what didn't work, and you think that the new housing programs will be very effective in delivering affordable housing.

Could you expand on that, please?

**Mr. Timothy Ross:** Thank you so much for the question.

In terms of what works and what we've learned, we know that community and co-op housing works very well in Canada, with a well-established 50-plus year track record of creating permanently affordable housing that puts community first and members first. We know that works very well, especially at this time when renting or owning in the marketplace is very, very difficult. Co-op housing is affordable—more affordable than market housing. It provides security of tenure and security of ownership, and it provides for a very strong community.



What's needed to work at a programmatic level is to deliver new co-op housing in Canada at scale. The supply programs of the seventies and eighties created a very disaggregated asset base, so a lot of very small housing co-operatives all across the country. That was very good, but in today's very difficult housing market, we need to create affordable co-operative housing at scale.

One of the features in our budget proposal is that the co-op housing sector itself delivers this program at scale, to realize efficiencies and economies of scale and ensure we are committing seed funding and working capital to projects much faster. There are projects stuck on desks all across the country, representing thousands of programs, because they can't navigate the bureaucracy of current programs. Having a sector-delivered program is much closer to the ground and is going to be much more efficient and get outcomes even faster.

• (1035)

**Mrs. Sophie Chatel:** What exactly do you mean by a “sector-delivered” housing project?

**Mr. Timothy Ross:** Well, we would see part of this program being delivered by the sector. Most housing programs in Canada at the federal level are delivered by CMHC. However, there is some precedent for other partners to come in to deliver housing programs, such as the Community Housing Transformation Centre and the Federation of Canadian Municipalities. They are both directly delivering programs, and creating some greater efficiencies and proximity to the ground to commit funding faster and realize outcomes even faster too.

**Mrs. Sophie Chatel:** I see. Thank you so much.

We know that beyond funding, there are, as you mentioned, numerous challenges to building affordable housing. How do you think that the federal government will work with other levels of government, and in particular, Quebec—where there's a contribution for co-op housing already in existence—in order to make sure we effectively deliver affordable housing to Canadians?

**Mr. Timothy Ross:** I think one of the greatest and most important roles for federal funding programs is to provide a very deep level of grant contributions to projects. The supply and labour shortages and inflation and rapid appreciation in the real estate markets make it harder and harder to deliver affordable housing every day that goes by. Therefore, a very deep level of grants on a per-project basis is critical for reaching the levels of affordability needed to create deeply affordable housing in Canada. In doing so, through the unilateral programs or through the bilateral agreements, there are opportunities to do just that.

**Mrs. Sophie Chatel:** I represent a rural riding, and these housing co-ops are not in scale in rural areas. It's more for municipalities, but sometimes it's the only lever they have because big, large developers are not going into the region. Getting together as a co-op in the community with community leaders is really perhaps the only solution to the crisis in rural areas.

When you talk about scale, I just want to make sure you don't forget those small and essential co-op projects for rural communities so they're not left behind.

**Mr. Timothy Ross:** In rural areas, co-op and non-profit housing is sometimes the only form of rental housing available in some

communities. I know that in Pontiac there are 34 co-op homes that were created under previous federal programs.

Another advantage to having a sector-delivered program is to make sure that funding and financing levels are reflective to different regional markets, whether they be rural or urban. The way we create scale as a sector is by delivering a program together across the country.

We very much welcome the investment of \$1.5 billion, and 6,000 units is not a lot of housing when you look at the scale of the crisis, but it's certainly an important start.

**Mrs. Sophie Chatel:** It's a good first start.

Thank you very much.

**The Chair:** Thank you, MP Chatel and Mr. Ross.

I hope you know how many co-ops are here in Mississauga East—Cooksville, my riding, but that was great.

We are moving to the Bloc and Monsieur Garon for six minutes, please.

[*Translation*]

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

Thanks to all the witnesses for being here today.

I'll begin with Mr. Gilbert, from the Centrale des syndicats démocratiques.

I was listening to you, and, unless I'm mistaken, it seems to me the employment insurance program is supported by the money of employers and employees.

For a long time now, we've been demanding a major reform of the Social Security Tribunal of Canada with respect to the EI first level of appeal. As you said, there seems to be a kind of imbalance in division 32 of part 5 of Bill C-19, as a result of which employers, employees and unions would not be adequately considered in the appeals process.

I'd like you to tell us about the impact of that imbalance and how we could amend the bill to mitigate that impact.

• (1040)

**Mr. Maxime Gilbert:** We, the representatives of the stakeholders that contribute to the employment insurance fund, that is to say, the employers and workers, or employees, consider it important, in the initial appeal stages, when a claimant is dissatisfied with a decision or unhappy with the result of a claim, to be able to make submissions that connect with the individuals involved in the appeal process. That, moreover, is one of the demands of CSD and the four major labour groups in Quebec, which share our opinion and advocate for it.

I'm trying to make myself clear. We don't want to go back to the previous arbitration boards before an umpire and so on. We're asking that, following consultations with sectoral representatives, people from the region be appointed and trained by the Employment Insurance Commission so they can hear these cases. This would help reflect both the regional and economic diversity of many workplaces in Quebec and elsewhere in Canada as well.

It's false to say that the situation in downtown and suburban Montreal is the same as on the Basse-Côte-Nord or in Abitibi-Témiscamingue. Representation has to be institutionalized, if I may put it that way.

To answer the second part of your question, we understand from the provisions in the present version of the bill that people will be appointed from the labour and employer sides. However, there's no indication of what mechanism will be used to appoint those persons. Our understanding is that they'll be accountable to the chairperson. Once again, we would like the appointment and training process to be outlined in greater detail and established more clearly. The labour associations would also like to be engaged in the representation process.

**Mr. Jean-Denis Garon:** I understand.

Looking back over your remarks, which I found very interesting, you discussed regional representation on these boards. I think that's particularly important because, when you institute appeal proceedings, it's because there's a problem. It's really a contentious case, and you know that benefit criteria can depend on the region and local labour market.

Could you cite any examples of problems that may arise in an appeal process when regional representation is inadequate?

**Mr. Maxime Gilbert:** Here's something that comes to mind. Employment indicators are quite good right now, but consider, for example, a situation in which a person lives in a region where the unemployment rate is—

**Mr. Jean-Denis Garon:** If I may, I'd like to say that we've been waiting since 2015. An announcement was made in 2019. It could be a long time before it changes again.

**Mr. Maxime Gilbert:** Yes, but what immediately comes to mind are the eligibility criteria. The current threshold is 420 hours, and we'd like that to continue. The threshold can be calculated in hours or weeks.

In addition, individuals are disqualified for voluntary leaving because they don't have proof that they were available for work or because they didn't take steps to look for work. It seems to me that the question whether a person is available depends on the circumstances of the workplace. I'm thinking, for example, of seasonal workers and construction workers.

Workers are often disqualified from receiving employment insurance benefits in voluntary leaving cases. However, in some workplaces, some departures seem to be voluntary, whereas they're related to employment circumstances. Once again, I'm thinking of the construction industry and seasonal jobs, which give rise to voluntary leaving. That would be a response to go after.

**Mr. Jean-Denis Garon:** I understand. I'm picking up the pace here because I only have a few seconds left.

You also discussed the part-time or full-time status of people who would be called upon to rule on these judgments.

Bill C-19 allows for a distinction: it would be possible in a way to have two types of judges. Do you see that as a fairness problem?

• (1045)

**Mr. Maxime Gilbert:** Yes, I ran out of time earlier too.

We're afraid of the distinction that's being made between part-time and full-time judges. Under the bill, full-time judges would be compensated in such a way that they would be considered members of the public service. The part-time people might have less privileged access to information and training. We feel that creates a distinction that should not exist. If we want to create a board of appeal that's operational and autonomous and in which all members are fully involved, no distinction should be drawn based on their employment status.

To answer your question, yes, I think it's clearly unfair.

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

[English]

Now we move to the NDP and MP Blaikie for questions.

**Mr. Daniel Blaikie (Elmwood—Transcona, NDP):** Thank you very much.

I want to direct my first question to the folks at the Green Budget Coalition.

They talked a bit about the new carbon capture and storage tax credit that the government has proposed in its budget. I'm wondering if they want to speak a bit more to that issue and the problems they see with that approach. I'll send it over to them for comment.

**Mr. Andrew Van Iterson:** Thank you.

I'll turn to Tom Green to respond.

**Mr. Tom L. Green:** I think the way we look at this tax credit is that, first of all, you have this technology that continues to disappear. Wherever it's used, we're promised a whole bunch of emissions reductions and that a certain percentage of the carbon is going to be captured, and typically that has come in much lower than expected. A lot of projects have had quite a few billions go into them and then have not made it very far or have had to be cancelled. Here, we have a very expensive way of addressing things.

Right now, the oil and gas industry is incredibly profitable, and we believe it should be cleaning up its own act. This can be done through regulatory means and shouldn't be subsidized with public funds when really where we should be putting the billions is in deep energy retrofits. We know that's going to benefit Canadians across the country and that it's going to help bring down emissions. We should be helping people get into electric vehicles, as this budget this does help to do, and we should be deploying more renewable energy.

This is a very expensive tax credit for a technology that is still more conceptual.... I know that there are some operating projects, but if you look at the projections of where the world was supposed to be with carbon capture utilization and storage to where it is now, there's such a big gap, and that's because the technology has proven to be more complicated. We don't see that taxpayers should be the ones subsidizing this so that we can keep having oil and gas production, when really what the world needs to do is, as all the science shows.... For instance, there was a recent study in Environmental Research Letters, which came out on May 17, saying that nearly 40% of the already developed fossil fuel reserves need to stay in the ground for us to have a hope of staying within 1.5°C.

That would be a quick overview of our thoughts on CCUS.

**Mr. Daniel Blaikie:** You mentioned in your opening statement and we heard from the Green Budget Coalition in the pre-budget consultation that you had five main recommendations for government. What kinds of things would you have hoped to see in the budget implementation act if the government had chosen to implement all five of your recommendations?

**Mr. Tom L. Green:** Well, just quickly, I'll speak to the building retrofits side of things. We really need to see deep energy retrofits.

While there are some good investments being made there, the thing you don't want to do is a partial retrofit, where you don't get the full benefit of a deep retrofit, which allows you to basically electrify your building, really reduce your energy consumption and completely switch the building off fossil fuels, for instance. We would have wanted to see.... I mean, every budget from now on needs to be a climate budget—just because of where we are within the remaining time—to avoid going over 1.5°C and the scale of the transition that we would like.

I'll let my colleagues add other things that they would have liked to see.

• (1050)

**Mr. Andrew Van Iterson:** Go ahead, David.

**Mr. David Browne (Director of Conservation, Canadian Wildlife Federation, Green Budget Coalition):** Hopefully, you can hear me. We were having microphone problems. Can you hear me if I speak right into it?

**Mr. Daniel Blaikie:** Yes.

**Mr. David Browne:** That's excellent.

In terms of the bill before us, we were expecting more action on phasing out fossil fuel subsidies. That would have involved items in this bill that are not there. On items like freshwater management and permanent funding for protected areas, I don't think they would

have required aspects within the bill and legislation, but we were expecting a greater investment in the Canada water agency and the related promises there, and in making more of our protected areas funding more permanent, to incentivize particularly indigenous protected and conserved areas, but also, to some degree, to incentivize the provinces and territories to protect more land.

Those were some of the things that were in there. Not all of them need to be in this bill, though, I would point out.

**Mr. Daniel Blaikie:** Thank you very much.

Mr. Chair, I'm looking to you to make sure I'm not going over time.

**The Chair:** You still have a minute left, MP Blaikie.

**Mr. Daniel Blaikie:** That's excellent.

I have a question for our witness from the Co-operative Housing Federation.

Mr. Ross, there are a couple of items about housing in the bill. There's the home accessibility tax credit, and then there's the elimination of GST and HST on assignment sales. I'm looking for your feedback on the extent to which you think these will help address the housing crisis in Canada and on what other things you think government needs to focus on with a sense of urgency in order to address that crisis.

**Mr. Timothy Ross:** Broadly, we're seeing greater attention given to housing in successive federal budgets, but one area of concern that needs to be addressed more thoroughly is the lack of a dedicated investment in an urban, rural and northern housing strategy that's developed by and for indigenous housing organizations and communities in Canada. This has been a recommendation of the national housing council. The disparities were further highlighted by the Parliamentary Budget Officer.

That's a critical area that requires greater federal leadership.

**The Chair:** Thank you.

Thank you, MP Blaikie.

That concludes our first round of questions. We are moving to our second round, members and witnesses.

We're starting with the Conservatives. I have MP Stewart up for five minutes.

**Mr. Jake Stewart:** Thank you, Mr. Chair.

My first question, again, is for Diabetes Canada. Can I ask you to explain the differences between type 1 diabetes and type 2 [*Technical difficulty—Editor*] Canadians and talk a bit more about the eligibility for the disability tax credit? How does it relate to them?

Give the public and the rest of the parliamentarians a view of both diseases and how it works with the tax credit.

**Mr. Andrew Jones:** Let me begin with type 1 diabetes. This is a disease that affects individuals. It often comes on in childhood, although it can be diagnosed later in life. This is the situation where the pancreas does not work properly and insulin is required for life. Insulin is a life-saving therapy for those individuals with type 1 diabetes.

We believe that for individuals with type 1 diabetes, with respect to the disability tax credit, it ought to be a simple process where anyone who has been diagnosed with type 1 diabetes immediately qualifies for the disability tax credit.

Type 2 diabetes is more wide-ranging and there are a greater number of individuals who have type 2 diabetes. Some individuals in the type 2 diabetes category also require insulin therapy. This is where we think the disability tax credit can be well aligned with Canada Revenue Agency's disability advisory committee's recommendations. They stated in recommendation 14 that individuals who require therapy and didn't have it could not survive, or they would face serious, life-threatening challenges. We believe that individuals with type 2 diabetes who are on insulin therapy would fall into that category, so we welcome that recommendation.

We think that if the recommendation is implemented, the administrative burden would decrease significantly for those individuals who are on insulin therapy. All of the challenges around the 14-hour rule would dissipate and certainly make things easier to qualify and be eligible for that disability tax credit.

• (1055)

**Mr. Jake Stewart:** Thank you, Mr. Jones.

I have this friend of mine who has a child with type 1. I think he was diagnosed around the age of seven, if I remember correctly. I want to read this to you because it's something she said to me. She said, everyone who is a parent of a type 1 diabetic uses the same expression: "I am now functioning as my child's pancreas. It's all on me to do what the pancreas is supposed to but now doesn't." Basically, she wondered if the Prime Minister needed his pancreas 24 hours a day. Those are her words. It's not to be partisan. You can see that with respect to the parents of young children, this woman doesn't sleep. She's always up late at night checking blood sugar. It's a full-time job for anyone in that situation.

You mentioned earlier an advisory committee recommendation. As you know, my party and I support going to automatic approvals of type 1 diabetes patients for the DTC. We're going to be working with all parliamentarians. I'm curious to know in regard to the amendment that would come forward, should one come, and I believe there's one coming, should it be targeted specifically to type 1? You mentioned something earlier, when I think you made a direct recommendation from an advisory board. Do you want to read that again to the committee just how it was worded? I think you worded a recommendation.

If you could read that into the record once more just so that parliamentarians can hear it, I want to see how it lines up with something that's in the works.

**Mr. Andrew Jones:** Thank you for this opportunity.

The advisory committee is Canada Revenue Agency's disability advisory committee. They recommend replacing the current eligibility requirements, which include the 14-hour a week rule, with the following:

Individuals who require life-sustaining therapies (LSTs) are eligible for the DTC because of the time required to administer these therapies. Without them, the individual could not survive or would face serious life-threatening challenges.

**Mr. Jake Stewart:** Thank you.

**Mr. Andrew Jones:** Again, we believe that's being aligned with that recommendation makes perfect sense.

**The Chair:** Thank you.

Thank you, MP Stewart.

**Mr. Jake Stewart:** Thank you.

**The Chair:** We'll now move to the Liberals.

MP Dzerowicz, you have five minutes.

**Ms. Julie Dzerowicz (Davenport, Lib.):** Thank you so much, Mr. Chair.

Thanks to all the presenters for their excellent presentations and for being here today.

My first question is for Mr. Ross of the Co-operative Housing Federation of Canada. Thanks so much for being here today, and for your amazing advocacy and presentation.

In my riding of Davenport, we've had a number of organizations, groups who own property and buildings, who want to create co-ops—that is, to build co-ops or to turn their properties into co-ops. Do you think that is a good idea and do you think we should find a way to leverage the \$1.5 billion that has been set aside to help them do that?

• (1100)

**Mr. Timothy Ross:** Thank you for the question and for your support. It's nice to see you.

In short, yes, we need to convert as many opportunities to the co-operative housing model as possible. I'd be interested in learning more about the group's ideas and can certainly touch base to explore that opportunity in real time.

As well, one of the benefits of the language in the federal budget is that we are engaging in a co-design process with CMHC to make a program that is co-designed with the co-op housing sector to make sure that we can convert as many opportunities to co-op housing development as possible.

I will say there's a bit of a caveat—and I did mention it earlier in my presentation—that we need to find a way to bring co-op housing assets closer together because we have a very disaggregated asset base. A disaggregated asset base makes it harder to renew ongoing co-operative housing developments and to ensure ongoing good and sound asset management.

As much as possible, through this opportunity, we should be looking for ways to bring groups together to develop opportunities at a greater scale than what we saw in the earlier federally funded programs.

**Ms. Julie Dzerowicz:** Thank you for that. There are many groups that would love to be able to step up. They don't have the know-how or the capacity, but they do have the land and they do have, usually, buildings. They usually have that to contribute. Hopefully we can find a model moving forward.

You mentioned that we need to really accelerate getting co-op housing built, and you said that most of the co-ops are delivered through CMHC. We don't have time now, because I have only two minutes left, but I'd be grateful if you could write in to our committee if you have recommendations about how we could maybe make CMHC involve a little less red tape and be a little bit more efficient or how we could make the program more accessible, easier and faster. Any advice that you have around that would be really helpful.

I'd like to turn my attention over to the Green Budget Coalition. I want to thank all three of you for being with us today. I'm a huge climate activist, and I listened very closely to your comments today. I appreciate your mentioning the good things in our budget and the things that you're very concerned about and don't like.

One of the key things we're trying to do is to encourage or ensure that we have private investment in the deep retrofits, clean energy, renewable energy and basically many of the things that we need to have in place in order to reach our climate targets and net zero by 2050.

What would be your advice about how we can help ensure that we engage more of the private sector and private investment, whether it's through the Canada growth fund that we are setting up or any other methods that you might be able to recommend?

**Mr. Tom L. Green:** I think one thing that's really critical is to create some policy certainty. For instance, I appreciate that the government has brought in a price on carbon pollution across Canada and has indicated what this price is going to be out to the year 2030 to ensure that we don't have these lurches in policy that have been happening at the provincial level. You create those conditions whereby private investors understand that climate policy is going to continue to tighten and that if they invest in carbon-saving technology or in increased energy efficiency, then the project is going to pay for itself. It also allows them to go to financial institutions and invest in that way.

I totally agree with you. I think it's a great observation that government can't do all of this and that a lot of it is also about incentivizing other partners, not just the private sector but also, for instance, indigenous nations to participate in the build-out of renewable energy—or co-op housing, for example. I'm also a big fan of co-op housing. I grew up in a co-op residence at the University of Waterloo and I have to say that was a wonderful experience there.

I think you're right. We have to create the conditions under which there's that long-term certainty and attractiveness of bringing in the private sector. I don't know if others—

• (1105)

**The Chair:** Thank you.

**Ms. Julie Dzerowicz:** Thank you so much.

**The Chair:** That is the time. Thank you.

Thank you, MP Dzerowicz.

Now we'll have questions from the Bloc from MP Garon for two and a half minutes.

Go ahead, please.

[*Translation*]

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

Mr. Gilbert, you ran out of time during your opening statement.

In 30 or 35 seconds, is there something you would like to add concerning division 32 of part 5 of the bill?

**Mr. Maxime Gilbert:** Thank you.

The questions you asked earlier actually brought me back to this, but I'll nevertheless restate our position on the subject.

Employment insurance is a complex world. We need to take action on this aspect, and so should others.

In addition to that, the boards must truly be tripartite, and not just when an individual is heard before three board members. Their tripartite nature must be apparent throughout the entire appeal process. Members must be appointed upon consultations with people in the region, not solely on the advice of the chair of the Employment Insurance Commission.

**Mr. Jean-Denis Garon:** I understand.

If I may, I would add that we were nevertheless promised something in 2015 and that it was announced to us in 2019. What we see today are half measures compared to what was advertised.

Do you think that an omnibus bill, by which I mean this budget implementation bill, is the right tool to introduce this reform in circumstances that force us to consider it hastily?

**Mr. Maxime Gilbert:** Thank you for that question.

Frankly, no.

The budget implementation bill is an omnibus bill that contains many statutory amendments. Without seeking to involve ourselves in the management of employment insurance, if we're going to do a good job of representing workers regarding the application and amendment of these statutes—I'm speaking for them this morning—the Centrale des syndicats démocratiques believes it would be appropriate to conduct an individualized examination of that reform, if I may put it that way—

**Mr. Jean-Denis Garon:** You mean a distinct examination.

**Mr. Maxime Gilbert:** Yes, “distinct” is the word I was looking for. Thank you.

We feel we've been playing this game for years now. Despite our constantly repeated demands to government after government, we're ultimately stopped in our tracks. The object of our demands seems elusive. We think we're getting somewhere, and when we seem to be approaching our goal, the mirage vanishes and the result falls short of expectations.

Yes, sir, we think it would be appropriate to conduct a distinct examination of this division of Bill C-19.

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

**Mr. Maxime Gilbert:** Thank you.

[*English*]

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

Now we go to the NDP and questions from MP Blaikie for two and a half minutes.

Go ahead, please.

[*Translation*]

**Mr. Daniel Blaikie:** Thank you very much.

Mr. Gilbert, the changes to the board of appeal proposed in division 32 of part 5 of Bill C-19 raise the broader and more general issue of reform of the employment insurance program.

Do you think this bill is a missed opportunity for the government to institute other necessary reforms of the employment insurance program?

Generally speaking, what changes to the plan do you think are necessary?

**Mr. Maxime Gilbert:** Thank you for your question; it's a broad one.

Actually, as regards missed opportunities, I'll expand on the answer I gave Mr. Garon earlier.

The bill is an imperfect response to the proposed changes to the board of appeal which were a pressing concern for labour associations and representatives. However, we actually could have waited for that response to be given in a much broader and more comprehensive context.

In our view, you can't have one reform without the other. When ineligibility and disqualification cases arise, they'll necessarily result in challenges that will have to be heard by the employment insurance boards of appeal or by the Social Security Tribunal.

If those appeal bodies aren't operating optimally or at a level appropriate to the workers' situations, we'll be constantly running around in circles. This is addressed in the joint demands of the union federations and other labour representation organizations. A lot of work would have to be done on eligibility issues, if only on the method for recording the number of insurable hours, eligibility criteria and so on.

During the pandemic, with the Canada emergency response benefit, the CERB, and the changes made to the employment insurance program during that time, which, if my memory serves me, will remain in force until September 24, the current criterion is 420 hours. We think that threshold should be retained rather than raised.

To prevent certain individuals from falling victim to the system's deficiencies or from being unable to qualify because they work on a part-time basis or have irregular work schedules, we suggest that a new criterion be used based on the number of weeks of work that, in one way or another, will result in the same contribution rate, the same amounts of money contributed by workers. This would harm

neither the Employment Insurance Commission of Canada nor the Treasury Board. There would be ways to provide better eligibility guarantees for workers.

Furthermore, when overpayments are made, we would like each recovery amount not to exceed the amount of one week's overpayment to avoid overpenalizing workers, for whom these are considerable amounts, whereas they're negligible for the commission.

Those are the main suggestions that immediately come to mind.

● (1110)

**Mr. Daniel Blaikie:** Thank you very much.

**Mr. Maxime Gilbert:** Thank you.

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

[*English*]

Now we will hear from the Conservatives.

MP Albas, you have five minutes. Go ahead, please.

[*Translation*]

**Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC):** Thank you, Mr. Chair.

I'm going to yield my time to Mr. Garon.

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

I have some questions for the people from the Green Budget Coalition.

If my understanding is correct, we should normally price carbon properly, and that would urge the oil companies to reduce their emissions. Using their own funds, they would have to invest in technologies that reduce their emissions. However, what we see in the budget is \$2.6 billion of public spending on unproven carbon capture technologies.

Do you think this \$2.6 billion, which will total \$13 billion over five years, could be considered a government subsidy to the oil companies?

**Mr. Tom L. Green:** Yes, we do consider it a subsidy.

**Mr. Jean-Denis Garon:** The U.S. Congress and other authorities are talking about excess profits generated by the oil companies.

Do you think those businesses could afford to finance their own investments in technologies designed to reduce emissions?

**Mr. Tom L. Green:** Yes, I think that's their responsibility and that it would work if properly regulated.

Of course, since carbon pricing affects businesses in the industrial sector, only a very small portion of their emissions will be affected by carbon pricing since we have a system for major emitters.

**Mr. Jean-Denis Garon:** The budget also includes \$121 million of public funding, once again, to develop small nuclear reactors. We produce unconventional oil in Canada, particularly in Alberta. So a great deal of energy is required to increase production.

Do you think the \$121 million earmarked for small reactors falls into the category of subsidies for oil companies, if only indirectly?

**Mr. Tom L. Green:** It may be indirect, but instead I'd like to emphasize that the cost of renewable energy has declined sharply in recent years and continues to fall. The International Energy Agency has declared that renewable energy is now the cheapest energy in history. It makes no sense to allocate these sums to small reactors. We don't yet have a model that works, and, as we know, electricity will be very expensive.

• (1115)

**Mr. Jean-Denis Garon:** If I correctly understand you, you're telling us this is both a subsidy and a bad investment of public funds.

**Mr. Tom L. Green:** It's definitely not what we would recommend.

**Mr. Jean-Denis Garon:** I see.

We're talking here about \$2.6 billion a year that would be allocated to these technologies and that would go directly to oil companies. Then we would continue for five additional years, beyond 2030.

Do you think this strategy will help the government meet established greenhouse gas emissions targets?

**Mr. Tom L. Green:** It could help a bit, but it's a very inefficient way to go about it. There's also a risk that it might encourage the sector to increase rather than decrease our emissions.

That's definitely not what the planet needs right now.

**Mr. Jean-Denis Garon:** Okay.

Just recently, the government announced that it was going to provide a \$10 billion loan guarantee for the Trans Mountain project. In other words, after having financed an extremely risky project that has already generated numerous cost overruns, let's make a loan at the taxpayers' expense.

The government is telling us that it does not constitute public support to Trans Mountain. Do you agree?

**Mr. Tom L. Green:** No. We consider it to be public support and a very regrettable move.

This unnecessary project should have been shut down. A large amount of money will be spent on it. When you think of what these funds could have accomplished in other sectors, we don't understand why this project is being maintained.

**Mr. Jean-Denis Garon:** Ten billion dollars is an enormous amount of money. Do you think that the government could have guaranteed loans to finance other projects that could have been more helpful in meeting our targets?

**Mr. Tom L. Green:** Yes. The point I want to make is that renewable energy sector is really where Canada should be making significant investments. There are all kinds of opportunities.

Alberta and Saskatchewan could be renewable energy superpowers. There has clearly already been a lot of investment in this sector in Alberta. That's where we ought to be headed.

**Mr. Jean-Denis Garon:** All right.

Also very recently, the government of Canada, according to the Minister of the Environment himself, approved the Bay du Nord project. I believe that this could in the end represent a billion barrels produced by Canada.

Do you think this was a sound decision given today's climate context?

[English]

**The Chair:** Give a very short answer, please.

[Translation]

**Mr. Tom L. Green:** It's not in tune with the recommendations made by the Intergovernmental Panel on Climate Change, the IPCC.

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

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

[English]

Now we're moving to the Liberals and MP Baker for five minutes to finish the second round.

**Mr. Yvan Baker (Etobicoke Centre, Lib.):** Thank you very much, Mr. Chair.

Thanks to all of our witnesses for being here today.

I'm going to begin by directing my questions to Mr. Green.

Mr. Green, it's interesting that just before walking into this finance committee, I was in a Zoom meeting with a group of constituents and residents from around the city of Toronto who are part of a group called the Citizens' Climate Lobby. You may be familiar with them. They do wonderful advocacy work—certainly at the local level in my community in Etobicoke Centre. They've inspired me to direct my questions your way today.

I want to ask you a little bit about electric vehicles.

In the prior parliament, I was a member of the environment committee, and we studied zero-emission vehicles during that time. I'm wondering if you could talk about the necessity of electric-vehicle charging infrastructure and how the government's consumer incentive program can make zero-emission vehicles more affordable.

**Mr. Tom L. Green:** Sure, I'd be happy to.

We certainly support the transition to zero-emission vehicles as a way to swap out fossil fuels and put in clean electricity. In our recommendation for this year's budget, we suggested that Canada really has an advantage in how clean our grid is and that we can get it to zero-percent emissions by 2035, as the government has promised.

It's really a key climate measure. Our rationale with the feebate is rather than make the public purse pay, you put a fee on the gas guzzlers and you pool it to give it to people who buy zero-emission vehicles. The government chose not to go in that direction and instead put the money in the purchase incentive, which is a good way to go as well. It needs to be supported with a zero-emission vehicle mandate, which the government is working on now, so that manufacturers put more zero-emission vehicles on the lots.

The problem is that if you go to a dealer now, especially if you're in Alberta or Saskatchewan, and sometimes in Atlantic Canada, it's very hard to find a zero-emission vehicle. In fact, across Canada, many, many people are driven by current gas prices and are seeing how our dependence on fossil fuels is really a form of energy insecurity, and so they want a zero-emission vehicle, yet they're being told that it's a six-month wait-list for that particular model or maybe a year-long wait-list and they have to put down a deposit, whereas if they want to buy a gas vehicle, they just walk on the lot and there it is. They have the keys and half an hour later they're driving away.

There are certainly some things to attend to there.

• (1120)

**Mr. Yvan Baker:** Sure, and we also presumably don't want to provide.... What you're saying makes a lot of sense. I hear you saying that we need a mandate so that the auto makers put those vehicles on the lot and offer them up for sale, because, for a number of reasons you stated—and some that come to my mind—if we provide an incentive, but they're not providing the product, then they can hike the prices and the incentive just goes into the bottom line of the manufacturer, the car seller or the distributor.

Quickly, what about infrastructure, though? Talk to me, if you can, about the importance of electric vehicle-charging infrastructure. It's fine to say that we're incenting people to buy cars, and even if manufacturers are mandated to have a certain number available for consumers, it has to be a viable alternative, presumably, to the current options for consumers. Am I right?

**Mr. Tom L. Green:** Yes, that's right. It really does make sense to continue encouraging those investments across Canada in charging infrastructure. It is now possible to travel coast to coast, and there are fast chargers along the Trans-Canada Highway, but we need more of them. In particular, we need to attend to renters in older apartment buildings, who won't have charging infrastructure there. We need more charging infrastructure in smaller communities.

We also need to start thinking about much larger vehicles that will need higher-capacity chargers so that commercial trucks will be able to take advantage of this.

I really appreciate the government's investments in this area. I think it's certainly an area for the committee to encourage continued work on.

**Mr. Yvan Baker:** Thanks very much, Mr. Green. I appreciate it.

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

Members, we only have about six minutes or so left in this first panel. As we usually do—I know there's very limited time—we're going to have about a minute for each of the parties to ask a final

question of the witnesses before we transition to our second panel. We'll start with the Conservatives.

Who will be going for the Conservatives?

**Mr. Dan Albas:** Mr. Chair, we have no further questions. We thank all the witnesses for being here today and for sharing their expertise with us and with Canadians.

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

We'll go to the Liberals for a final question or two.

**Mr. Heath MacDonald (Malpeque, Lib.):** Thank you, Chair.

I'll go to Mr. Ross very quickly.

I come from Prince Edward Island. I always feel that co-op housing is an extremely important asset to any community, but I feel that sometimes there isn't a champion to carry the charge for co-op housing.

I'm wondering if you could give any advice, based on your organization and what you do across the country, for small provinces or even smaller communities, as Ms. Chatel discussed with you about rural. Can you provide any information or leeway that could help alleviate some of these issues?

**Mr. Timothy Ross:** I think some of our sector's strongest leaders have come from more rural settings. I'm actually originally from New Brunswick. I personally know a lot of the members from Prince Edward Island as well.

Our organization participated in the provincial task force on affordable housing. We know how urgent and acute the crisis is on the lack of housing supply on Prince Edward Island. As a membership association, we give our members the tools to speak up and speak with decision-makers to promote the model of co-op housing. We have a regional office that serves Prince Edward Island. We can certainly follow up with you after the committee meeting to connect you with those resources.

• (1125)

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

Thank you for following up on that, Mr. Ross.

We're moving to the Bloc for a question or two from Monsieur Garon.

[*Translation*]

**Mr. Jean-Denis Garon:** I have a supplementary question for the Green Budget Coalition.

I am going back again to the hydrocarbon grants. We're talking about \$2.6 billion over five years, and approximately \$1.5 billion for each of the following five years. If I quickly add all that up, it comes to \$17.5 billion that goes directly into the pockets of the oil companies.

If you had a \$17.5 billion budget to put hydrocarbons behind us and meet our emissions reduction targets, what would you do?



**Mr. Tom L. Green:** I think we could invest more on renovating buildings to reduce energy use, on renewable sources of energy and on getting them to every part of the country, in addition to the electrification of heavy transport, public transit and personal transportation.

**Mr. Jean-Denis Garon:** Needless to say, the government would tell us that some of the measures are green, but we know that there are others that are not very green at all. Even though we realize that it's impossible to do everything perfectly and that there are some positive measures in the budget when you look at it closely, do you think that when the time comes to invest large amounts of money, there is a bias in favour of the oil companies? If so, how would you explain that?

**Mr. Tom L. Green:** It's difficult to explain, given that the government said that it was going to eliminate grants to fossil fuels.

It's also worth mentioning Export Development Canada, where things are also highly problematic.

**Mr. Jean-Denis Garon:** If I'm not mistaken, we're talking about \$58 billion.

Thank you very much, Mr. Green.

That's it for me, Mr. Chair.

**Mr. Tom L. Green:** Thank you.

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

[English]

For our final questions, we'll go to the NDP and MP Blaikie.

**Mr. Daniel Blaikie:** Thank you.

Mr. Ross, we've talked a little bit today about new spending on co-op housing. We've also talked about deep energy retrofits. We've talked about electric vehicle infrastructure a little bit.

I know that sometimes co-ops are forgotten in the policy-making process or they end up excluded from certain kinds of programs, whether it's intentional or whether it's as an afterthought.

Are there any envelopes or programs that the federal government is currently undertaking on the housing file that you think co-ops should have more equitable access to or where there might be opportunities to enhance investments in co-ops, either for the buildings or for the residents, which are currently missed opportunities?

**Mr. Timothy Ross:** Thanks for highlighting the importance of including all business types in eligibility for government programs, so including co-operatives. It's absolutely critical that there's no unintentional exclusion of them from eligibility. I know that has been an issue in the past, but it has certainly improved in recent budgets.

On the importance of the energy retrofits and supporting energy efficiency in housing co-operatives, we've done a lot of work in partnership with the Federation of Canadian Municipalities to provide an energy coach to the co-op housing sector. That provides the technical advisory services to access the funding and financing programs offered by government for support with retrofits. We're very proud of that work as well.

**The Chair:** Thank you, and thank you, MP Blaikie. That is the end of our first panel for today.

We want to thank the witnesses, and the members. We're doing this as a hybrid session. We have witnesses from right across the country and members from coast to coast to coast with us to discuss these very important issues.

We thank you very much for your time, your expertise and for answering so many questions by all of the members. On behalf of the committee, the clerk, the analysts and all those who help bring us together, we want to thank you. Have a great day.

We are now transitioning to our second panel. We'll suspend at this time.

• (1125) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (1130)

**The Chair:** I'd like to welcome today's witnesses for our second panel. It will go from 11:30 to 1 p.m.

From Access Copyright, we have Roanie Levy, president and chief executive officer. Welcome. As an individual, we have Vivek Dehejia, associate professor of economics and philosophy at Carleton University. As an individual, we have Elizabeth Long, barrister and solicitor; and from the Centrale des syndicats du Québec, we have Luc Beauregard. From the Canadian Chamber of Commerce, we have Mark Agnew, senior vice-president of policy and government relations.

We will begin by hearing from Roanie Levy from Access Copyright for the opening remarks, for up to five minutes, please.

• (1135)

**Ms. Roanie Levy (President and Chief Executive Officer, Access Copyright):** Thank you for the opportunity to appear before you.

Before beginning, I would like to acknowledge that I am speaking from the traditional territory of many nations—including the Mississaugas of the Credit, the Anishinabe, the Chippewa, the Haudenosaunee and the Wendat peoples—which is now home to many diverse first nations, Inuit and Métis peoples.

Access Copyright is a not-for-profit copyright collective that represents over 13,000 Canadian publishers, authors and visual artists. We facilitate the reuse and sharing of content by licensing copying from books, magazines, newspapers and journals to schools, universities, colleges, governments and businesses.

I would like to start by thanking the government for including in its budget commitments the extension of the term of of copyright protection to life plus 70. However, on behalf of the writers and publishers I represent, I am here to speak more specifically to the second copyright commitment made in the budget. This is the commitment to restoring a functioning marketplace for the sale and licensing of educational materials by urgently addressing the issue of massive and systematic unpaid copying of creators' works by the education sector.

[Translation]

Canadian creators and publishers are an indispensable part of Canada's culture and economy.

[English]

For over a decade, the ability to sell our stories has been under constant threat. Since 2013, when their work has been copied and shared by most of the Canadian education sector, they have not been paid for its use outside of Quebec.

The issue here is the expansion of the fair dealing exception in the 2012 Copyright Modernization Act, which included uses for educational purposes, provided those uses are fair. In response to those changes, most of the education sector outside of Quebec abandoned the collective licensing system that worked to the mutual benefit of creators and publishers, as well as educators and students, for over two decades and in its place adopted self-defined copying policies that promote the widespread and systematic free copying of approximately 600 million pages of published works annually.

There is always a cost to "free". In this case, the cost is being paid by all Canadians.

Let me explain. First, it has led to the devastation of Canada's creator and publisher communities. This in turn has led to significantly reduced investment in Canadian content for our classrooms. This is not hypothetical. Ten years of reduced investments have deprived our students and educators of new Canadian learning resources. "Free" is shortchanging the future of our education system by stifling investment in educational resources. A poorly resourced education sector affects us all.

Over the last decade, Canadian creators and publishers have been deprived of approximately \$190 million in unpaid royalties under tariffs certified by the Copyright Board. The loss of these royalties, combined with the effect of free copying on primary sales of published content, has led to a reduction of investment in Canadian works and the elimination of publishing jobs. Overall, employment in the Canadian book industry has dropped by 31% since 2012. That's a loss to Canada's economy of 4,400 jobs. Several publishers have exited the education marketplace outright.

The uncertainty over the scope of fair dealing has led to a decade of litigation before the courts. Notwithstanding the years of litigation, including a trip to the Supreme Court, the uncertainty remains. Every day, I hear our members' frustration and anger about how increasingly difficult it is for them to make ends meet. What they want is what anybody would want: to be paid for their work. Ten years is an impossibly long time for anyone to wait to be paid.

The good news is that consultations on these issues have already taken place, so the government can and must act quickly. Thanks to these consultations, we have four unanimous recommendations from the Standing Committee on Canadian Heritage in its 2019 "Shifting Paradigms" report. These recommendations continue to have the support of each of the opposition critics for Canadian heritage. The most important recommendation is recommendation 18, which would restore a functioning marketplace by clarifying that fair dealing should not apply to educational institutions when the work is commercially available.

The government needs to act at the earliest possible opportunity. Time is of the essence. After 10 years of not getting paid, we cannot wait any longer.

• (1140)

Thank you for your time. I look forward to answering your questions.

**The Chair:** Thank you, Ms. Levy.

Now we'll hear from Vivek Dehejia for up to five minutes, please.

**Mr. Vivek Dehejia (Associate Professor of Economics and Philosophy, Carleton University, As an Individual):** Thank you, Mr. Chair.

When I gave testimony before this committee just two months ago, I expressed my concern about rising inflation in Canada. When I was last here, virtually, it was 5.7%. Since then, CPI inflation has jumped to 6.7% and now 6.8%, and possibly will go higher.

Inflation remains a big issue, and despite the bank's recent interest rate increase, both the central bank and the government are going to need to remain extremely vigilant that we do what we have to do to bring inflation back under control, for the reasons I went into, in my last testimony, in great detail.

Today I want to highlight the fact that there is an important relationship between the large fiscal deficit, which fuels the current high deficit and debt-to-GDP ratio, and rising inflation.

Whenever the federal government increases the deficit, that money has to come from somewhere. In the absence of new taxes, it comes from borrowing. When that happens it puts upward pressure on interest rates and creates a problem economists call "crowding out". Public spending sucks up investment dollars and makes private investment more expensive. The net effect is that the share of public spending in total GDP goes up relative to private spending. In other words, our economy becomes more socialized.

The government projects both deficits and debt to decline, but these depend upon fairly optimistic assumptions about GDP growth. Now, with what is likely to be a protracted war in Ukraine, and pressure on energy prices and global supply chains, GDP growth may be below zero or even turn negative. We may go into recession, and that will create an even bigger problem.

We've seen this movie before in Canada, both in the 1970s and again more recently in the late 1980s and early 1990s, and it never has a happy ending. Invariably, loose fiscal and monetary policies that lead us to stagflation have to be combatted with tight fiscal and monetary policies. They invariably cause a recession to occur as a by-product of fighting high inflation and the stagflation problem. That's an avoidable scenario if the government works harder to get onto a steeper path of debt and deficit reduction and if the bank aggressively tackles inflation by raising interest rates and pushing ahead with its QT policy, meaning that it stops buying government bonds and so forth, for which it needs the moral support of the government.

As a last word, Mr. Chair, we often hear that the current problems we face in Canada are a "global problem", but as I told the CBC a few days ago, this is a half-truth at best. High inflation in Canada is a product of a decade or more of loose monetary policies and high fiscal spending. While it's true that part of the high inflation right now is a by-product of the war in Ukraine and energy price increases, those aren't the whole story. Even if the problem is partly global, we can't outsource the solution to Washington, New York, Geneva, or, I dare say, Davos. The solution is right here at home in our fiscal and monetary policies.

Thanks, Mr. Chair.

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

Now we'll hear from Elizabeth Long for five minutes, please.

**Ms. Elizabeth Long (Barrister and Solicitor, Long Mangalji LLP, As an Individual):** Thank you for allowing me to testify.

I am speaking to you today because I have grave concerns about the provisions in division 23 with regard to the proposed changes to the Immigration and Refugee Protection Act.

As an immigration lawyer with over 16 years of practice, I have worked with tens of thousands of individuals who have immigrated to Canada through skilled migration. The changes that are proposed in this bill are extensive and will have a significant impact on hundreds of thousands of people who are looking to immigrate to Canada. They are controversial and should be examined thoroughly by experts in the field as a bill on its own, not as part of a budget bill.

For those of you who are not well versed in immigration law, let me explain briefly what the proposed amendments mean.

The proposed amendments have to do with a system called the express entry system. This system chooses the vast majority of immigrants in our immigration system. The latest figures published by IRCC list applications at over 332,000 in 2019—in one year—and this does not include accompanying family members.

Here's how express entry works. Individuals who qualify under the three most widely used skilled migration categories are able to

submit their profile into the express entry pool. The kicker is that just because they submitted their profile into the pool does not mean they can actually apply. They are issued a score based on their background, such as age, education, language proficiency, work experience, etc. In the current system, the government issues draws based on the individual's scores and the categories they qualified under to send invitations to apply. If a person receives an invitation to apply, they can apply and receive their permanent residence.

The provisions in this bill essentially seek to change how individuals will be selected to receive these invitations to apply. They would allow the government to create groupings, which are currently undefined, to select those who can apply and obtain permanent residence.

There are several reasons that this is problematic.

First, without identifying which groups the government will be using for selection, these provisions provide the minister and all ministers after him with the power to define these groupings without parliamentary oversight. For example, a minister could decide to limit immigration based on nationality, as the United States does. This could lead to severe inequity in processing times based on nationality, as is currently the case in the States.

I have also heard that a minister may wish to use these provisions to select based on occupation. This is problematic, as the minister does not have a transparent system for how they select the occupations. As such, the system is prone to lobbying and influence by large industries, leaving smaller, less powerful employers and those with lesser-known occupations without the ability to hire and retain workers. The occupations-based program has already been used several times in Canada's immigration history without success, yet the minister may be using this factor again.

Maybe I'm wrong and occupations-based selection is the bee's knees. If so, then the provisions should state occupations-based selection, not groupings that are undefined, and provide opportunities for other expert immigration witnesses to provide evidence to the parliamentary standing committee on immigration to examine this. These provisions, which give the minister the unchecked power to select based on whatever groups they wish to in the future, would not allow this process for checks and balances to happen.

Second, ambiguity leads to unpredictability. The permanent residence system requires applicants to spend thousands of dollars, and many spend years to prepare to qualify. With this ambiguity of not knowing whether or not they would qualify even if they invested their time and money, many individuals would be turned off by the system. Canada is in competition for the best and brightest of the world through our skilled migration system. The unpredictability that these provisions bring to the system would deter many of those whom we aim to attract to our country.

• (1145)

Our immigration system chooses who forms our labour pool, but it also chooses who our neighbours are and who will become part of our community and our country. Surely, choosing who will form the vast majority of immigrants to our country warrants more than a brief consideration in a budget bill.

Thank you.

**The Chair:** Thank you, Ms. Long.

Now we'll hear from the Centrale des syndicats du Québec and Mr. Luc Beauregard for five minutes of opening remarks.

• (1150)

[*Translation*]

**Mr. Luc Beauregard (Secretary-Treasurer, Centrale des syndicats du Québec):** Good afternoon, and thank you for this invitation.

Today, I'm basically going to talk about part 5, division 32 of Bill C-19.

The CSQ represents approximately 200,000 members, about 125,000 of whom work in the field of education, including higher education. It is the most representative organization for this sector in Quebec. It also has 11 federations, which in turn represent some 240 affiliated unions, and the Association de retraitées et retraités de l'éducation et des autres services publics du Québec, AREQ. The CSQ also plays a role in health and social services, early childhood educational services, municipal services, recreation, and culture, as well as the community and communications sectors. In short, it is everywhere in Quebec.

A few days ago, we told Ms. Qualtrough, the Minister of Employment, Workforce Development and Disability Inclusion of our concerns about division 32 of part 5, in Bill C-19, which is about the Employment Insurance Board of Appeal and the Social Security Tribunal, commonly referred to as the SST. We asked her to remove division 32 of part 5 from the bill so that it could be analyzed separately.

The SST was established in 2013 to serve as a one-stop shop to replace four administrative tribunals, including the arbitration boards. Before that, tripartite boards made decisions at the first appeal level for employment insurance clients. This provided better access to justice and the participation of community representatives familiar with the labour market in their region. The appeal structure went from a three-member tribunal, which was viewed as a trial by one's peers, to a single decision-maker who was often remote from the appellant and that person's living and working environment.

In 2019, the government announced in a news release that, further to a recommendation made by KPMG in its report on the review of the SST, reforms would be undertaken. These included a return to the tripartite system to begin in April 2021. The government assured us that people would be at the centre of the appeal process, which would become faster, simpler and better suited to the needs of Canadians. The announcement also said that community stakeholders would be consulted. This did not happen, however, despite our many efforts to remind the departments of our full co-operation.

Bill C-19 provides that the SST would report solely to the Commission's commissioner. And yet, it is essential that the structure be tripartite to ensure proper monitoring of how the union representatives and employers are deployed and trained to perform their duties within the Board of Appeal, which would not really be tripartite unless the social partners take part directly in the selection and appointment of member workers and employers.

In addition, the right to regional representation and an in-person hearing is not found in Bill C-19. The necessary reforms were to be flexible and client-centred. Genuine access to an in-person hearing was recognized as an essential feature of any reform of the employment insurance appeal process. The presence of members of the tribunal with expertise and knowledge of local markets is essential.

The composition of the Board of Appeal also provides two types of status: full-time members of the tribunal appointed by the Governor in Council, and part-time members from the employers or insured persons, appointed by the commission. This different status is of concern to us because it necessarily leads to inequity between members, in addition to a different hiring status. The full-time members will have status as employees of the public service, strengthened by the fact that they will be the only ones eligible to hold the position of chair, vice chair and coordinating member. The inequity is obvious.

In short, we would have liked to have been consulted beforehand and to have had the opportunity to contribute to the development of the appeal process. The provisions included in Bill C-19 do not reflect what was suggested and proposed by the government at the beginning of the process. Of course we understand the delays caused by the health crisis, but that should not have prevented consulting the social partners on such an important matter. If no changes are made to the provisions in the bill, we believe that they should be withdrawn and studied separately.

Thank you very much for hearing me out.

• (1155)

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

[*English*]

Now we'll hear from the Canadian Chamber of Commerce and Mr. Mark Agnew.

You have up to five minutes, please, for opening remarks.

**Mr. Mark Agnew (Senior Vice-President, Policy and Government Relations, Canadian Chamber of Commerce):** Chair and honourable members, it's a pleasure to be here today.

The honourable members would have seen the submission that the chamber made via the clerk, so I'm going to focus my remarks mostly on the competition policy provisions of the budget implementation act as well as the luxury goods tax.

Let me start on competition policy. Given the evolving nature of the economy, our competition policies certainly need to keep pace; however, getting it right is critical. This means robust consultation with stakeholders, including the business community and others in legal, civil society and consumer groups as well.

The chamber is particularly concerned with three elements. It is urging this committee and the government to remove them from Bill C-19 and place them into the mandate of the full Competition Act review that the minister of industry has committed to undertaking later this year.

First is the abuse of dominance provisions and codifying a number of definitions. An overly broad approach to defining what is anti-competitive is particularly problematic because every act of competition may, at least in the eyes of the competitor, impede their progress or expansion. Indeed, an action seeking to outdo a competitor is at the very heart of healthy and necessary competition. Clarity is also needed on areas like privacy, given that we have a separate federal privacy regulator in this country.

While some have argued that these proposals codify existing practice, we should not be haphazard about amending legislation, given that it cannot be then changed back on a whim later on.

Second is the changes made to the administrative monetary penalties. The proposed changes to the AMPs represent a significant overcorrection. Such significant penalties of up to 3% of worldwide revenues are problematic when the provisions are being expanded and companies are left without the benefit of existing jurisprudence to understand what they mean in practical terms. The penalties additionally scope in activities that are not linked to violations occurring in Canada, by virtue of taking a worldwide revenue approach instead of a Canadian revenue approach.

Third, and finally, is the other provisions relating to no-poach. Others have pointed out in separate forums that this poses challenges in the franchise context where companies often have provisions written into contracts as a means to ensure that investments in training their employees are not being undermined. Interactions with provincial labour laws also need to be considered.

I don't have specific amendments to offer today, which reflects the time needed by the chamber to consult our members that sit across different sectors. A few hours of meetings on legislation at committees unfortunately does not suffice for the consultations we hope the government will make as part of the phase two review, rather than putting these three provisions into the budget implementation act.

Despite the assertions made by some that we should make the changes now and figure it out later through administrative guidance

or by reopening it in the phase two review, I think that would be a mistake. We don't know what will happen from that review, given that it has not yet actually begun.

Additionally, there may be a tendency to view these Competition Act changes in the context of the current inflationary environment. Unfortunately, these changes will not address current inflationary pressures, so we should not have a knee-jerk reaction with that goal in mind.

I want to briefly end by talking about the luxury goods tax.

Members will be aware from other witnesses who have appeared about what the luxury goods tax means for Canadian aircraft manufacturers. The industry is still in recovery mode from the pandemic and concerns persist, from our standpoint, as to what this tax means for industry. We hope to see amendments made to specific areas of the bill, should the government continue to go ahead with the proposal. This includes exemptions for exports and also the treatment of liabilities when it comes to usage by the buyer after a sale has occurred.

We also need to understand how the tax will impact our competitiveness relative to other jurisdictions. The U.S. experience, of course, was to introduce such a tax, only to then repeal it a short time thereafter.

Thank you for taking the time to consider the chamber's perspective. I'd be happy to answer your questions.

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

Now we'll start with our first round of questions by members. In this round, each party will have up to six minutes to ask questions.

We will commence with the Conservatives and have MP Albas up for six minutes.

**Mr. Dan Albas:** Thank you, Mr. Chair

Thank you to all of our witnesses for being here today.

I'd just like to give the chair notice that about halfway through I'm going to share my time with MP McCauley.

I would like to start with Ms. Long.

Thank you for your testimony here today. We appreciate your views on this.

I've had some experience with the B.C. nominee program. It seems to have very much the same kind of lines as what you've set out here, where it gives so much discretion that a minister could be subject to lobbying. They could simply make a grouping based on abstract criteria or have been lobbied for a specific group.

That's exactly what seems to happen in the B.C. nominee program. In fact, one case came across my desk where one engineer was being brought in and his wife, children and, I believe, an uncle and a parent were all included under the same file for one position. I worry about how these things come together.

When you say occupation-based selection, would this require a definition to the act or does the occupation-based selection amendment that you're suggesting already exist? How would you best construct this so there is criteria where the government has to show some transparency?

• (1200)

**Ms. Elizabeth Long:** The occupations-based selection is just something that I have heard from other lawyers from their meetings with IRCC, namely, that they were considering with regard to selection. In the current provisions, there is no definition of what these groupings could be. In the future, the minister, if these provisions passed, could choose to use occupations-based selection. What this will mean, how they will select occupations, is not known. Normally in the past when they've used occupations-based selection, it's just been a list. Nobody knows where these occupations come from. That's why I say it could be subject to lobbying. Who knows where this research comes from as to which occupations are in need?

My main concern with these provisions is that they're not defined and as such, in the future, the minister is not subject to parliamentary oversight.

**Mr. Dan Albas:** What sorts of amendments would create more transparency around this to make sure that when someone's invited through the express entry program, it is for the stated purpose of needed necessary skills for our labour shortages?

**Ms. Elizabeth Long:** Right now the express entry system is pretty clear as to what individual selection criteria are being used. As to whether or not we need further selection criteria, I would be happy to take a look once I actually know what the minister wants to do.

**Mr. Dan Albas:** So you're of the opinion that this addition is not necessarily helpful to the public interest—albeit it might be helpful to someone who is lobbying the government.

**Ms. Elizabeth Long:** Absolutely. It only gives more power to the minister and it only adds more unpredictability to the system.

**Mr. Dan Albas:** Thank you. I'll pass on the rest of my time, Mr. Chair.

**The Chair:** MP McCauley.

**Mr. Kelly McCauley (Edmonton West, CPC):** Mr. Albas, thank you.

Thanks, Mr. Chair. Witnesses, thanks very much.

I find it interesting how many witnesses throughout the day have stated the need for more study of these. It's quite bizarre how some

of these items, in what are clearly omnibus bills, are pushed in and all getting rolled up together.

**Mr. Beauregard,** I'd like to hear a bit from you, please. Oddly enough, in a past life, I was a chair of the EI appeals board here in Edmonton, so I understand a lot of the concerns. Would your organization like to, or are you pushing to, see a return to the old system straight out?

[Translation]

**The Chair:** Mr. Beauregard, we're all ears.

**Mr. Luc Beauregard:** I'm sorry. To answer...

[English]

**The Chair:** Did you catch the question from MP McCauley?

[Translation]

**Mr. Luc Beauregard:** Yes. I believe he asked me whether we should return to the procedures in force prior to 2013. Is that correct?

[English]

**Mr. Kelly McCauley:** Basically, yes.

[Translation]

**Mr. Luc Beauregard:** Okay, thank you.

At the outset, you said that we had asked for more studies. We're not asking for more studies, but rather for a separate study, because the bill seriously limits...

[English]

**Mr. Kelly McCauley:** I commented on the general omnibus areas, but please go ahead.

[Translation]

**Mr. Luc Beauregard:** I'll get to the question you asked me.

A separate report is needed because this issue is becoming very important and affects a lot of Canadians.

Should we return to the previous system? We believe that the answer is yes. A genuine tripartite mechanism assumes having people who represent employers, employees and the government.

In addition, the part-time aspect is important for us, because people are assigned by group. A significant portion of the people represent the region at issue. Whereas in what is being proposed now, the region has no representation. It's more centralized.

• (1205)

[English]

**Mr. Kelly McCauley:** Can I interrupt, Mr. Beauregard. Do you see any advantages of the SST that could be carried over, if we revert back to the old system, such as perhaps in terms of the speed of hearing cases so that people are not waiting in limbo for so long? Or does it just need to be thrown out altogether and we start afresh?

**The Chair:** Please give a very short answer, Mr. Beauregard.

[*Translation*]

**Mr. Luc Beauregard:** I don't think we have to start from scratch. Prior to 2013, it all worked. There were no long delays and there was a first level of appeal with a tripartite group, attended by people from the community who were familiar with employment insurance and that community.

We believe that the best option would be to return to what there was before.

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

Thank you, Mr. McCauley.

[*English*]

Now we'll move to the Liberals. We have MP MacDonald for six minutes, please.

**Mr. Heath MacDonald:** Thank you, Chair.

I'm going to go to the Canadian Chamber of Commerce in regard to competitiveness and maybe to innovation a bit.

Over the past number of years, we've certainly seen many businesses complain to governments, provincial and federal, relevant to interprovincial trade barriers. When we're talking about competitiveness, I believe that's a huge issue. I'm wondering, Mr. Agnew, if you have any advice for policy-makers on how we increase or better adapt to competitiveness from province to province within Canada and, I guess, get our own house in order before we start worrying about international trade.

**Mr. Mark Agnew:** Yes, I'll try to tackle that as best I can. It's a thoroughly broad question that probably behooves several committee meetings to discuss.

I think the one overarching point I would want to make about it is that when we talk to companies, it's easy for us as policy-makers and people here in the Ottawa bubble to really get caught up on what this level of government is doing, what this silo of government is doing and what that department is doing. It might be three levels of government, but it's one company at the end of the day.

It has to bear the cumulative burden of these things, whether it's on tax decisions, regulatory decisions or the ability to attract talent from both within and outside of the country, or having a much more robust economic competitiveness perspective to how taxes are done, and what the impact is going to be on business competitiveness when we pass a new regulation, and what it means for businesses.

I could sit here all afternoon and list the things that people aren't happy with and where they want to see change in the agriculture sector or the digital economy. It's quite a long list of things, but maybe to bridge back to some of the stuff we're talking about in the context of the budget implementation act, this is where there's a need to make sure we get it right the first time. Unfortunately, some of these competition provisions require a more deliberative approach, and competition policy is one of those things that affects the competitiveness of the environment in which businesses operate.

**Mr. Heath MacDonald:** Thank you.

I'm going to move, Chair, to Access Copyright and Ms. Levy.

You mentioned the 2012 Copyright Modernization Act, which I'm not familiar with, but it's better to know where we're coming from to get to where we going. Can you talk a bit about the demise of that act or why it was eliminated or changed?

**Ms. Roanie Levy:** The 2012 Copyright Modernization Act included quite a few amendments. It was a massive bill. Specifically to "fair dealing", education was added to fair dealing so that uses can be made of works for educational purposes as long as they are fair.

The intent of the change was never to have education institutions stop paying for the copying they were doing. In fact, many representatives of the education community came before the legislative committee and said that they would not stop paying, that they would continue paying and they would continue buying books.

Unfortunately, that is not what happened. Immediately, within weeks of the act coming into force, educational institutions stopped paying for the copying of the books and essentially decided to do the copying for free under the rubric of fair dealing.

The idea of fairness—what is fair and what is not fair—is where the rubber hits the road, and it gets super complicated. We then end up in court for years and years.

The surest way to solve this problem is to provide more parameters around fair dealing and to do what the U.K., Ireland and New Zealand have done, which also have fair dealing for educational purposes. What they've done is that they've limited the ability to rely on fair dealing by educational institutions when a work is available under licence, either through a collective or through the rights holders.

Students can continue relying on fair dealing for the use of reasonable portions of works, but when a work is being copied in a massive and systematic way by an educational institution, that would be the subject of a licence, when a licence is available. It ensures that the market is able to function, while also ensuring that students and educators have access to works in a reasonable and cost-efficient way.

● (1210)

**Mr. Heath MacDonald:** Thank you.

Has there ever been a crossover or have you ever looked into intellectual property regulations that have been presented to see if there's any just cause or relation in that regard?

**Ms. Roanie Levy:** Unfortunately, you can't have regulations under that provision. It requires a legislative amendment to be done. That is the only way to set this straight.

**Mr. Heath MacDonald:** Thank you.

I know I don't have much time left, but where there are national security or business innovation implications with foreign countries, in particular, and possibly hostile foreign countries, do you see any risks relevant to that in your business?

**Ms. Roanie Levy:** No, there is no relation to that scenario.

**Mr. Heath MacDonald:** Thank you.

Do I have much—

**The Chair:** Thank you. That's about it.

**Mr. Heath MacDonald:** Thank you, Chair.

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

Now we'll have questions from the Bloc and MP Chabot for six minutes, please.

[*Translation*]

**Ms. Louise Chabot (Thérèse-De Blainville, BQ):** Thank you, Mr. Chair.

Good morning to everyone. I'd like to thank our witnesses for their presentations.

Mr. Beauregard, I'd like to ask you a question about division 32 of part 5 in Bill C-19, which involves numerous reforms and over 400 pages. It's clear that things are going slowly for employment insurance. We had been promised a comprehensive reform in 2015, but nothing was done, except for minor amendments. In 2019, a major reform of the Social Security Tribunal was promised, with a return to tripartite appeal boards. Today, we find ourselves with this division, which contains the word "tripartite", but I think that what you're resolutely asking for is the removal of this division from the bill for a separate study.

How would studying it separately facilitate everyone's approval of this bill?

**Mr. Luc Beauregard:** Thank you for your question, Ms. Chabot.

Why do we feel it would be better for us to remove division 32 of part 5 of the bill? I think we would give us time to look into the matter in greater depth. A reform had been planned in 2015 and it still hasn't happened. Given where we are at the moment, we think it should be done properly and thoroughly. There is division 32 of part 5, but we know that there will probably be lots of other changes made to employment insurance, including the matter of accessibility. It would be helpful to remove this division of the bill in order to conduct a study on employment insurance.

As for the term "tripartite", it's only that in name for the time being. The structure looks as if it's tripartite, but it is basically very different from what there was before, and we think there will be problems if it's applied as is.

I'll stop there, but it is certainly something to reconsider.

**Ms. Louise Chabot:** So what you're saying is that it would enable us to do an in-depth study with the stakeholders concerned, from both the employee and employer standpoints. I hope that it will be brought to the attention of everyone in attendance at the Standing Committee on Finance. We've already waited more than two years, so we can wait another few months to do things properly.

I wanted to ask you a question about a subject that seems to be important to you.

Why is it important for the employment insurance appeal process to provide the right to regional representation and to an in-person hearing?

• (1215)

**Mr. Luc Beauregard:** Thank you.

For a long time, before 2013, people came in person to defend their case. They could see the interveners properly and there were people there from their community. In Quebec, there were between 15 and 20 regions represented, and they too were people from the same kind of background. When it was the union party, people were appointed by the union organizations and when it was the employer party, there were also people appointed from that side.

These were people who knew the region and the community, and were accordingly familiar with the case at issue. Needless to say, there are considerable differences between the status of a seasonal worker in British Columbia and one working in Gaspé, even though there are similarities as well. That's why it's important to factor in the realities of each setting to make the decisions as equitable and fair as possible.

**Ms. Louise Chabot:** As someone on the union side, are you expecting to play an important role in appointing these representatives, the members who are eligible to be on the board?

**Mr. Luc Beauregard:** Definitely. The answer is clear, neat and precise. We are hoping for a return to the way things were before.

**Ms. Louise Chabot:** I infer from what you said that for the time being, division 32 of part 5 does not meet these objectives at all.

**Mr. Luc Beauregard:** Our opinion is that division 32 of part 5 does not meet them.

As I pointed out, the structure looks tripartite, but it is basically not.

**Ms. Louise Chabot:** Have you had any feedback about whether it would be possible to remove this division from the bill? This division doesn't really have a financial impact, whereas Bill C-19 is generally about budgetary matters.

**Mr. Luc Beauregard:** No, we haven't heard anything back.

**Ms. Louise Chabot:** You haven't had an answer to your...

**Mr. Luc Beauregard:** No, none, in spite of the letters that were sent. As I mentioned, on May 9, we sent a letter to Minister Qualtrough about this issue and haven't had a reply.

**Ms. Louise Chabot:** You spoke about the process at the regional level and the right to an in-person hearing. Why is it important for this new tribunal to report to the Canada Employment Insurance Commission rather than to a single chair?

**Mr. Luc Beauregard:** The important thing is that the management and union sides can have an influence. One of the parties would no longer exist. Real tripartism means getting along, working together and coming to a decision.



I have often been involved in consultations that were not really consultations. I can tell you that if we are not performing an advisory role, the process can become perilous. When we are part of the decision-making and the process, we take more time to look at things and analyze circumstances.

We believe that it's dangerous to put all the power into the hands of a single person.

**Ms. Louise Chabot:** Thank you.

Do I have any speaking time left, Mr. Chair?

[*English*]

**The Chair:** Thank you, MP Chabot. That is the time. There will be other rounds.

Now we will have questions from MP Blaikie for the NDP for six minutes.

**Mr. Daniel Blaikie:** Thank you.

Ms. Long, I was hoping that we could talk a bit more about some of the risks inherent in the government's approach to the express entry system. One place to start is making the change based on membership in a group, versus being explicit about the fact that these appear intended to be occupational lists.

If there are a bunch of Canadians who are inclined to agree that there should be some kind of occupational classification for the express entry system, what are some of the risks of defining it in the legislation as membership within a group, instead of being very explicit about membership within an occupational category?

**Ms. Elizabeth Long:** This may be the intention right now for the current minister, but these provisions give power to any minister in the immigration system. For example, maybe one minister might think that selection based on nationality—this is what they do in the States—is something that they want to do.

There is an endless variety of selection. The issue is that right now the minister is subject to parliamentary oversight when they want to make changes to the selection criteria. With these provisions, there will be no parliamentary oversight.

● (1220)

**Mr. Daniel Blaikie:** If the government was more clear in the legislation about its current intent, that would also provide opportunities for Parliament to weigh in when a different government or even the same government decided that it wanted to make alterations to the express entry system. Is that fair to say?

**Ms. Elizabeth Long:** Yes, that's right. If it defined it, instead of having ambiguous groupings.... If it defined it based on occupation-based selection, at least we'd know that that's its intent and that it could only select based on occupations.

However, at that point, I would also like to argue that it would be best to have time for other immigration witnesses to speak about this provision and the benefits and costs of doing that occupation-based selection, rather than having a brief debate in a finance committee on a budget bill.

**Mr. Daniel Blaikie:** Are you aware of some examples in the past of an immigration minister abusing discretionary authority within the system? How do you think a more public system with more

transparency and more clarity around the determination of rules for the express entry system would help to avoid similar kinds of abuse in the future?

**Ms. Elizabeth Long:** I don't necessarily know if it's intentional abuse. I think every minister does what they feel is right according to what they think. The end results, however, are often problematic. For example, this year, we have had a huge issue with backlog in express entry because last year the Minister of Immigration decided to impose an occupation-based system under the ministerial instructions, which they are now able to do because of the wide discretionary powers. Last year in October they filled up all of the inventory for this year. Now we are facing a huge issue in immigration because of a discretionary decision by a minister on which immigration experts in the field were not consulted with respect to whether or not that would be a good idea.

**Mr. Daniel Blaikie:** One of the questions that comes up when we're talking about a really high level of discretionary authority for a minister is that people might say circumstances change and we need to have some flexibility. Within the immigration community, when we're talking about what targets Canada should have and what criteria we should have for entry, is it your impression that things are changing so much year to year that the minister has to be in power to have this kind of discretionary authority, or is it more the opinion that immigration is meant to respond to medium- to long-term strategic economic factors, or certainly the express entry system is? There are other parts of the immigration system based on moral considerations about family reunification and refugees, but within economic immigration, is it the view that this is really a medium- to long-term strategic thing and we shouldn't need to make major program changes year to year at the discretion of a particular individual as opposed to having a more strategic process?

**Ms. Elizabeth Long:** Absolutely. I think the decision-makers like to have flexibility in their decision-making. It would be nice if when they made a decision, they could just carry it out.

On the other side, you have people who depend on their decisions. People, when they go through the immigration system, need to structure their lives. They get a lot of points by studying in Canada, for example. They get a lot of points by doing certain sorts of occupations.

People actually plan their lives out and probably spend hundreds of thousands of dollars going to school in Canada and finding a job, and then all of a sudden when the system changes and they are no longer able to go to apply for permanent residence, this creates havoc for the applicants. The situation in Canada right now, because of the backlog, is that we have hundreds of thousands of people who can't apply under the express entry system. It also is very detrimental to Canada's reputation and our ability to attract the very people who this system is meant to attract.

● (1225)

**The Chair:** Thank you.

Thank you, MP Blaikie.

**Mr. Daniel Blaikie:** Thank you.

**The Chair:** That concludes our first round of questions.

We're moving to our second round, members and witnesses, commencing with the Conservatives. We have MP Chambers for five minutes.

Go ahead, please.

**Mr. Adam Chambers (Simcoe North, CPC):** Thank you very much, Mr. Chair. It's nice to see everyone here. Thank you for taking time this week to be with us with excellent presentations.

I'd like to swing back to the chamber, if I may, for most of my time, Mr. Chair.

Mr. Agnew, you talked about two issues. I'd like to focus on both, but first let's talk about the Competition Act changes.

Are there challenges in principle with these changes or is it mostly around process and interpretation and having some ability to have feedback on some of this legislation before it becomes law?

**Mr. Mark Agnew:** Absolutely it is the latter. We don't have any challenge with discussing how to modernize the penalties, because admittedly they are quite small today. We don't have a problem with talking about abuse of dominance, because we want to make sure there is something in there that balances the needs of both businesses and consumers.

Unfortunately, what we saw in the budget document, which was going to be something that was a bit more narrow in scope, has ended up being quite a broad piece now in Bill C-19. Having a more robust consideration of those and a more structured process as part of the phase two the government has committed to doing already I think would be the way to go about having that conversation.

**Mr. Adam Chambers:** From your perspective, is there a pressing need that this has to become law by the end of this session—by June? Is it possible that we could perhaps consult on some of these changes over the summer, not at this committee but with respective stakeholders within industry, and then perhaps put a refined version of these in the budget bill in the fall?

**Mr. Mark Agnew:** That's correct. There is no need to press through with changes before the end of the spring sitting of Parliament.

As I alluded to in my opening comments, there has been a tendency by some to link the Competition Act changes to what can address the current inflationary environment. Certainly our views is that these changes, if they're enacted in June, are not going to move the dial on inflation. We need to make sure that we get it right as opposed to getting it done quickly.

**Mr. Adam Chambers:** Thank you.

We heard last week a stakeholder mention a question around constitutionality of at least one of the sections. Is that a view that you've looked at as the chamber, or have you sought external opinions that give you the same kind of concern?

**Mr. Mark Agnew:** Yes. We sought out the views of our members, and we have heard from some of them the concern about the scope of the penalty size and what that means from a constitutional perspective. Thankfully, despite all my sins, I'm not a lawyer—I

didn't have to go to law school—but this is the sort of thing where we do need to have a fairly rigorous discussion about it. Again, some members have raised that constitutional concern with us.

**Mr. Adam Chambers:** Thank you.

I'll turn now to the recreation tax, or the boat tax, as we've talked about many times here at this committee. You mentioned the U.S. having gone down this road and reconsidering it.

What's the experience that we should be drawing on here in Canada?

**Mr. Mark Agnew:** I'm not familiar with all the ins and outs of the U.S. experience, but there are a couple of things to consider. One is the impact on manufacturing jobs, because this is a very real business cost that is imposed upon companies. Certainly in the current, again, inflationary environment and recovery from the pandemic, companies have an even thinner margin and less manoeuvre room to go with.

Then, of course, another thing is that if other jurisdictions aren't doing this, people are going to be looking for circumvention measures. Are those jobs just going to go away and move elsewhere? The people who are intended to be taxed are going to move the economic activity, and we will have nothing to show for it here on the domestic end.

**Mr. Adam Chambers:** Would it surprise you to learn that the government did not complete an economic impact assessment prior to the introduction of the tax? They have been talking about it for at least a couple of years, but we haven't seen any economic analysis.

**Mr. Mark Agnew:** I haven't seen any economic analysis.

Again, this goes back in some ways to the point about competition, and I think some of the other remarks that witnesses made today. There's a need to make sure we're doing this right and that, as people like to say, it's evidence-based policy-making. What is the evidence base around it, and what are going to be the real-world impacts if we go ahead with it?

• (1230)

**Mr. Adam Chambers:** I have one final question.

If you had any advice to the committee over the next couple of weeks, are there amendments that you could perhaps provide in writing to the Competition Act changes, if we're unsuccessful in having it separated out from the bill? That would be helpful.

**Mr. Mark Agnew:** Absolutely.

If the chair could just indulge us, the fact that we haven't been able to come forward with amendments from the discussions that we've had with our members thus far, I think underscores just how complex this really is.

To go back to the honourable member's opening question to me, we're not actually seeking to have the entirety of the Competition Act provisions removed from the BIA. We've really tried to give it some diligent thought to say what the real problems are that need to be consulted on more. Hence, that's why I've come to the committee today seeking for those three specific provision to be removed.

**Mr. Adam Chambers:** Thank you very much, Mr. Chair.

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

Now we're moving to the Liberals, and I have MP Chatel, for five minutes, please.

**Mrs. Sophie Chatel:** Thank you, Chair, and thank you to all the witnesses with us today.

My first question will be for Mr. Agnew from the Canadian Chamber of Commerce.

In its newsletter, the chamber said that “it has never been more important for the federal government to focus on economic growth”, which was a good positive mark for the budget. On that, I think I completely agree with you. I would add that we should focus on inclusive growth—although some would say that we should focus rather on our deficit. I agree with that too. However, we should also focus on having the best net debt-to-GDP ratio of the G7 and the G20.

As the world is transitioning towards a green and digital economy, I think it's very important that we focus on key sectors of our economy—where it could grow and where we could all succeed in tomorrow's economy.

On economic growth and the key sector investments, may I have your thoughts on them and our budget's focus on those sectors?

**Mr. Mark Agnew:** Again, there are a lot of sectors that I could talk about, being from a multi-sector association, but I'll pick up on two that were addressed in the budget specifically.

One is around the critical minerals industry. I think this is an opportunity for Canada to step up on the world stage and show that we have some heft and something useful to bring to the table for our allies. Critical mineral products are used in everything from cellphones to industrial applications, through to and including defence and military applications. So certainly, in the current environment, that was something we were happy to see the government make an investment in to get more of those products out of the ground and then develop the downstream supply chains. Of course, that will also help in the transition to a lower carbon economy.

The other measure, of course, that we were also quite happy to see included in the budget was the CCUS investment tax credit. This is very expensive technology to deploy, and certainly there isn't going to be any hope at all of hitting our already very ambitious targets by 2030 without the use of CCUS technology. I think to help maintain the viability of the oil and gas sector, that's quite a critical measure to have happen, and we're happy to see that in the budget as well.

**Mrs. Sophie Chatel:** You mentioned the green transition in the budget and the investment in new technologies to position Canada ahead of the pack in the new green economy. Often the concession towards a green economy are these costs at a higher level, a more fundamental ecological level, but could you talk to this committee about how this is also an economic issue?

**Mr. Mark Agnew:** As much as there's going to be a transition, it creates new opportunities for Canada. For instance, in lower emissions-intensity products like natural gas, what does this mean for

us, particularly, again, in the context of what's going on in the war between Russia and Ukraine?

Nuclear is another area where we have a potential to deploy SMRs. Again, we need to make sure that we're on the forefront of that, and also hydrogen. I think hydrogen is still a bit more of a ways off, and there are still a lot of details that need to be worked out, but those are other fuel sources where, if we're making the investments now, then we're going to position ourselves to be a much more competitive global player in the future.

• (1235)

**Mrs. Sophie Chatel:** If we were to focus only on our deficit and the fiscal balance and not focus on how important it is to invest in those sectors of growth, what could happen on the world stage for Canada?

**Mr. Mark Agnew:** Well, certainly there does need to be de-risking of a lot of these products. They are expensive, and companies need to be able to have assistance in that transition. I wouldn't want to leave the impression that we see it as an either/or proposition. There does still need to be work that's quite critical to our sustainable public finances.

What you'll often hear us talking about as the Canadian Chamber is ensuring that when we are spending those public dollars, they're going to the areas that will support sustainable economic growth that will set up future generations for success rather than being spurious investments that may not have a long-term benefit to the Canadian economy.

**The Chair:** Thank you.

Thank you, MP Chatel.

Now we'll hear from the Bloc and MP Chabot for two and a half minutes, please.

[*Translation*]

**Ms. Louise Chabot:** Thank you, Mr. Chair.

I have trouble understanding how the employment insurance appeal process got shoved into a budget bill of over 400 pages. It would seem to me to be a highly specialized subject. We could have studied it in connection with the reform of the Employment Insurance Act. Our hands are tied.

Mr. Beauregard, you said that there were four essential elements that should be in the reform: the new appeal board should report to the Employment Insurance Commission rather than the chair; employment insurance recipients should be entitled to regional representation and an in-person hearing; all members of the appeal board should be appointed on a part-time basis to guarantee equity; and last, the Employment Insurance Commission should be in charge of the selection process for employer and employee members.

Is that an accurate summary of your main positions on what needs to be studied in greater depth?

**Mr. Luc Beauregard:** Yes. That's an excellent summary of what it took us five minutes to present. That's precisely what we want.

As you just said, it's a very specialized area, and we think that it requires a separate analysis.

My headset went wonky in the middle of my presentation. I apologize if the sound isn't very good.

**Ms. Louise Chabot:** It's mainly a problem for the interpreters.

I understood you because I speak French.

What we have here in division 32 of part 5 does not in any way correspond to the 2019 commitment, or to the announced reform of the Social Security Tribunal.

**Mr. Luc Beauregard:** You're absolutely right. At the outset, we were told that a reform was planned. We were also told that the tripartite structure would return to the way it was before. That's not what's being proposed now. We believe there is a problem with it, and that's why we're asking questions.

The analysis needs to be done elsewhere. There's a reason why consideration was being given to returning to the former way of doing things, and that's what we would like to study. We think that this needs to be done somewhere other than in the study of this bill. That would be the best way to proceed. As you pointed out, it's too specialized.

And although a promise was made, it has not yet been kept.

**Ms. Louise Chabot:** So what's needed...

[English]

**The Chair:** Thank you, MP Chabot. That is the time.

Now we will move to the NDP and MP Blaikie for two and a half minutes, please.

**Mr. Daniel Blaikie:** Thank you.

Ms. Long, I just wanted to circle back to our previous conversation and ask if you have some thoughts or reflections on what an appropriate public process for determining occupational streams or other kinds of groups might be within the express entry system. What do you think a transparent, accountable, appropriate process would look like in allowing for some flexibility, but also limiting the opportunities for abuse, whether intentional or not?

● (1240)

**Ms. Elizabeth Long:** If I could provide a vision for an occupation-based program, first of all we'd need to discuss whether or not that is even a good thing. If so, then there should be a process where different industries have a transparent process as to their input and whether or not we require occupations for a specific industry. Right now we don't know where the researchers and the minister are getting their information from. If they have their own internal researchers, which they claim that they do, where do these researchers get their information? There are a lot of problems with that.

There are also a lot of problems with the predictability of the system. We have a lot of people who spend years and years trying to apply, and if all of a sudden every single month the occupations change, then how do they even know whether or not they have a

good chance to apply? It's not a game to people; these systems affect people's lives to the core for their families, and we can't just play games with their lives. This system should be in a bill of its own, properly debated with immigration experts from around the country, and the government should answer to what kind of system it envisions for an occupation-based system.

**The Chair:** Thank you MP Blaikie.

Now we'll hear from the Conservatives for five minutes of questions. We have MP Stewart up for five minutes.

**Mr. Jake Stewart:** Thank you, Mr. Chair.

My questions are for Professor Dehejia.

I appreciate all of the witnesses coming in today, and it's great to have the professor back with us as well.

Professor, obviously we're looking at the budget and the BIA process. When I first got here back in September, the government at the time was blaming inflation pretty much predominantly on the global pandemic. Sometimes inflation would be blamed on other global phenomena, and recently the blame seems more pointed towards the war in Ukraine—although that's only been with us for a short time compared to the pandemic itself. The pandemic was primarily blamed for issues like supply chain issues, shortages and inflation in particular, and now the war is blamed for those.

In your opinion as an economist, can you speak to, number one, those insights from the government on where the blame falls, if any? Also, perhaps look at some glaring missteps in this budget that most certainly could have given Canadians some relief in their pocketbooks.

Thank you.

**Mr. Vivek Dehejia:** Thank you, Mr. Chair.

That's a broad question. I would say the following.

The claim that our inflation problem is a global problem, is a half-truth—you can call it a cop out—because we had high inflation long before the war in Ukraine. It's not all just a supply side issue or caused by the pandemic.

Last fall, I was warning that inflation was ticking up towards 3%, 4%. Ultimately, the cause of high inflation is monetary. We've had very loose monetary policies for the last 10 or 15 years, and that is now showing up in high inflation. Couple that with a large fiscal deficit, which again gets monetized by the central bank—the central bank buys all those bonds—that puts cash in the system. They've been very slow in starting the so-called QT that they say they're now planning to do. It's very slow.

Couple together fiscal profligacy, very loose monetary policies and really, I think, perhaps an unrealistic road map in this budget, making rather rosy assumptions about growth that may not pan out, and we'll have a worse fiscal deficit.

I'm worried about both of those things, Mr. Chair.

• (1245)

**Mr. Jake Stewart:** Thank you, professor.

Obviously, it seems like there's a level of complacency within the government with respect to inflation. Following up on your points, I should stress that the government seems somewhat oblivious to the struggles of average Canadians, as it further drives the divide between rural and urban. I see that here in my riding, which is very rural. We have very few options for plugging in electric cars. I think my riding is a couple of times the size of Prince Edward Island, and I might have two, maybe three, places to plug in. It would take many hours to drive around my constituency.

In my riding as well, Northumberland County for the most part, the median income is \$34,500 per year. Food and fuel prices are forcing families to make hard choices they never had to make before. Do you believe that it's time that this government remove its punitive carbon tax on fuel in Canada to give low and medium-income families relief at the pumps and at the grocery store? Would this reduction take some of the pressure off of inflation?

**Mr. Vivek Dehejia:** Thank you, Mr. Chair.

Yes, I do think so. I think there would be several benefits to slashing carbon taxes. One, as we've seen, is that we are in a very energy-insecure world. There's a war going on right now in Ukraine, and it teaches us that we can't be complacent about this. We actually have made-in-Canada energy, so we would not only be helping consumers by giving them lower prices at the pumps, but that would also feed through to lower food, transport and travel costs. It's good in terms of most sectors of the economy, but it will also be less punitive to our oil and gas sectors.

I'd say, all told, there are families that I know and that you know that really can't make ends meet. Families on fixed incomes or low incomes simply can't pay their rent and buy food, so we are in a real crisis. I must say, I'm surprised and disappointed that the government doesn't seem to be more concerned about this, Mr. Chair.

**The Chair:** Thank you, both.

Now we'll hear from the Liberals. We have MP Baker for five minutes, please.

**Mr. Yvan Baker:** Thanks very much, Mr. Chair.

I'd like to begin my questions with our representative from Access Copyright.

Just speak to the government action on the extension of copyright protection from 50 to 70 years. Could you speak to why this is important for creators and for Canada's international reputation.

**Ms. Roanie Levy:** Absolutely. The international norm now is life-plus-70. It has been for a long time, so all of Canada's major trading partners have been at life-plus-70 for a very long time. Canadian rights holders are at a disadvantage when in Canada the term of protection is shorter than what it is in the rest of the world, so this will allow Canadian creators to be more competitive and Canada to be more competitive in the cultural sector.

**Mr. Yvan Baker:** Can you talk a little bit about the impact on those among my constituents who might be watching this and who aren't close to the cultural sector? We're all beneficiaries of it, of

course. How does this impact creators and how does this impact our economy? Could you speak to that a bit?

**Ms. Roanie Levy:** Sure, it extends the time under which a creator and the estate of the creator, as well as the producers of the works, will be able to monetize and get return on their investment. This is absolutely critical to ensuring that there is continued investment in creative works.

**Mr. Yvan Baker:** Thanks very much, Ms. Levy, for your time here.

I'm going to switch over, if I may, to ask Mark Agnew a question about the investments in zero-emission vehicles charging infrastructure.

Can you talk a little bit about the importance of that and what you think the impact of that is on some of your members who are in that industry or seeking to grow within that sector, or in sectors that are adjacent to it and would be beneficiaries from the expansion of zero-emission vehicle infrastructure and the expansion of the use of zero-emission vehicles by Canadians?

• (1250)

**Mr. Mark Agnew:** There are a couple of different things that most readily come to mind. Certainly I would be happy to send more information to the member in writing afterwards.

One, for instance, as everyone is going to be going out at some point in the coming years to think about electric vehicle purchases, is that we're still at a relatively small market share right now. So even a small increase will still be a relatively large jump compared with where we are today.

I think there's going to be even greater and more reliable needs to generate electricity to power these electric vehicles as demand goes up. That's probably a cleaner way to put it. How are we going to have that grid capacity in place?

As events in Ottawa have shown over the weekend—a lot of us are still without power—how do we also have resiliency in that infrastructure? The events this weekend have really brought home that point for us to think about quite clearly.

Of course, how do you make it cost effective? I think, for the average family out there, a lot of these vehicles are not cheap. Certainly when we were looking at cars recently, for where we are in our stage of life, a lot of these vehicles are not cheap, particularly if you're talking about vans, for instance. How do you make this more cost effective? Is the current tax credit sufficient? I think there are a lot of people who would take the view that we need to have greater investments to support uptake by Canadians.

**Mr. Yvan Baker:** Sure, and let's say that uptake was there, what's the economic opportunity? I'm thinking about the members you represent. What's the upside for them here, whether they're the folks helping manufacture the cars, providing the hydro infrastructure or whatever? Talk to us a little bit about the economic benefits for your members.

**Mr. Mark Agnew:** I don't have a number in front of me as to what the benefit is, but certainly, we have an opportunity to attract manufacturing jobs to make electric vehicles here. We need to make sure, at the same time, that we have the regulatory environment, the tax environment and access to labour as well. For us to be able to seize an opportunity, it's not just about assuming it's going to land in our lap; we do have to do our homework and get our own house in order to make that happen.

**Mr. Yvan Baker:** Is the opportunity big enough to do that homework?

**Mr. Mark Agnew:** Yes, absolutely, and not everything involves the government providing direct cash assistance. Regulatory reform is something that the government can do at no cost to the public purse, but it's an absolutely tangible way in which we help the business environment improve.

**Mr. Yvan Baker:** Thank you.

**The Chair:** Thank you, both.

Members and witnesses, we're pushing up close to the end of our meeting. I need a few minutes at the end so that we can have a discussion and look to adopt the two budgets that were sent to you by the committee clerk.

We'll have a rapid round here with it's a quick question and a quick answer. We'll start with the Conservatives for a question and one answer.

**Mr. Dan Albas:** Thank you, Mr. Chair.

Mr. Dehejia, I have a quick question with regard to inflation. Obviously consumers are feeling the pressure at the pumps, and that creates all sorts of spinoffs into the economy as people charge higher rates.

Do you believe that now is the time for the government to introduce a temporary reduction in the GST on fuel?

**Mr. Vivek Dehejia:** Yes. That's a one-word answer, Mr. Chair.

**The Chair:** Well, that was quick. Thank you very much.

Now we'll move to the Liberals again for a quick question and one answer, with MP Dzerowicz.

**Ms. Julie Dzerowicz:** Thank you so much, Mr. Chair, and I want to thank everyone for their excellent testimony.

My question is for Ms. Long.

Ms. Long, I want to say a huge thank you to you. I very much appreciate your experience and your testimony today, and your exchange with my colleague Mr. Blaikie.

As someone who has worked quite heavily on the immigration file for the last six years, I'm very familiar with the express entry system and its failings. Even before the pandemic, we had huge job needs, so we had labour shortages. What happened was that so

many industries were not able to bring key workers in legitimately because the system didn't facilitate skilled or semi-skilled workers coming in. After the pandemic, we now have this huge need in so many different sectors, and I suspect—and you mentioned this as well—the minister was probably trying to ask how we can address these huge labour shortages very quickly.

I'm going to ask you a similar question, and you'll probably have to write the answer in since we don't have time for a response. If we had to move forward with this legislation—assuming it's going to move forward—and there is anything we could do, how do we give the minister the flexibility and speed they need, but with the proper oversight that is needed? It might not be parliamentary, but there's some sort of accountability mechanism that we could put into place.

If you could kindly put some thought to that, it would be really appreciated.

• (1255)

**Ms. Elizabeth Long:** Yes, I'm happy to do that. Thank you.

**Ms. Julie Dzerowicz:** Thank you.

**The Chair:** Thank you.

Now for a quick question and answer, we have MP Chabot.

[*Translation*]

**Ms. Louise Chabot:** Mr. Chair, I would like Mr. Beauregard to explain to us in 30 seconds why this is an important issue.

Mr. Beauregard, what message would you like to send to the Standing Committee on Finance and the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities, which are also going to be studying the issue about the importance of reforming the appeal process? We were all surprised to find this reform included in Bill C-19.

What message would you like to send to the government to ensure that the reform meets the objectives that were set?

**Mr. Luc Beauregard:** Thank you for your question.

Right off the bat, I would say that it doesn't have much to do with the initial project announced in 2015.

The request to address the matter separately was made because the social partners were supposed to have been consulted, but were not. The union, the employees and the employers were not consulted.

We believe that these consultations are important. That's why we are asking that they be done separately.

Thank you.

**Ms. Louise Chabot:** Thank you.

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

[*English*]

Thank you, MP Chabot.

Now for our final question and answer, we have MP Blaikie.

[*Translation*]

**Mr. Daniel Blaikie:** Thank you very much, Mr. Chair.

Mr. Beauregard, many unions have told us that they wanted changes to the Board of Appeal to be addressed separately from Bill C-19, that certain changes be made to ensure that members of the board would all be part time, that the appeal board should report to the Employment Insurance Commission, and not just the chair, and that there be a right to regional representation and to in-person hearings, among other things.

Do you feel that it would be preferable for these changes to be included in the bill, or addressed separately from the bill?

**Mr. Luc Beauregard:** Thank you for your question.

If the changes are made, that's all well and good, but I think that further changes need to be made to employment insurance.

I don't think it would prevent us from having a discussion about it. So why not remove this part of the bill? It would allow for a full analysis of the issue.

If there are changes to be made, they could be addressed in a separate analysis that would include all aspects of employment insurance.

**Mr. Daniel Blaikie:** Thank you.

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

[*English*]

We want to thank our witnesses. On behalf of the committee, we thank you. I know you came together in a very short order, with

limited time, and we thank you even for any technological issues that we had today. The questions were great and the answers were greater. We appreciate that. On behalf of our committee, our clerk, our analysts and interpreters, and all of those who helped bring us together, thank you very much. We want to wish you a wonderful day.

Members, I need your attention, and we can release the witnesses now. Thank you, everybody.

I do need members' attention just for a little bit. The clerk did distribute budgets for these current studies on Friday at 12:50 p.m. so you would have received an email. Now I want to see if there's any discussion—

• (1300)

**Mr. Dan Albas:** Mr. Chair, I move for unanimous consent to let the two budgets as presented proceed.

**The Chair:** Okay, great.

**Some hon. members:** Agreed.

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

**Mr. Dan Albas:** I move to adjourn.

**The Chair:** Thanks, members, and everybody.

Yes, we're adjourned.

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