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Chair: Mr. Peter Fonseca



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• (1105)

[English]

The Chair (Mr. Peter Fonseca (Mississauga East—Cooksville, Lib.)): I call this meeting to order.

Welcome to meeting number 97 of the House of Commons Standing Committee on Finance. Pursuant to Standing Order 108(2) and the motion adopted by the committee on Thursday, June 8, 2023, the committee is meeting to discuss the impact of inflation and interest rates on mortgages in Canada.

Today's meeting is taking place in a hybrid format, pursuant to the House order of June 23, 2022. Members are attending in person in the room and remotely using the Zoom application.

I'd 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. There is interpretation for those on Zoom. You have the choice, at the bottom of your screen, of floor, English or French. For those in the room, you can use the earpiece and select the desired channel. I remind everyone 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. The clerk and I will manage the speaking order as well as we can, and we appreciate your patience and understanding in this regard.

Just as a housekeeping item here, we did distribute a budget before this meeting. I hope all members received that. I'd like to just see if we could adopt that budget before we get going. It was for \$7,350. Could I just see a thumbs-up?

Some hon. members: Agreed.

The Chair: That's great. It's adopted.

Now I'd like to welcome our witnesses. With us today from the Department of Finance, we have Matthew Emde, senior director, demand and labour analysis, economic analysis and forecasting division, economic policy branch. We have Rachel Grasham, senior director, housing finance, financial stability and capital markets division, financial sector policy branch; and Robert Sample, director general, financial stability and capital markets division, financial sector policy branch. We also have Julie Turcotte with us, who is the acting assistant deputy minister, economic policy branch.

My understanding is that Mr. Sample will give some opening introductory remarks for the group, and then we will get to members' questions.

Mr. Sample, go ahead.

Mr. Robert Sample (Director General, Financial Stability and Capital Markets Division, Financial Sector Policy Branch, Department of Finance): Thank you very much.

We are pleased to be here to speak with you today. I have a couple of opening remarks on behalf of the department and my colleagues Julie, Rachel and Matt.

We're here to help you with your study on the impacts of inflation and increased interest rates on mortgages in Canada, particularly with respect to variable rate mortgages. These are important issues from a consumer and housing affordability perspective and also from an economic resiliency, prudential and financial stability perspective.

The department is actively monitoring this issue as well as broader housing market developments. We are working with federal financial sector agencies that have a role in housing finance and consumer, prudential and financial stability issues. This includes the Office of the Superintendent of Financial Institutions, or OSFI, as the independent prudential banking regulator; the Bank of Canada, which includes its responsibility for monetary policy and financial stability; the Financial Consumer Agency of Canada, or the FCAC, from a consumer protection perspective; and also the Canada Mortgage and Housing Corporation, or the CMHC, given its role as a mortgage insurer and its broader responsibility vis-à-vis housing affordability in Canada.

There are a number of recent public documents I will point the committee's attention to that are germane to your study. First, OSFI recently undertook a public consultation on its mortgage underwriting guideline B-20. Next, the FCAC recently concluded consultations on a new guideline on mortgage hardship. Also, the Bank of Canada recently issued its financial system review, which it does annually, on current vulnerabilities, including with respect to households and the housing market.

I understand that our federal partners and Canadian financial institutions have been asked to appear before this committee and will be able to provide you with more detailed information with respect to their areas of interest and accountability. I can, however, offer some context on the mortgage underwriting framework to help frame our discussion and some issues that I understand are of interest to this committee.

First, there are different roles, regulation and oversight between our insured and uninsured mortgage markets. For the insured mortgage market, under the Bank Act, mortgages originated by a federally regulated financial institution with less than 20% down payment are required to have mortgage default insurance. The Minister of Finance sets the minimum amount underwriting rules for mortgage default insurance eligibility. These include the minimum qualifying rate, minimum down payment, minimum credit score and maximum debt service ratio and amortization limits. These requirements are set out in regulations.

Mortgage default insurance is guaranteed by the Government of Canada. This support allows borrowers to purchase a house with a lower down payment and typically at a lower interest rates. The maximum amortization period for an insured mortgage is currently 25 years.

For uninsured mortgages, OSFI's guideline B-20 sets out expectations for prudent residential mortgage underwriting. Guideline B-20 is applicable to all federally regulated financial institutions engaged in residential mortgage underwriting and/or the acquisition of residential mortgage loan assets in Canada. As noted, OSFI is currently reviewing the guideline B-20.

I would like to draw to your attention that there are other prudential rules overseen by OSFI that also play a role, including bank capital requirements and the OSFI supervision approach with the institutions it oversees. One specific rule I should highlight is that borrowers applying for either an insured mortgage, a rule made by the Minister of Finance, or an uninsured mortgage, a rule under the bailiwick of the superintendent of financial institutions, must qualify under the minimum qualifying rate. Currently, that is the greater of the borrower's contract rate plus 200 basis points, or a minimum floor rate of 5.25%.

The minimum qualifying rate increases borrower resiliency and reduces vulnerabilities associated with high household debt and risk to financial stability by better positioning borrowers to be able to make their mortgage payments as interest or other expenses rise or if there is a loss of income due to personal circumstances.

Going one step further with respect to the committee's study, with respect to variable rate mortgages, since the increase in interest rates from March 2022, lender and borrower risks associated with variable rate mortgage products and renewals have increased.

• (1110)

While the majority of Canadians still opt for a five-year fixed rate mortgage, the number of Canadians taking on a variable rate mortgage increased as interest rates were rising. This has now abated at current interest rates.

There are two types of variable rate mortgages: an adjustable-rate mortgage and a fixed-payment variable rate mortgage. I will give you just a bit of background here for your study.

With an adjustable-rate mortgage, the borrower's payment automatically increases or decreases as interest rates rise or fall. With a fixed-payment variable rate mortgage, the borrower's payment remains constant, but the portion going to interest versus principal varies as interest rates change. With fixed-payment variable rate mortgages, if the interest rate rises during the borrower's term, the amortization period can be extended to keep the monthly payment fixed. Financial institutions have policies that guide this.

Another and a final point of emphasis in my opening remarks is that our current understanding is that many homeowners are in a financial position to manage rising interest rates and are increasing monthly payments. However, for some borrowers, lenders may need to explore flexibility depending on borrowers' circumstances and the degree of hardship. Our understanding is that lenders have been proactively reaching out to customers on this matter to present options to help manage the situation on a case-by-case basis.

Thank you very much. My colleagues and I would be pleased to answer any questions you may have or point you to the appropriate stakeholder who could answer your questions.

Thank you.

The Chair: Thank you, Mr. Sample, for those opening remarks.

We are going to get into our first round of questions.

I am going to ask, in our first round, if those witnesses who are most appropriate to answer the members' questions could repeat their name and the department they represent.

Starting on our first round, each party will have up to six minutes for questions. We are starting with the Conservatives.

I have MP Chambers.

• (1115)

Mr. Adam Chambers (Simcoe North, CPC): Thank you, Mr. Chair.

Welcome.

Thank you, Mr. Sample. If it's all right with you, I'll direct my questions, and you can parcel them out as you wish.

All lenders don't have the fixed-payment variable term mortgage, as you discussed. For those who do, my understanding is that, even though a borrower could be in a negative amortization experience now, i.e., you're adding to the principal you owe every month, upon renewal, the way the mortgage market works, you need to go back to the original amortization period when you signed your mortgage. For example, if you signed a 25-year mortgage, when you renew at year 20, you actually have to amortize what you owe on the 20, not on 25 and not on 30—if you don't want to shop and requalify and go to another institution.

Do I have that about right?

Mr. Robert Sample: I do think, generally speaking, there are different internal policies across different institutions. Generally speaking, that is what we've heard, but I would like to caveat that with the fact that the institutions will be working with borrowers. If there were a hardship case in getting back to the original amortization, the expectation would be that they might be able to work out a refinance or some other mortgage flexibility option if there is a circumstance where the borrower just couldn't make the higher payments at that time.

Mr. Adam Chambers: That's fair. My understanding is, though, if you do not accept the original amortization term you need to requalify. I think this is where we're going to get into a problem. If a house price falls and you need to requalify and it requires an appraisal, or, for whatever reason, your financial situation changes, my understanding is that the rule for OSFI—and I understand this would be a good question to ask OSFI—is that you need to requalify on the B-20 guideline. I'm interested in learning more about that, but I appreciate it.

The percentage of mortgages that are actually over 35 years in amortization have actually jumped substantially from 0% just a year ago. At some institutions, 25% to 30% of their mortgage book is now over 35 years. Do we know, or does the Department of Finance know, how many of those mortgages are insured?

Of the 25%, say, that are over a 35-year amortization at an institution, how many of those are insured?

Mr. Robert Sample: I'm not sure we have that statistic with us today.

Mr. Adam Chambers: Okay. It would be an interesting stat, I would think that those who are looking at this space would want to know.

Mr. Robert Sample: Yes. Just to kind of lean into this, generally speaking, the larger share of mortgage originations, new mortgage originations in Canada, is uninsured, so for a down payment, uninsured, you have to have a down payment of more than 20%.

Mr. Adam Chambers: Of those who have had amortizations extended, do we know how many of them are principal residences or investment properties?

Mr. Robert Sample: These are detailed questions that we'd have to get back to you on. What I can say is that, for insured mortgages, investment properties are prohibited.

Mr. Adam Chambers: I'm very interested in the answer to the second question. If we—that's "we" as in the government, the country, a society—are allowing investors to stretch out amortiza-

tion periods because they cannot meet the obligations under financial hardship, I'm not really sure that's a public policy decision that everyone would agree with.

If you do have some information on that, I would certainly appreciate it. I think some of my other colleagues at this table as well would appreciate having information about the level of investment activity in the residential real estate market, which, from my understanding, is quite high historically. That's a big data point that would be very helpful for us as we think about recommendations to the government on policies about who we might help, who we might not help, who deserves help and who doesn't deserve help. These are going to be tricky conversations, so the data we get from some of that will be very helpful.

Why don't we have a 10-year mortgage product in Canada? Why is there not a functioning 10-year market? If everybody believes the government's line and the Bank of Canada's line that interest rates are going to come down and inflation's going to come down.... The most popular product in the U.S. is a 30-year, fixed rate, fixed-payment term mortgage. There's no renegotiation.

I'm having a really hard time understanding this. Has the department looked at why we don't have a 10-year product? You could "blend and extend" some of these folks. That's how you could get over a little bit of a hump. Technically, the 10-year rate should be below what the five-year rate is right now. The yield curve's inverted.

Is there a reason that Canada doesn't have a well-functioning longer-term product?

• (1120)

Mr. Robert Sample: Thank you for the question. That is something that's been asked over time and been looked into. I think there are some legal parameters around that, which might influence it.

First off, though, I should say that there are 10-year products offered by some institutions. It's not that it's prohibited or doesn't exist. I believe provincial interest act requirements also play in. I don't have the specifics on me in terms of how that manifests itself, but there are some legal conditions that might guide why there are fewer 10-year mortgages than—

Mr. Adam Chambers: I'm just going to jump in here, because I'm out of time.

If you have a study that you've produced in the last little while, or if you've looked at one, it would be very helpful if you could provide any of that research to the committee.

Ms. Rachel Grasham (Senior Director, Housing Finance, Financial Stability and Capital Markets Division, Financial Sector Policy Branch, Department of Finance): Perhaps I could add to that—

The Chair: We're out of time for MP Chambers. If you, as officials, have a study that you can submit to the committee, please do so.

Thank you, MP Chambers.

We're moving to the Liberals and MP Baker, please.

Mr. Yvan Baker (Etobicoke Centre, Lib.): Thanks very much, Chair.

Thank you to all for being here today.

One thing I hear about from my constituents in Etobicoke Centre is how rising interest rates are impacting their mortgage servicing costs. I think the biggest fear... There's going to be an increase in interest costs, and people are going to have to pay if they have a variable rate mortgage, but then there's the concern about the worst-case outcome, which is delinquencies—people not being able to pay their mortgages, people having to sell their homes and things like that.

Have we seen an increase in delinquencies since interest rates started climbing?

Mr. Robert Sample: In answer to that specific question, I believe arrears remain close to prepandemic levels.

Matt or Julie, would you like to answer?

Mr. Matthew Emde (Senior Director, Demand and Labour Analysis, Economic Analysis and Forecasting Division, Economic Policy Branch, Department of Finance): Mortgage arrears in particular remain very low. They're pretty much near all-time lows. There are different metrics of it, but the Bank of Canada publishes some data publicly. In the first quarter of this year, 0.12% of mortgages were in arrears, well below the prepandemic 2015 to 2019 average of 0.23%. There's no evidence so far of mortgage arrears rising.

Mr. Yvan Baker: Why is that?

Mr. Matthew Emde: There are a number of factors.

One is that household finances overall are fairly healthy. They benefited from strong income and strong labour markets over the past few years, a build up of savings and strong asset price growth. By a lot of metrics, household balance sheets are in better shape than they were prepandemic, so that's helping households handle the impact of elevated inflation and elevated interest rates.

The other thing I'd say though is that there is evidence that arrears rates have been rising in other credit products. Credit cards, auto loans and installment loans have all been creeping up lately. They're still at relatively low levels—kind of at 2019 levels. This is what we typically see.

When households are under financial pressure, they prioritize their mortgage payment above all else. The last thing you'll see an increase in is mortgage arrears. Everything else happens first. They increase credit card borrowing. They may go delinquent on a credit card. It's not surprising to us that we've seen no action at all in mortgage arrears so far.

• (1125)

Mr. Yvan Baker: People making late payments I assume is what you mean by arrears.

What I'm hearing you say is that mortgage delinquencies, mortgage arrears, are lower than they were prepandemic, but that for other forms of loans—and you cited credit card debt or auto loans as examples—the figure is similar to 2019 levels. Is that what I heard you say?

Mr. Matthew Emde: That's right.

Mr. Yvan Baker: Okay.

You talked about the labour market being strong, incomes rising and people having strong balance sheets.

I have a financial background. I studied accounting, and I know what it means when people say, "I have a strong balance sheet," but for folks at home who are watching this, when you say they have a strong balance sheet, what does that mean?

Mr. Matthew Emde: One of the things that I'd point to is net wealth—so assets minus debt. Household net wealth as a share of income is well above its prepandemic level. In particular, housing equity—your home value minus the debt you owe on your home—is at high levels as well, higher than in history, higher than prepandemic.

Other broader measures like debt-to-asset ratio, which is kind of a measure of leverage, is also lower than prepandemic levels. Those are the positives. It's kind of tempered by the fact that the debt-to-income ratio, which is an often cited metric, is slightly above prepandemic levels. It's been elevated for a number of years.

Those are some of the key metrics we look at in terms of balance sheets.

Mr. Yvan Baker: How much time do I have, Mr. Chair?

The Chair: You have about 30 seconds.

Mr. Yvan Baker: I won't have time for another question. I'd love to ask more. I'm sure my colleagues will ask some great questions, but I think what I heard you say in your last response was that people's net wealth is higher on average. This doesn't apply to every individual but, on average, Canadians' net wealth is higher than it was prepandemic, and incomes are up compared to that time—the labour market is strong—so people are able to better withstand some of the higher interest rates than they would have if that hadn't been the case. Is that fair to say?

Mr. Matthew Emde: Yes, that's correct.

Mr. Yvan Baker: That doesn't mean folks aren't struggling. That doesn't mean people aren't having a tough time. I know they are because they speak to me about it.

What it seems to indicate is that a lot of Canadians have built up the savings or higher incomes to be able to cope with higher interest rates. From my perspective, that means those folks who can't or who haven't had higher incomes and are struggling are the folks we need to focus on to help them get through this.

The Chair: Thank you, MP Baker.

Now we're moving to the Bloc and MP Ste-Marie, please.

[*Translation*]

Mr. Gabriel Ste-Marie (Joliette, BQ): Thank you, Mr. Chair.

I want to thank all four of you for being here.

As you can see, higher costs and interest rates are a topic of considerable concern to us.

Mr. Chambers raised the matter of mortgage loans that can be amortized over a period of more than 25 years. That troubles me greatly because my sense is that the main determinant in the purchase of a house is monthly payments. If people are allowed to amortize their mortgage over a period longer than 25, 30 or 35 years, for example, that provides minor short-term relief but exacerbates the problem in the medium and long terms. When I see what's happening in Japan, where you can pay off a mortgage over three generations, I don't think that's a society I want to live in.

I have a lot of questions for you. The first concerns the first-time home buyer incentive offered by the Canada Mortgage and Housing Corporation, or CMHC. I took advantage of it many years, even decades, ago. Have you observed an increase or a decrease in the number of people applying to this program as a result of increasing borrowing costs, or has that number remained stable? How is it changing?

• (1130)

Mr. Robert Sample: Thank you for your question.

I don't have any statistics for you today on changes in the use of that program, but it's probably a good question to ask CMHC.

Mr. Gabriel Ste-Marie: Thank you.

We would appreciate it if you would send us any information you have on that. Otherwise, we'll invite some CMHC representatives in July.

The federal government has been making a lot of housing announcements. In your department, have you quantified the impact that the construction of all the housing units planned by the various federal housing programs would have on the market?

Mr. Robert Sample: Thank you for your question.

You'd probably have to clarify the programs you're referring to.

Mr. Gabriel Ste-Marie: I'm actually talking about all the programs that the federal government has announced for the construction of more housing units, whether it be social housing, affordable housing or even private housing.

Based on your forecasts, will the construction of those housing units solve the problem of housing accessibility? Have you taken a comprehensive look at this?

Ms. Julie Turcotte (Acting Associate Assistant Deputy Minister, Economic Policy Branch, Department of Finance): That's very hard to do because the purpose of some policies, for example, is to improve regulations for increasing the housing supply. What the government said in the last budget is that it wanted to double the housing supply by 2035. Many policies are being introduced to

address the problem in a comprehensive manner. We have to see how we can help people who are having trouble accessing housing. On the supply side, we have to accelerate housing starts and the construction of new housing units. We have a number of policies for that purpose.

So it's very hard to quantify the impact of these measures, but our objective is still to double the housing supply by 2035.

Mr. Gabriel Ste-Marie: Very interesting, thank you. I'm going to pick up on that.

I'm also concerned about the labour shortage, particularly in the construction industry, and increased material costs.

Considering this new situation, will the policies announced to date be enough to double the housing supply by 2035, as has been announced?

Ms. Julie Turcotte: Once again, as I said, it's hard to quantify the impact of all the policies. It's true that the labour market is very tight right now and that it's hard to find workers. However, a lot of changes have been made to regulations in order to densify the housing stock. A lot of progress can be made in that area.

If you look at housing starts, recent levels have remained relatively strong compared to those before the pandemic. We've seen a bit of a slowdown recently, which is to be expected when the real estate market slows down.

Mr. Gabriel Ste-Marie: Thank you very much.

This is very interesting. I've learned over the years to understand what's left unsaid in your answers. It's very edifying.

I'm going to move on to another topic now. People who have less flexibility in buying a house are the ones who suffer from rising variable rates. And from what we can see and hear, those who have variable rates, and therefore absorb interest rate increases, are mainly young people and first-time buyers.

Is that also what you are seeing?

Mr. Matthew Emde: We don't have the necessary data to answer that question. I think you should put it to the Bank of Canada or the Office of the Superintendent of Financial Institutions.

• (1135)

The Chair: Thank you, Mr. Ste-Marie.

Mr. Gabriel Ste-Marie: I have a lot more questions, Mr. Chair, but you're cutting me off once again.

[*English*]

The Chair: Thank you. We will have more rounds, MP Ste-Marie, but those were great questions and answers.

We're going now to the NDP and MP Blaikie, please.

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

I want to assess the extent to which we're in a bit of a structural quandary, because we've heard the Governor of the Bank of Canada say that his intention is to raise interest rates in part, at least, to try to cool off the housing market. I'm glad to see Canadians who really are struggling with the cost of housing see some relief and see some financial institutions trying to provide relief.

I guess the structural traps seem to be that, as long as financial institutions are mitigating the impact on Canadians who would struggle to pay their mortgages, like effectively increasing their amortization through fixed-interest or fixed-payment mortgages, essentially just extending the amortization to make up for the fact that the payment no longer covers any of the principal or even all the interest, then the conclusion that the Bank of Canada draws is that they need to increase interest rates further, because they're not seeing the cooling effect that they had anticipated in the absence of those measures.

As policy-makers, how should we try to understand that structural problem, and what do you think are some solutions to try to get out of that trap and support Canadians in maintaining their homes?

Mr. Robert Sample: What I can say is that monetary policy is an independent decision of the Governor of the Bank of Canada and the governing council. On all the other policies that are put in place, for example, decisions that the superintendent is taking around mortgage underwriting or capital requirements, or if the Minister of Finance were to adjust something or the Financial Consumer Agency of Canada were to adjust something, there's sharing of information among those agencies, so I would put the monetary policy decision to the side.

Generally speaking, adjustment to rules or analysis is prepared by the superintendent of financial institutions, and that's shared with all the regulatory agencies at the highest level in a body that's called the financial institutions supervisory committee, and the deputy minister of finance also chairs a senior advisory committee on financial policy matters, including the issues that are being discussed today, where the principals of those agencies are there.

These things are discussed.

Mr. Daniel Blaikie: I've no doubt that they're discussed, and I'm not suggesting that government should try to set monetary policy, but just as the bank forecasts things about government fiscal policy and takes an interest in government fiscal documents when setting its policy, surely government looks at what the Bank of Canada is saying and its own reporting on its own policy-making and the factors that influence its decisions, and then incorporates that, I would hope, into its own fiscal policy-making. It's not because the two are the same. It's not because it's the job of the government to set monetary policy, but because it has to create its fiscal policy with some awareness of what the monetary policy situation is.

In a context, which we seem to be in, where the Bank of Canada wants to reduce prices in the housing market, and we see banks moving to try to rightly help Canadians, but that has an effect of slowing price decreases in the housing market, what kind of fiscal policy could help Canadians who are stuck in this trap so that we don't see persistently climbing interest rates cause more Canadians

to find that their mortgages are in jeopardy because interest rates have gone higher?

It seems to me that we're caught. We don't want more Canadians to be in a more difficult position than they already are, and we don't want the folks who are already in a difficult position to be sacrificed on the altar of getting Canada's housing bubble under control.

What are some fiscal policy ideas the government has looked at that might mitigate that difficult trap that we seem to find ourselves in?

• (1140)

Mr. Robert Sample: I have just one point to make before my colleague Julie will have more to say.

In terms of monitoring the situation of how actually these cases, these variable-rate mortgages...there will be an issue that is being managed with fixed-rate mortgages as well. With those mortgages that were taken out in 2021, if they're five-year fixed, there could be a payment increase five years down the road from that, so that is coming up as well.

It's early days, but OSFI is monitoring how financial institutions are managing these cases. Please direct your questions to OFSI on this, but there is some evidence that a number of borrowers are increasing their payments.

Some will be seeking hardship relief and other things, but there definitely seem to be some borrowers who are choosing to increase their monthly payments and are able to manage that. That draws on the points my colleague Matt was making about the financial position of Canadians. This is early days and something that requires further monitoring, but I just wanted to make that point.

Ms. Julie Turcotte: Maybe I can give a broader context here. I'm not sure I would qualify it as a structural trap. Like you said, we have interest rates that have risen rapidly and mortgage costs that are up. Of course, it's going to squeeze household budgets and slow consumption, and we have seen some of that.

If you look at consumption adjusted for population growth, what we call "consumption per capita basis", it has really plateaued and has not increased much. Households are coping with these higher interest rates, as Matt said before, in a relatively good manner, because labour markets remain strong and household balance sheets are also quite healthy.

Obviously over time this will help to slow inflation and will also allow for some normalization in interest rates. That's part of the process.

With regard to extending the maximum allowable amortization, it seems like a release valve, because you maybe have some temporary increases in payments and some difficulties in coping. This is a really temporary valve and not a structural one.

The Chair: Thank you very much to our witnesses and to MP Blaikie. That concludes our first round.

We're into our second round now. I have MP Lawrence up next for five minutes.

Mr. Philip Lawrence (Northumberland—Peterborough South, CPC): Thank you very much.

I appreciate your being here today.

I think this is a very serious subject. Of course, Canada is the most indebted nation in the G7. Consumer debt is, both in popular media and in academic writings, a very serious issue, and I give you all my best in trying to manage this situation as we go forward.

I have just a couple of questions for you. I want to take this to a fairly high level. If you were to look at the mortgage market right now in Canada, and you were looking at a green with everything being fine and good, a yellow for the most part being pretty good but with some concerns, or a red being that we have some serious concerns, where would you put the Canadian mortgage market right now?

Mr. Robert Sample: I'm not sure that I would colour-code it myself at this point. An entity that does is the Bank of Canada, so I point you to their "Financial System Review".

Yes, Canadian household debt and house price matters have been an important vulnerability to financial instability in Canada for a decade or more. There have been a number of measures taken by successive governments to try to manage this issue.

I spoke to the mortgage insurance regulations. There have been a number of gradual steps to tighten in that area over the last decade. There have been steps taken, and I can go into more detail if you'd like, but I won't at this time.

• (1145)

Mr. Philip Lawrence: That's fine.

Mr. Robert Sample: Also, in terms of the prudential underwriting standards that the Office of the Superintendent of Financial Institutions has put into place, I think that's another element, which is that the quality of the mortgages and the credit level of the borrower coming into the mortgage market today is a lot higher standard than it was a decade ago.

Mr. Philip Lawrence: Thank you.

Would your level of concern increase if interest rates went up by, say, 2%?

Ms. Julie Turcotte: OSFI's guideline already stressed a mortgage at a 2% rate differential. The idea is to ensure that households can cope and be resilient—

Mr. Philip Lawrence: I'm sorry, Ms. Turcotte. Some of those mortgages might have been tested with a 2% increase when interest rates were 3% lower. If they went 2% higher, and their existing mortgages, which might have been stressed at 3% or 4% are now at 5%, 6%, 7% or 8%.... I mean, let's call a spade a spade. I would think you'd be concerned.

Mr. Robert Sample: Yes, from a financial system perspective, it could raise difficult issues if interest rates were to move to higher levels, certainly for those borrowers who currently have mortgages. I think you made a good point, which is that.... What Julie was trying to emphasize is that, for new borrowers coming in, there is this

stress test or this minimum qualifying rate, which provides some protection.

Definitely this is a large interest rate increase for a number of borrowers. At current levels, as I mentioned before, what we're seeing is that there are borrowers who are managing the payment, the payment increases—

Mr. Philip Lawrence: Thank you. I very much appreciate your testimony.

Is there a tipping point where you would be—whichever adjective you wish—very significantly or otherwise concerned? What interest rate would it be—at 6%, 8%, 10%?

I assume that these numbers exist. If you would be kind enough to table them with the committee, we'd be greatly appreciative. Will you table those documents?

Mr. Robert Sample: We can take that back. We're happy to table anything we have that would be of use to the committee.

The Chair: Thank you, MP Lawrence and officials.

Now we are moving to the Liberals and MP Dzerowicz, please.

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

I want to thank our presenters today. This is an important topic. The information you're providing is excellent.

In February 2020 our then minister of finance introduced a more difficult stress test. Do you believe that the measure we introduced then has actually contributed to the low delinquency rate that we are seeing right now?

Mr. Robert Sample: Thank you for the question.

Yes, prudent underwriting standards mean that borrowers who become homeowners can withstand shocks—income shocks, interest rate shocks and personal issues that might arise in their family circumstances. The minimum qualifying rate, or the "stress test", as you referred to it, is one measure that was put in place with a floor of 5.25% at the time, and a 2% buffer above the contract rate. That has been helpful in mitigating issues, but it doesn't work alone.

There are other standards in place that also help the financial system's ability and borrowers' stability, such as minimum down payment requirements, maximum amortization limits—I'm speaking about the insured mortgage rules at this point—debt service ratio limits and minimum credit score requirements. There are a number of rules in place for insured mortgages that are helping.

Similarly, with uninsured mortgages, the focus of the superintendent of financial institutions and his office on this matter over the last number of years certainly will be helping and has helped mitigate potential issues in this area. I can't quantify that.

• (1150)

Ms. Julie Dzerowicz: That's okay. I just want to make sure that the public is reminded that a number of measures were put in place to actually build some resiliency into mortgages, so it became more difficult for mortgages to default. Those measures have actually helped.

I just want a couple of basic facts. What percentage of residential mortgages are at a variable rate versus a fixed rate? Do you know, just quickly?

Mr. Matthew Emde: I have those statistics.

The Bank of Canada, in its "Financial System Review", has them publicly. As of February, 2023, the share of the stock and mortgages that had variable payments was 9%. The share that had variable rate fixed payments was 17%, and the rest were fixed rates.

Ms. Julie Dzerowicz: About 80% are sort of fixed, and then 20% are variable. Do you have that number?

Mr. Matthew Emde: If we add up the two variable shares I gave you, 17% plus 9% is 26%, so 26% is variable rate.

Ms. Julie Dzerowicz: What percentage of mortgages have increased their amortization period beyond 25 years since 2021?

Mr. Matthew Emde: Those data we don't have. Different financial institutions have released some of this data in their regulatory filings. It's just kind of publicly reported in the press.

Ms. Julie Dzerowicz: That will be a question I will ask the financial institutions, if they come here. Thank you.

We have been hearing that Canada probably has the largest debt levels of all G7 or OECD countries. I don't what the data is, but I know we have been told that we have large debt levels.

You have told us today that household finances are relatively healthy and that we have strong balance sheets. I would love to know if someone could respond. If we have high debt levels, what percentage of that is equity, housing equity, and does that make it less of a worry in terms of high debt levels? Can someone maybe respond to that?

There is a two-part question. Of the high debt levels that apparently we have in this country, is a lot of it what we own and does that make it a healthier type of high debt level? Could you respond to that?

Mr. Matthew Emde: Thank you for your question.

Ms. Julie Dzerowicz: Could you speak up, please? I can barely hear you.

Monsieur Ste-Marie, I could barely hear. Could you just stop talking? Thank you.

Mr. Matthew Emde: I believe that about 80% of household debt is mortgages. To the extent that you think of that debt as different from other debt because it's linked to an asset that appreciates, yes, what you're suggesting is reasonable. That doesn't mean that it's all—

Ms. Julie Dzerowicz: I can barely hear you. Please speak up.

Mr. Matthew Emde: That doesn't mean, obviously, that there are no risks involved with housing debt and housing assets. House prices can fall.

The Chair: That's the time.

Thank you, MP Dzerowicz.

Now we will go to the Bloc and MP Ste-Marie for two and a half minutes.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you, Mr. Chair.

First of all, I want to apologize sincerely to Ms. Dzerowicz. I was sitting close to the witnesses and chatting with Mr. Blaikie while listening to what was being said. I'm really sorry, and I assure you I will pay closer attention in future.

Mr. Emde, since I have only two and a half minutes of speaking time, I'm going to ask you some questions in quick succession.

Given rising interest rates, do you anticipate a drop in real estate prices, in the purchase of housing units, for example, including houses and condos, among other things? If so, how will that break down. What kinds of models do you expect?

Do you have an estimate of the number of personal bankruptcies that might result from rising mortgage costs and inflation.

Thank you.

My apologies once again, Ms. Dzerowicz.

Mr. Matthew Emde: Thank you for your question.

In fact, there is definitely a link between rising interest rates and house prices. We've already seen house prices decline by 15% or 16% from early 2022 until this past spring. That's already happened, but it seems that the real estate market has stabilized. Recent data show that a rebound is under way.

However, I can't say whether house prices will fall further.

• (1155)

Mr. Gabriel Ste-Marie: What about rising personal bankruptcy numbers?

Mr. Matthew Emde: I've already discussed the consumer insolvency data. The situation is more or less the same for mortgage payment defaults. We've seen an increase in recent months, but the level is similar to what it was before the pandemic.

Mr. Gabriel Ste-Marie: Thank you.

The Chair: Thank you, Mr. Ste-Marie.

[English]

On the sound, members, the clerk has asked for the sound to be increased.

Also, if members can use their earpieces.... The chatter or whatever that is happening within the room does affect the interpreters. That is what I've understood. If people could keep it down a bit and if you use your earpieces, you can hear better. We have increased the sound.

On that, we're going to the NDP and MP Blaikie.

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

With the time I have presently, I would like to move a motion that I gave notice of last day, the second part of which reads:

That Vice-Chair Hallan no longer has the confidence of the Standing Committee on Finance and, as a result, that we proceed immediately to the election of a new Vice-Chair from the Official Opposition.

I just want to give a little bit of context for this.

Members may not know and Canadians watching may not know that vice-chairs of committees receive an extra \$6,600 a year for the work they're meant to do for the sake of a committee. Members around this table will know that the finance committee has been meeting a lot over the last number of weeks. We had over 40 hours of filibuster on the budget implementation act.

What I found remarkable about that process, among other things—and I have given my thoughts on the record before about the nature and the reasons for the filibuster—was the absence of the vice-chair during those proceedings. Of course he was here for some of the time but not for all of the time.

The principal formal duty of a vice-chair is to be available in the event that the chair can't chair. Sometimes that's when a chair can't come to the meeting. Sometimes it's because the chair has to excuse him or herself at various times for various reasons. The principal duty that a vice-chair performs for the committee is to be present and to be available in order to relieve the chair in case that's required.

There are also informal roles that vice-chairs play in terms of talking to other members of the committee and talking to other recognized parties on the committee to try to find a way forward, particularly when there is an impasse, as there most definitely was in the case of the study of the budget implementation act. Not all of the minutes of those meetings and all of the blues for those meetings are currently available because there were a lot of meetings, and House staff need time, even as they continue to support our committee and others, to be able to put that information up online, so not all the time stamps are there.

I think, Mr. Chair, that you'll get an idea of the extent of Mr. Hallan's participation in that study just by comparing, first of all, the substitution list and the number of interventions. When you look at comparable members like the other vice-chair for this committee, Monsieur Ste-Marie, you'll see that, during the course of the study, he had two substitutions. Monsieur Mario Simard and Nathalie Sinclair-Desgagné subbed at various times for Monsieur Ste-Marie, who nevertheless had about 115 interventions during the course of the study.

I had two substitutions during the course of the study because it is the case that MPs from time to time have other legitimate parliamentary commitments that don't allow them to be at the table. Mr. Taylor Bachrach and Mr. Brian Masse substituted for me. I still managed to have about 169 interventions in the course of the budget implementation act study.

Mr. Lawrence, did a lot of work for the Conservatives during the course of the study, including—I would say—the informal role of vice-chair that he played. He talked to other committee members. He was part and parcel of negotiating those moments where we were able to make some happy progress in the study of the budget implementation act.

Mr. Lawrence had four substitutions. Kelly McCauley, Ben Lobb, Damien Kurek and Ed Fast all substituted for Mr. Lawrence at some point. He managed to have 290 interventions in the budget implementation act study, which gives you a sense of just how present Mr. Lawrence was and the work he was doing in trying to provide some leadership to the Conservative side.

In the case of Mr. Hallan, we saw that he had 10 different substitutions. These were Karen Vecchio, Damien Kurek, Marc Dalton, Michelle Ferreri, Kerry-Lynne Findlay, Cheryl Gallant, Garnett Genuis, Larry Maguire, Rick Perkins and Arnold Viersen. Anyone who was listening to the proceedings will know that, while I listed Rick Perkins as one name in a list of 10, it was a very oversized contribution that Mr. Perkins made, at least in respect of time devoted to the proceedings of the committee.

Throughout the entire budget implementation act study, Mr. Hallan had about 29 interventions. That's almost exactly 10% of the interventions that Mr. Lawrence had.

Again, I respect that MPs have a lot of things to do. I respect that MPs can't always be at the committee table, and I myself have sometimes not been at the committee table, but I don't get paid \$6,600 extra dollars a year to be here at the committee table to be able to relieve the chair. I haven't undertaken that responsibility.

● (1200)

Conservatives themselves have recognized, in the context of this Parliament, that sometimes their finance critic can't meet the obligations of a vice-chair and, therefore, does not deserve the pay. For instance, when Mr. Poilievre was finance critic for the Conservative Party and sat at this committee table, the vice-chair was Greg McLean, and when Ed Fast was finance critic for the Conservative Party, the vice-chair was Dan Albas because at that time it was recognized that the person who's going to do the job of vice-chair should be, in the main, here.

If they had a finance critic who was too busy doing other things, like trying to improve upon a lackluster question period performance, undermining the sitting leader or whatever it is that they're doing when they're not at this table—different ones have committed that time to different things—they didn't accept the \$6,600 for being the vice-chair of the committee.

That's fair enough. I'm not here to dispute that MPs are busy people. I'm not here to dispute that we're all trying to juggle a lot of different jobs. However, I notice that in the past, when their finance critic was too busy to do the job at this table, Conservatives have asked somebody else to be vice-chair. I think that is actually the right and proper way of doing that. I think that, when you look at the statistics of interventions and substitutions over the course of the budget implementation act, it's clear that Mr. Hallan is too busy to be doing the job of vice-chair with other things. I don't begrudge him those other things. It takes time to prepare a hagiographic podcast, for instance. I know that he needs hours in the day. That's fine.

However, when I look at Mr. Lawrence and the amount he invests around this committee table—even though it's not recognized by his leader—in trying to talk to other people and have a sense of a path forward for the committee, I think it's more befitting that Mr. Lawrence be the vice-chair of this committee and receive the \$6,600 because he's putting in the time and work. I think it's important that when people accept additional salary they do the additional work.

By and large, that is the work of presence, particularly if you're going to do that job for a party that is going to cause a lot of extra meetings and time. We spent a lot of time listening to the interventions of Conservative members, including on the east coast fishery. So be it. I respect the right of members to filibuster, but I find it passing strange that Mr. Hallan would be part and parcel of triggering some long non sequiturs here at this committee and then decide that those aren't worth his time but make the decision for the rest of us at this table that those interventions were worth our time. I think it would have been an important act of leadership on his part to be here for the speeches that he argued were an important part of the budget implementation act study.

I may very well argue differently. In fact I have, on the record, in other places.

It's his contention that those were important speeches for us to listen to. He ought to have been here to listen along with us. I think the fact base clearly shows that he did not provide that leadership but that Mr. Lawrence was here for those things, and that Mr. Lawrence was accomplishing the role that Mr. Hallan ought to have been accomplishing.

I think that we're not here as a committee to judge Mr. Hallan's role as finance critic. We're not here to judge his role as an MP. We're not here to judge how he spends his time, but we are in a position to judge whether he's doing us a proper service as a vice-chair in fulfilling those roles. I think we would be better served by the situation that Conservatives have put in place before, where their finance critic is not the vice-chair.

There is someone here who's doing the work of the vice-chair. That person has made it a priority to be here. I don't doubt that Mr. Lawrence is busy with other things and that he has obligations to his riding and to his party that he has to fulfill outside of the context of this table, but he's nevertheless made it a priority at least to be here, if nothing else. I think that is an important component of being the vice-chair. It's why I think this is an important item of committee business.

I recognize that we're getting ready to rise for the summer. I think it's important that we deal with this before we do. That's why I'm bringing it forward at this time before there is no more time, in order to address this question before rising for the summer.

Thank you, Mr. Chair.

• (1205)

The Chair: Thank you, MP Blaikie.

I do have an extensive list here of MPs who want to speak. I have Chatel, Beech, Lawrence, Baker, Dzerowicz, Ste-Marie and Morantz.

I don't know if I see anybody else who would like to get on that speaking order.

MP Chambers.

Mr. Adam Chambers: Thank you.

I have a point of order, Mr. Chair. You have an extended list. I don't know how long people's interventions tend to be. If they intend to talk out the rest of the meeting, that's totally fine by me. I appreciate the fact that we have officials here who have generously donated their time. I wouldn't ask anyone to change what they're going to say, but I would appreciate, if we are going to talk out the rest of the meeting, that we allow our officials to return to their jobs, working on the things that they need to do.

The Chair: Thank you, MP Chambers.

I can't presume what members are going to do, so we'll move in to our speaking order first and we'll just hold the officials with us for the time being.

We're starting with MP Chatel.

[*Translation*]

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

I find it a bit strange to hear my colleague say that. If we do that for the rest of the meeting, I agree we should allow the witnesses to return to their jobs, which is ironic. For three weeks, we've invited witnesses to appear who have remained seated for hours and listened as the Conservatives filibustered.

This committee really isn't taking this seriously. For hours and even weeks, we've heard people talk about everything except topics related to our business.

Mr. Blaikie, you say the Conservatives normally think it's important to earn their pay and do good work for the salary they're paid, but I don't think that's true. They have no regard for their salary.

Using a quick calculation method, I've come up with the following result: we've wasted \$200,000 of taxpayer money for absolutely nothing.

[*English*]

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

[Translation]

Mrs. Sophie Chatel: No, I believe I have a right to speak, Mr. Lawrence.

Considering the 60 hours of wasted time, I have a right to my minutes of speaking time. So I'm going to continue. In closing, I share my colleague's view with all my heart.

[English]

Mr. Philip Lawrence: I have the right, Ms. Chatel, to have a point of order.

I have a point of order, Mr. Chair. It's your job to interrupt the speaker.

Mr. Chair, if you're not going to do your job, the vice-chair will take the role.

Mr. Hallan, you are now the chair.

[Translation]

Mrs. Sophie Chatel: That being said, I'm not sure that's the appropriate solution. I think it's something else. However, we really have to think about what we're going to do and how we are going to deal with this waste of time. I'm going—

[English]

Mr. Philip Lawrence: Mr. Hallan, you are now the chair. He is not doing his role.

On a point of order, he's not here. You are now the chair.

The Chair: Please members, let's have no crosstalk. We cannot—

Mr. Philip Lawrence: I've been saying point of order for five minutes, Peter.

You have to interrupt. It's your job.

[Translation]

Mrs. Sophie Chatel: Look at what's happening again!

[English]

The Chair: MP Lawrence, can you keep your volume down, please? Let's have some decorum and respect, MP Lawrence.

Mr. Philip Lawrence: Your job is to respect—

The Chair: My job is to listen. I could not hear you, MP Lawrence.

Mr. Philip Lawrence: I said it clearly.

The Chair: But you do not have to scream, MP Lawrence.

Mr. Philip Lawrence: I'm sorry, but my point of order was not recognized.

The Chair: What is your point of order, MP Lawrence?

Mr. Philip Lawrence: I want to raise a point of order to ask for UC to suspend this debate until Tuesday. We have a mortgage crisis here in Canada and instead we're talking about childish games.

The Chair: That's not a point of order, MP Lawrence.

MP Chatel, you have the floor.

• (1210)

[Translation]

Mrs. Sophie Chatel: Thank you. I'm going to continue, but I'll be brief because I want to move on to important topics too. I'm a bit fed up with this kind of attitude.

This committee has to work. It has been assigned some important matters and has important witnesses to hear, which it has been unable to do as a result of the Conservatives' filibustering. I want to work seriously, and I want to hear the witnesses.

[English]

Mr. Marty Morantz (Charleswood—St. James—Assiniboia—Headingley, CPC): I have a point of order, Mr. Chair.

[Translation]

Mrs. Sophie Chatel: If you'll let me continue and stop interrupting, I'll be brief.

[English]

The Chair: There's an MP point of order from, I think, MP Morantz.

Mr. Marty Morantz: Yes.

Mr. Chair, I would like you to rule on whether or not Mr. Blaikie's motion is actually in order.

The reason I'm asking you to rule on this is that I have in front of me the *House of Commons Procedure and Practice*, chapter 20, "Committees". It says the role of vice-chairs of committees is to serve as replacements presiding over meetings when the chair is unable to attend. All of the chair's powers can be delegated to the vice-chair, but the vice-chair cannot preside over a committee meeting while the office is vacant.

My point is that none of the arguments that Mr. Blaikie made in his presentation of the motion has anything to do with the only codified role of vice-chair—which is to fill in for you when you're unavailable—so I don't think the motion is in order because none of the points he made has anything to do with the actual role of a vice-chair.

I'd like you to make a ruling on whether or not Mr. Blaikie's motion is in order.

Mr. Daniel Blaikie: Mr. Chair, on the same point of order, Mr. Morantz, of course, will know that I served notice of two motions on Tuesday, one orally at committee and the other one in writing. The one that I've moved simply says that Vice-Chair Hallan no longer has the confidence of the Standing Committee on Finance and, as a result, we should proceed immediately to the election of a new vice-chair from the official opposition.

I would politely disagree in that one of the main arguments I just made, if Mr. Morantz had been listening, was that, in order to fill in for the chair, the vice-chair cannot be absent, because there's no way, unless you're sitting at the committee table either in person or virtually, for them to step in for the chair if the chair needs to be relieved. That speaks exactly to the formal role of the vice-chair. Perhaps Mr. Morantz would like to tune in to the proceedings of the committee.

The Chair: Thank you MP Blaikie and MP Morantz.

Mr. Marty Morantz: Mr. Chair, on my point of order, I hope that the language around this table remains respectful. I do think that asking me if I'm tuned in or not is quite condescending.

In any event, the fact of the matter is that Mr. Hallan has replaced you on only one occasion, and he acquitted himself very well.

The Chair: Now we're getting into the debate, MP Morantz.

Mr. Marty Morantz: Just one second, let me just finish this one, Mr. Chair.

The Chair: Be quick.

Mr. Marty Morantz: I have one quick, last point.

Mr. Blaikie knows all too well that, in the absence of the first vice-chair, there's a second and a third vice-chair who are capable of stepping in.

The Chair: Thank you, MP Morantz.

We're suspending right now. I will confer with the clerk. I will get back to members.

We are suspended.

• (1210) _____ (Pause) _____

• (1218)

The Chair: Members, we are back.

I have conferred with the clerk. I am going to ask the clerk to explain to members if it is in order or not.

Clerk, if you can take the members through it, that would be great.

The Clerk of the Committee (Mr. Alexandre Roger): Thank you very much, Mr. Chair.

In Bosc and Gagnon's *House of Commons Procedure and Practice*, on page 1050, under "Vacancies", it says, "Occasionally, vacancies arise in the office of Chair or Vice-Chair during a session. In fact, they arise automatically when an officer" and then there are various points. The last point says, "is removed from office by the committee." Clearly, it's allowed in *Procedure and Practice*.

Then it goes into footnote 544, and it gives examples of when this has happened for the office of the chair. I have confirmed with the research unit at the committees directorate that this has never happened before. It would be a first-case scenario, although permitted by the book at this point.

The Chair: Thank you.

It is in order. We are back to MP Chatel.

Mr. Marty Morantz: On a point of order, Mr. Chair, I'd like to challenge the ruling of the chair.

The Chair: We have a point of order. There is a challenge.

Also, on points of order, members, when somebody is virtual, we'll have to have a bit of a pause to make sure that the interpreta-

tion is capturing that point of order. There was a lot of cross-chatter that was happening, and that was very difficult for the interpreters.

There is a challenge.

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

The Chair: We'll go back to MP Chatel.

The floor is yours.

• (1220)

[*Translation*]

Mrs. Sophie Chatel: Thank you.

Before going any further, I'd like to verify whether we have unanimous consent to allow the Department of Finance representatives to return to their offices and do their work, which is very important for Canada. This motion doesn't concern them.

Thank you very much for coming to meet with us.

[*English*]

The Chair: Thank you, MP Chatel.

I'm just looking to members to see if we have unanimous consent to release the officials. Yes.

Thank you very much, officials.

[*Translation*]

Mrs. Sophie Chatel: No, we don't have unanimous consent.

[*English*]

Some hon. members: Terry says no.

The Chair: Terry, did you say...? I'm sorry. I didn't catch that.

PS Beech said no, so the officials will stay.

Continue, please, MP Chatel.

[*Translation*]

Mrs. Sophie Chatel: I'm sorry.

To sum up, I'm very disappointed that we haven't completed our work thanks to the Conservatives. We've failed to hear certain witnesses thanks to the Conservatives. That's money that taxpayers have invested in us and that has been wasted thanks to the Conservatives.

I hope that, when we come back in September, we of the Standing Committee on Finance will do the work we're paid for.

Thank you.

[*English*]

The Chair: PS Beech is up next, and then I have MP Lawrence, MP Baker, MP Dzerowicz, MP Ste-Marie, MP Morantz and MP Blaikie.

Mr. Terry Beech (Burnaby North—Seymour, Lib.): Thank you, Mr. Chair.

I'm going to say a few things and if I get to the end of this, perhaps we can retest Sophie's idea, but I do want to say just a few things first. I do acknowledge that there is a planning meeting on Tuesday. I want us to get to a place where everyone is in a good situation so we can go into that hoping to improve that situation.

Let me just say a few things. I've had various conversations with our own members and with opposition members from all parties. The default filibuster obstruction stance of the Pierre Poilievre version of the Conservatives is actively and obviously hurting the work of this committee. This motion is a direct result of that.

Even members of the Conservative Party, I think, admit that we've seen an escalation of obstruction under the new Leader of the Opposition. It's plain to see. It's evidenced by—and I'm not going to go into all of it, because I already gave a 20-minute speech on that—the unwillingness, on multiple occasions, to negotiate in good faith, the desire to obstruct the work of the committee and the will of the majority of the committee, as well as the actions that have played out over the last number of months.

Negotiations with the Bloc and NDP always go reasonably well. They never go perfectly. There's miscommunication. There's back and forth, but it would be exceptionally rare that, once those discussions have happened and there was an agreement, the positions would change. It took less than an hour to find a consensus between government members and the opposition members outside of the Conservatives once everyone put all their concerns on the table, whereas the Conservatives spent weeks specifically making sure we would never agree on terms.

Jas himself has stated multiple times that it's been only one filibuster and we shouldn't set this precedent. I can already think of three times there have been filibusters since Jas has been the critic. There might be more that I'm not thinking of off the top of my head. There's no doubt it's been worse under this leadership. That evidence could be gathered and would be indisputable by any objective measure.

The fact that the vice-chair has caused some of these issues or has contributed to them and isn't necessarily aware of all the impacts of them or of how many times this has happened is kind of the point of Mr. Blaikie's motion. While I was initially surprised by the motion, I, upon reflection, do understand where it's coming from.

I would also suggest to my colleague Mr. Hallan, who, I believe, is actually a reasonable person and who, I believe, wants to work hard for his constituents, that there are a number of ways in which he could demonstrate and that the Conservative Party could demonstrate they are willing to engage this committee in a professional way that would allow the committee to do its work while not giving up the ability to play a strong role as the critic for the official opposition.

I think finding a way to get dates scheduled for meetings on the pre-budget consultations would be a good step. I think assuring that travel actually happens, even though it's been cancelled for the last two years, would be a good step. I think providing real terms for working on the fall economic statement and the budget—important fiscal documents—would be a good step. I think all of us could

agree. The start of this meeting is proof that we need to spend less time debating the work we're going to do and how we're going to do it and instead spend more time actually doing the work.

Daniel said that a few times, and I think that sentiment is shared by all of us at some level. Listen, I know that there are things that are outside of our members' control. There are discussions and decisions that happen outside of this committee, whether they be based in the Standing Orders, in the chamber itself or in whips' offices or the House leaders' offices, but certainly the Conservative leader's office shouldn't have to be consulted for every single decision on every single negotiation. We should be able to have a responsible discussion because, after all, this is an independent committee of MPs or it's supposed to be.

As members of Parliament—and I truly believe this—we have a duty to work together on legislation to make it better.

• (1225)

There is good work that could be done here. Some of that good work was actually already happening today with regard to the mortgage study. By continuously filibustering legislation for no purpose other than to obstruct it, you actually hurt constituents. You hurt the legislation. You hurt the country, and you hurt our ability to do more studies like the one we're discussing today.

The BIA would have been better if you had contributed your ideas. If you choose not to participate, that's fine, but you should allow the other opposition parties to contribute and debate their ideas as well. The quality of the decisions made at this table and in Parliament is directly correlated to the quality of the debate, and you do everyone a disservice by choosing not to engage in that debate. You do damage to our democracy by taking that right away from other members around this table.

I've served on many committees before the finance committee, and I've been happy to work with members to incorporate amendments from all parties, including the Conservatives, the Bloc, the NDP and the Green Party, and I was happy to incorporate those amendments into legislation drafted by the government, because they were good amendments and they were good ideas.

Last I will say that I think there is a path forward, a positive path that can lead to a better place for all members of this committee, no matter which side of the House they sit on, but I also note that I'm not certain at this point that this motion will have a constructive impact on improving our working relationship, especially given the fact that I'm not sure how blame should be distributed among individual members of the committee versus being assigned to the actual leader of the Conservative Party.

I would also note that we have witnesses here for a study we all agreed to spend the day working on. I was not willing to support unanimous consent for them to be removed, because I still feel as though we could get back to that work today.

I know there are members around the table. I was hoping to adjourn debate on this and go back to the witness study, to be honest, with everybody here. I still support doing that, but I do not want to take away the right of my colleagues to say what they want to say about this motion.

I'll put on the record that I'm in favour of adjourning debate on this and going back to the mortgage study today, but I want to make sure everybody has the time to say their piece, as I've had my time to say my piece.

Thank you.

• (1230)

The Chair: Thank you, PS Beech.

I will run through the speaking order. If you did not hear it the last time, next is MP Lawrence, then MP Baker, MP Dzerowicz, MP Ste-Marie, MP Morantz and MP Blaikie.

MP Lawrence, go ahead, please.

Mr. Philip Lawrence: I move to adjourn the debate.

(Motion negated: nays 6; yeas 5)

The Chair: It's defeated, so we will continue.

MP Lawrence, go ahead.

Mr. Daniel Blaikie: I have a quick point of order. I wonder if you might consult the clerk, Mr. Chair.

I think it's typical that after moving adjournment, a member loses the floor.

The Chair: We'll suspend here for a second. I'll confer with the clerk.

• (1230)

(Pause)

• (1230)

The Chair: We're back, members. No, that is not the case, MP Blaikie.

MP Lawrence, go ahead.

Mr. Philip Lawrence: Thank you. I would welcome the member to tune in—as he said disrespectfully to my colleague—to procedures.

Mr. Terry Beech: I have point of order, Mr. Chair.

I would like to be helpful to my colleague. We sent some notes. I don't know if he's had time to check his text message, but I do support adjourning debate as long as my fellow Liberal colleagues have the ability to put their—what I would assume would be—short remarks onto the record.

The Chair: Okay. That's not a point of order, but thanks, PS Beech.

MP Chambers, you wanted to be added to the list. Is that right?

Mr. Adam Chambers: No, I'll take my name off.

The Chair: Okay. Your name is off.

We'll go back to MP Lawrence.

Mr. Philip Lawrence: Thank you. While not a point of order, that's very much appreciated from Mr. Beech.

I will just very briefly put a couple of remarks on the order and then hand it over to my Liberal colleagues, as long as they are brief, because we have only 24 minutes or so left and, as I said, this is an impending crisis, a ticking time bomb with respect to the mortgage market, as an article I'm looking at right now says. It's sad that we have to put up with these childish games.

If there is anyone who needs to be removed from their post, it's the Minister of Finance. She has disregarded multiple invitations from this finance committee. Her sole job is to manage the finances and to report back to the Canadian people. We are the Canadian people's tool for her to express herself. It's not the media. It's Parliament. That's why the Magna Carta was drafted 800-plus years ago. That is why Parliament exists.

However, she has flagrantly disregarded the invitations from this finance committee. If anyone needs to be replaced desperately, it's the Minister of Finance. She has presided over the worst economy since the Great Depression, and all the Canadian people were asking for was for her to come and testify for two hours, but it was too much for her to climb down from her ivory white tower and talk to the Canadian people, the common people.

Instead, while we have an economy in which, in the chair's riding, one in 20 is using the food bank, we have an obstructionist Minister of Finance who will not appear in front of this committee, but who finally did to get her legislation brought forward and then only showed up for an hour and a half even though she was invited for two hours.

Conservatives worked hard to have professional decorum and to improve the legislation, but we are not going to be bystanders as the worst economy since the Great Depression is presided over by this Liberal failure economy. Do you know what? It might be shocking to the other parties, but the Conservatives work as a team. We know right now that Liberals are probably vying for their cabinet positions. Perhaps they don't work as a team and some are happy in the backbenches, but as they have pushed and shoved along for the inevitable cabinet shuffle, we have seen this absolute failure in government. We saw in a recent poll that 80% of Canadians want a new government. Eighty per cent is a huge number, especially considering something like 30% of Canadians consider themselves Liberals. Nearly a majority of Liberal supporters want a new government.

I see Mr. Blaikie posing with this Liberal government for pictures and during photo ops. Perhaps he too wants to ingratiate himself with the new government, so it's no wonder these childish games are happening. When the economy is falling apart and when their party is falling apart, perhaps they are lashing out like small children. It's very disappointing. We have a crisis coming, and you know what? Way to destroy and poison the well. You couldn't have done it any better, guys. Congratulations there.

Do you know what? The reason we don't support this budget has nothing to do with Pierre Poilievre. It has nothing to do with him. It has to do with the Canadian people. We have the worst economy since the Great Depression, guys. We have a mortgage time bomb. We have officials here who want to talk, but instead we have to play childish political games. It's pathetic. It's sad. It's disappointing, and it is just an absolute embarrassment for this finance committee. I am embarrassed to be a part of this committee. If anyone should be removed, it's the chair here, the chair who has presided over complete dysfunction. It couldn't get any worse.

Daniel, if you want to remove someone, remove Peter. Remove the Minister of Finance, who won't come for two hours despite multiple invitations here.

With that, I'll let you guys have your piece.

• (1235)

Mr. Daniel Blaikie: Just on a quick point of order, Mr. Chair, the last person who accused me of childish games, just two weeks ago, was Minister Freeland herself. I see Phil is taking his speaking direction from the minister.

The Chair: MP Blaikie, that's not a point of order, but thank you.

MP Baker is next, and then MP Dzerowicz, MP Morantz and MP Blaikie.

Mr. Yvan Baker: Thanks Mr. Chair.

I'd like to start by thanking Daniel for bringing this forward. I think it's really important that we have this discussion. I want to thank MP Beech for making sure that all the members who want to speak have a chance to have their voices heard in this discussion.

I'm not going to repeat it for the sake of time, but I want to say that I agree with the vast majority of what Mr. Blaikie said in his opening. I also want to say that I was an elected official for three and a half years federally and four years as a member of the Ontario provincial parliament where I sat on a finance committee. I've debated with members of all parties on a range of issues. I've disagreed with folks on a lot of things. I've seen a range of arguments and a range of tactics used, but I've never seen something like this before.

I think it's in all our interests, no matter which side of the aisle we're on, for it to stop. I think it is.

I remember when I came to this committee. One of the first people to say hello was Mr. Ste-Marie.

• (1240)

[*Translation*]

He said hello. We worked together, and we said something very positive and optimistic about this joint effort, which I very much appreciated.

I don't always agree with Mr. Ste-Marie, but I think he makes a very constructive contribution to this committee, and I'm glad of that.

[*English*]

Something very similar happened with Mr. Blaikie early on in that first meeting when I came to this committee. What I said about Mr. Ste-Marie I would say about Mr. Blaikie as well, and his contribution to this committee. We don't always agree on everything, contrary to what the Conservatives would like people to believe, but I'm okay with that. I don't harbour resentment that we disagree with each other.

I've had a chance to have conversations with our friends from the Conservatives. Those conversations were very similar as well: "I look forward to working with you. I look forward to getting things done."

I remember having conversations off-line with Conservative committee members over the course of the time that I've been here, with Mr. Hallan and Mr. Chambers and Mr. Lawrence and Mr. Morantz. I remember Mr. Hallan telling me about—I won't talk about that on the record—his background, his work in his community over the course of years and what led him to run for office. I found that really poignant and memorable. Mr. Lawrence has shared similar comments with me.

I've found Mr. Chambers to be someone who is capable of conciliation and compromise and productive work across the aisle. I think he's capable of that in a way that many members are not. I think there are others around this table who are capable of that as well, but I think Mr. Chambers has done that over the course of the last number of months.

I share that to say, whether you think the minister should appear for 20 minutes or two hours or 10 hours, whether you think the economy is doing well or not doing well, whether delinquencies are too high or they're not too high, whether we're doing enough to support Canadians, no matter what your views are, you're entitled to them because you are here to do a job on behalf of your constituents, to represent them. How you do that and what their views are, I don't harbour resentment for any of that.

What disappoints me the most is that, when we see behaviour, tactics, personal attacks and disruption for the sake of disruption that have nothing to do with the substance of the matter before us.

It's not about whether the economy is performing well. It's not about whether interest rates are hurting people, and frankly it's not consistent with what the members in the Conservative caucus I've spoken to told me when I met them, when I got to know them, when they told me why they came to this place and why they ran for office to represent their constituents.

I don't want to use this intervention to beat up on anybody. That's not why I wanted to speak. I think we all know what those things are, what happened in this committee. We were there. I know we all get pressure from our respective leaders' offices. We all get it. Let's be frank. That's the system of government we're in.

Mr. Hallan, I appeal to you. I ask you to remember that conversation you shared with me on why you ran for office and on some of the work you've done in your community.

I think what upset me the most about what happened here over the past few weeks.... There were lots of reasons I was disappointed. It wasn't even about the time we wasted. It wasn't about taking it to a new level. It wasn't about the rhetoric, although that was very upsetting. What upset me the most was that it wasn't consistent with what I heard in those initial conversations about why we're here. I didn't recognize the members I thought I knew.

I'm not here to beat up on people. What I'm here to say is that anybody who wants to know what happened in this committee can go back to the record and they can listen and they can watch, but, folks, I don't care if you're in opposition or in government or second party or third party or fourth. It doesn't matter. Guys, folks, it hurts all of us when what happened over the past few weeks happens.

I guess I would say I have great concerns about the tactics the Conservatives used. I do. Mr. Hallan is the leader of the Conservative team here, as Mr. Blaikie pointed out, as the vice-chair and as the finance critic. I would ask us all to take this moment and just reflect on why we're here, and I would ask us to just show respect for each other and for this place. When we go after each other personally and we disrespect each other—whether it's the chair or other members, it doesn't matter—then we harm our ability to do our job, we harm our ability to serve our constituents and we harm this place. We harm this institution's ability to serve our constituents.

It may feel good in the short run to score a hit or to score a punch or to get a sound bite or whatever it is or to appeal to a leader's office that's asking someone to do something they probably shouldn't, but in the long run it's hurting all of us and it's hurting our constituents, no matter what you think about how long the minister should be at committee or how well or badly the economy is doing or what the issues of the day are or what the solutions to those problems are.

I would just ask all of us to ask ourselves why we're here and how we make the most of this opportunity.

Thanks.

• (1245)

The Chair: PS Beech, go ahead on a point of order.

Mr. Terry Beech: Thank you.

Given the speaking list and given that we will not have time, I'd like to retest for unanimous consent to dismiss the officials at this time.

The Chair: All right.

I'm looking to members for UC to allow officials to be released. I see thumbs-up from everybody.

Officials, thank you so much for being with us. The testimony you provided on the members' questions was excellent. We really appreciate it.

Thank you.

Thank you, also, MP Beech.

Next on my list I have MP Dzerowicz.

Ms. Julie Dzerowicz: Thank you so much, Mr. Chair.

I want to start off by saying I agree with the comments of my colleagues, Sophie, Terry and Yvan. I also want to say thanks to Mr. Blaikie for putting forward this motion, because I, too, feel that I largely agree with many of the points he mentioned, but I also think it's important for us to discuss what's happened over the last few weeks in the hopes that we can get to a better place. I, too, found that what happened was unacceptable. It was a waste of time for you. It was a waste of time for me, for us, and it was a waste of money for Canadians.

We have made a mockery of the work that this committee is meant to do. We've made a mockery of what the House of Commons stands for and the work it's supposed to do, and we did not honour what Canadians have elected us to do, which is to work together, to address the issues of the day and to create a better country.

To be honest, I asked my colleagues how many hours the filibuster was. We have no clue. It's anywhere between 40 and 60 hours. In any case, it was a colossal waste of time.

The main crux of the initial part of the filibuster was about having the Minister of Finance come. Even after she had agreed to come, even after she was on record to come and she was scheduled to come, the filibuster still continued.

There was incorrect information that kept on being portrayed that she had not come before no matter how many times we had invited her. She had already come three times before, and her coming that time for this BIA made it a fourth time. There is no minister who comes every single time a committee asks. It doesn't matter whether it's the finance minister or any minister.

Then the filibuster continued in order to have witnesses come, but the filibuster took so long that it literally eliminated all opportunities for witnesses to actually come before us to talk to us about the BIA—what was good, what was bad and what could be improved—so that did not make it possible.

I would also like to suggest that we have to stop with the performance politics, which we see is very prevalent and, I would say, most specifically from our Conservative colleagues. We saw it two minutes ago.

There is a lot of invention that goes on. There is a mortgage time bomb apparently, which is not the case. We heard very clearly today that the delinquency rate for mortgages remains very low. It's below what we saw prepandemic. It's at 0.12%.

We heard that household finances are relatively healthy. We heard that all the tools are in place that protect Canadians, including the mortgage stress test that was put into place in February 2020. We've heard that a big portion of the high level of debt that Canadians have is mortgage debt, so it is a complete invention that there is a mortgage time bomb.

It is also complete invention that we are in the worst economy. There is literally no economist in the world who would agree with that. We consistently are among the top in terms of growth rates. We are consistently in the top in terms of debt-to-GDP ratio, in terms of employment rates, in terms of outlook and in terms of projections moving forward, so it's complete nonsense.

I'm going to end by saying let's do better. Let's find a way to work together to do what it is that Canadians have asked us to do.

With that, Mr. Chair, I move that the debate be now adjourned.

• (1250)

[*Translation*]

Mr. Gabriel Ste-Marie: No.

[*English*]

Ms. Julie Dzerowicz: I think there's a vote. Is there not?

The Chair: There is a vote. We do have to go to vote.

(Motion negatived: nays 6; yeas 5)

The Chair: We will continue.

MP Dzerowicz.

Ms. Julie Dzerowicz: I'm finished. Let's go to the next one.

The Chair: Okay. We'll move along.

I have MP Ste-Marie next.

[*Translation*]

Mr. Gabriel Ste-Marie: Thank you, Mr. Chair.

First, I want to emphasize that I'm not opposed to the motion to adjourn now because there are few people left on the speakers list, and most of the members have spoken. When Mr. Blaikie's motion was first introduced, I thought I would have preferred that we put our questions to the witnesses rather than debate it. However, since everyone is speaking, I would consider it unfair to interrupt debate without resolving the matter. Furthermore, that motion would have enabled us to discuss the frustration in this committee.

First I want to say, from the bottom of my heart, that I have the greatest respect for every one of the members of this committee, by which I mean the chair and all the members of every party.

I have profound respect for you. You do a remarkable job. Together we can have true, constructive discussions where that's possible. Consequently, there's nothing in what I'm going to say that is aimed at any member personally. I bear no grudge against anyone. I very much appreciate the committee, even though there are moments when we quarrel, as we have recently seen.

That brings me to the topic of the filibuster. I understand Mr. Blaikie, and I understand Ms. Chatel and my Liberal colleagues and why they are so frustrated with these many hours of filibuster-

ing, during which we could have studied this mammoth 500- or 600-page bill and really improved it. Instead, we heard talk about baby eels on numerous occasions. I was frustrated with that too.

It is frustrating, but I want to remind my colleagues that the filibuster is a tool that, as far as I know, is used in all the parliaments of democratic countries. That tool may come in different forms, but it's used and there's a reason for that.

I understand that it's frustrating. The purpose of dilatory measures and filibustering is to annoy others. It's to tell the government and the other parties that, if we aren't respected, we'll wreck the machine. That's its purpose. So it's normal for it to be unpleasant and cause this much frustration.

I don't know a lot about the history of the Parliament of Canada or the parliaments of other anglophone countries, but, to my knowledge, all the parties engage in filibustering when they're in opposition. The Liberals did it from 2011 and 2015, and even the NDP too. Mr. Julian often boasts about it. It was very unpleasant for the government of the time. The Liberals are also capable of doing it when they're in opposition.

I'm frustrated when I experience filibustering, I don't like it, and I feel we could be doing something else. Despite that fact, I respect the filibuster because I believe that's the way to challenge and slow down parliamentary business; It's the way to annoy the government and others. If it weren't possible to do it that way, I wonder how it would be done. Would we come to blows? What would happen then? So it's the way to express one's opposition in a defined and standardized manner.

During the filibuster a moment ago, when I was really angry, a member who had come to replace another member took out his telephone and played the parliamentary television feed into the microphone. I thought that showed a disregard for the rules established to protect the interpreters, who can suffer hearing injuries. That made me very angry. As for everything else, I think that filibustering, in all parliaments and by all opposition parties, is a tool that will be used.

There are always two sides to the same coin. The Conservatives said they wanted to have the minister for two hours. Was that justified or not? Personally, when she came to visit us, I wasn't satisfied with her answers, and I didn't feel she had a very good grasp of her enormous bill. I was disappointed. Personally, I would've filibustered for half an hour, more or less. However, I nevertheless congratulate Daniel for getting that additional time.

I don't think every member or every party should tell other members and parties what to do or how to conduct themselves. That's the meaning of democracy. We're accountable to our fellow citizens. If people in Joliette tell me that I filibustered too much and then vote me out in the next election, that'll be the effect of democracy. My work is to represent those people.

What do I, someone from Joliette, have in common with the member from Calgary? We have common points, but we represent very different realities. We will often vote against each other on many bills, but I have great respect for him because I know he represents his people and that he's voting accordingly. When he filibusters, I know that he's being accountable to his people, not to his committee colleagues.

So that's what I had to say about the filibuster. It's frustrating, and that's its purpose. All parties use it when they're in opposition. If we manage to find a way to work together, so much the better. Otherwise there are the standing orders of the House of Commons.

• (1255)

So that brings me to the standing orders of the House of Commons. As far as I know, it is customary for the official opposition party to decide who will be the first vice-chair. If the members of the other parties now want to tell that party how to make its choice, that will set a dangerous precedent that I would prefer to prevent. I understand that, given the frustration it may arise, people might think that it would encourage debate and that it might be positive. If the clerk told us that this had never been done and that no such decision had ever been made, that would set a precedent. However, precedents trouble me greatly.

For example, currently in the House, we are debating a motion to amend the standing orders on which there is no consensus. It would result in profound changes to the rules of the House of Commons, and this is one of the first times when it will not be done on a consensual basis. That really troubles me because I think that, when a future government wants to make new changes, it will be able to do so.

The next time, when another party is in the majority on the committee and wants to gag the opposition, I'm afraid it will want to change vice-chairs, among other things. So I fear these precedents, and I wouldn't really want the rules changed in that regard here.

I have two final points to make. I'll try to be brief.

As I said, we're in the process of changing the rules in the House of Commons in a non-consensual way. This is a dangerous precedent. If this motion were adopted, it would be a first, as the clerk has said. It would also set a precedent that very much troubles me. I understand that we can have a substantive discussion on how to operate here, but I wouldn't want us to set a precedent.

I also want to mention that Mr. Fonseca is doing a superb job. He is never replaced; he is always here. I haven't yet chaired the committee one single time. He once called to tell me to be ready to do so, if ever a problem arose when Mr. Singh Hallan replaced him. He had planned everything. Mr. Singh Hallan did a remarkable job on the occasion when he chaired a meeting. I understand that it's fair game to play political games and say that he's less present than he should be, and so on. However, it's important that the Conservatives, who constitute the official opposition, continue to appoint the person who occupies the vice-chair.

I will conclude with an extremely uncomfortable point. Mr. Blaikie, for whom I have the greatest respect, recalled who the vice-chairs are.

I look at us all around the table here, and I see only one racialized person. However, that's the person who is concerned here. That makes me very uncomfortable.

Thank you, Mr. Chair.

• (1300)

[*English*]

The Chair: Thank you, MP Ste-Marie.

I have MP Blaikie, MP Hallan and PS Beech.

MP Blaikie.

Mr. Daniel Blaikie: Thank you, Mr. Chair.

I would just weigh in to say that I appreciate folks sounding off about the filibuster and the nature of it. As I say, during that process, I commented on what I thought about the objectives of the filibuster and in fact agreed with some of them.

That's not what this is about. What this is about is the role of vice-chair on committee and the fact that we went through a long process, and the person who is paid \$6,600 every year to be here to relieve the chair—and I think also performs some other important informal duties—left it to somebody else to do those informal duties and wasn't present during those proceedings. That's really what is at issue. I shared some information about that.

I do think that, when we talk about larger context, we have an official opposition right now whose leader has held a number of press conferences to say that he wants to make how much MPs show up to work an issue, that he wants Parliament to sit through the summer and that he wants committees to sit through the summer, yet his right-hand man on the finance committee isn't showing up in the regular season. It's the leader of the official opposition who has made this such a relevant issue by insisting on the idea that MPs, instead of doing the work that we all have to do during the summer in our ridings, should be showing up here in Ottawa to do more kinds of work here, although we've seen that sometimes that work can end up actually just meaning listening to Conservatives sound off.

If the relevant political issue of the day, as per the leader of the official opposition, is MPs showing up to work, and we just went through an over 40-hour study of the budget implementation act, where his main person on the file, despite having a paid obligation to the committee, wasn't coming, how serious should we really take those things? I'm hearing from the committee that there's a lot of goodwill around the table and a willingness to put this debate aside, I think, but I want Conservatives to know that, if they want to continue to make issues like this an issue, a number of us are going to have a lot to say and they're not going to like everything that they have to hear, or, rather, they're not going to like to hear everything that I have to say, certainly, and that others may.

There are different ways of going about our business here, but if the Conservatives want to have their cake and eat it too—to accuse folks of not showing up to work while they themselves are not doing that and accepting a paycheque for it—then we're going to have words about it. If we want to conduct our business otherwise, in a more understanding way, with parties trying to figure that out and not playing the politics of calling out, so be it, but I'm tired of being the reasonable person in the room and having that be taken advantage of for people to try to score political points against me as I watch them do the very thing that they themselves criticize.

I'm not prepared to tolerate that kind of hypocrisy anymore. That's a warning for folks who want to continue to carry on in that way themselves: If we want to have a race to the bottom, we will get there. That's not the way I prefer to do politics. I think I've demonstrated that many times around this table, but I think that if that's the way it's going to go, then that's where I'll end up along with everybody else.

Why don't we find a different way of doing things? In order to do that, we need some leadership, and that should come from the people who are paid to do that job of leadership on this committee.

Thank you.

• (1305)

The Chair: Thank you, MP Blaikie.

I have MP Hallan and then PS Beech.

Mr. Jasraj Singh Hallan (Calgary Forest Lawn, CPC): Thanks, Chair.

Since this motion is about me, I thought it would be fair for me to get my own thoughts on the record as well. We talk about things not being personal, but I don't see anyone else's name on the motion. I'd just like to say my piece.

I'll start off by saying first that there are no hard feelings after this whole thing. I think we all understand the business. We understand that we can move forward after this. There will be no hard feelings, especially on my end, after this whole ordeal comes to an end.

I did want to touch on a few points that Mr. Blaikie brought up. Maybe I'll start off with some of the points that Mr. Baker brought up first about why I'm here.

Someone with my past should, honestly, not even be in this position today. I didn't come here to this country knowing that I would be here in this position today. With the way that I grew up, this is not something that I even would have had a chance to do, especially in my riding. I get to represent a lot of people who are low income, a lot of new immigrants who try to live that Canadian dream, which is what my parents came here to do—a better future for me—but it wasn't easy.

I look around the room, and I don't see anyone who looks like me. This position that I was given the responsibility of is not an opportunity many people get. For me that's a big deal. When I'm travelling the country, which obviously I'm doing a lot—we're doing a lot of outreach—I do hear from different ethnic communities that there's a sense of pride to see someone who doesn't normally fit the

description of a politician in this role. People take that as a sense of pride.

I recently was in Brampton, talking to those international students, trying to stop their deportations. I put myself in their shoes. We were successful in helping to stop those deportations. That is another part of my role. I represent not just my own community. I represent many different communities. There are almost 108 languages spoken in my riding alone. When I come to this job, when I wake up, I remember who I represent every single day, whether I'm here or travelling the country.

One thing I did learn growing up was the importance of a team and leadership. What I want to address to Mr. Blaikie straight, looking at you right now, is that what I learned was that the best form of leadership is to empower people. We work as a team on this side. I didn't give up my obligations. Rather, I split them up because I love to see other people in a leadership role. Those are the values I learned growing up.

I was very fortunate. I grew up as an at-risk youth myself. Growing up, I was fortunate enough with the opportunities this country gave me and my family, and with the blessings of God, to be able to help other at-risk youth.

We opened up an after-school program for at-risk youth. There, especially for the young women who came to us, we would hold sports tournaments every month, whether it was basketball, dodge ball, volleyball, whatever the sport. The whole point of running those wasn't to raise money. It's not hard for a couple of us to get together and raise \$5,000 for a charity. That wasn't the point. The whole point of those tournaments was to put those young women, who may not have had the opportunity otherwise, into leadership roles, to put encouragement inside of them and to build the confidence inside of them that it's not just us who can do this job. They can do it too.

I carry that same principle when I come to this Parliament and outside. I want others to know that, if I can do this, anyone can do this. Your background doesn't matter. The thing that really bothers me—and this is something that I don't think Conservatives would ever do—is to equate someone's work ethic with how much they're being paid. I don't find that particularly....

Putting politics aside, to accuse someone of not being able to earn their paycheque, we wouldn't do that normally outside. It's not something we do in business. It's none of our business, actually, because there are other roles we play and other responsibilities.

• (1310)

I'll give you an example of what happens on my end. I do casework and not just in my own community of Calgary Forest Lawn. Eighty per cent of my casework is from outside of my community. It's from outside of my riding. I do it with a smile on my face.

I want to thank my team, which steps up every single day and never asks, “Where are you from? You should go to that MP.” We say, “Okay, we’ll do it.” When the whole process started with the BIA, we had a huge lineup of people from our team who said, “We want to get on the record and represent our constituents.” I was the first one to say, “You can take my spot.” That was the whole point.

I think we’re setting a really bad precedent in here. You want to get rid of me, and I’m sure there are a lot of people in Parliament who want to get rid of me, and I’m fine with that. I’m not here to make friends. I’m not here to be that nice guy.

The Chair: MP Hallan, I apologize for interrupting.

I just want to let members know that we’re adding some extra resources to see if we can keep the time going.

Mr. Jasraj Singh Hallan: I’m going to wrap up in one minute.

The Chair: It’s just so you know you have time.

Mr. Jasraj Singh Hallan: I’m going to wrap up quickly. I don’t want this to drag on.

I just want to make sure that I get on record saying that we all know we have more than the responsibility of just being on this hill. I want to see more people like me and others who come to this country doing this. For me to be handed this role—and obviously we know that our leader was known for this role—was a big deal for me, for my family and for many people across the country, because that’s what I hear about.

Honestly, I come from a family that was neither political nor even successful. We lived through poverty. I remember standing in line in my riding for low-income bus passes. I remember, when I was growing up, the first bout of racism—and I’m not going to say that’s what this is about, but I want to put on record how important being here is for me. My first experience of racism was when I was on a bus with my mom and my brother. She was spat on because she covered her head. There were many other incidents as well, whether they were when I was going through school, playing sports or even being in business. I would look around the table and there would be exactly the same dynamic: I would be the person who looked very different from everybody else, but I knew I had a role to play.

I’m not going to play the victim card. This isn’t about racism. I’m just saying that when I travel, people of other ethnicities tell me how proud they are that I get to be in this position. I don’t take it lightly, but the precedent I think this is setting is that if you come here and you do your job, whether you do it well or not is very subjective. It depends on the person looking at it. At the end of the day, it just goes to show that you can be your best and try your best, but there will always be someone who wants to get rid of you.

That’s the precedent I’m afraid we’re setting here when we go down this line.

That’s my heartfelt plea to the committee. There are no bad feelings after this.

I just wish, Daniel, that instead of bringing it onto this floor, you would have had the decency to maybe have this conversation once, at least, outside of here. I’m not hard to get a hold of. People call me all the time.

Going forward, however the committee wants to do this, I’m game, but I don’t think I’ll back down from doing the job that I was sent here to do. I don’t think that would be the point of my being here.

I just want to thank the committee. Thank you for everyone’s input. I’ll leave my piece there.

Thank you.

• (1315)

The Chair: Thank you, MP Hallan.

We do have limited resources, but we’ll have PS Beech and then we’ll have to wrap up.

Mr. Terry Beech: I need only 30 seconds, Mr. Chair.

I want to thank everyone for having a very frank conversation.

I want to thank individuals, especially the last speaker, who spoke from a point of vulnerability, which I think is good.

I would suggest, given that we have a planning meeting in camera on Tuesday, that all members think about the points they agree with that were discussed today, from all members. Don’t go looking for the things you disagree with.

I would suggest that all of us leave our swords and our shields at the door on Tuesday. It’s an opportunity for us to get some good productive work done.

With that, Mr. Chair, I would move that we adjourn debate.

The Chair: A motion has been moved to adjourn debate.

Go ahead, Clerk.

The Clerk: Is it a motion to adjourn debate or a motion to adjourn the meeting, Mr. Beech?

Mr. Terry Beech: I move to adjourn debate, and then I hope we will adjourn the meeting.

(Motion agreed to: yeas 10; nays 1)

The Chair: Members, we’ve exhausted our resources.

Thank you, members. We are now adjourned.

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