



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

44th PARLIAMENT, 1st SESSION

Standing Committee on Finance

EVIDENCE

NUMBER 128

PUBLIC PART ONLY - PARTIE PUBLIQUE SEULEMENT

Thursday, February 15, 2024

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 128 of the House of Commons Standing Committee on Finance.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Thursday, September 21, 2023, the committee is meeting to discuss the policy decisions and market forces that have led to increases in the cost of buying or renting a home in Canada.

Today's meeting is taking place in a hybrid format. Pursuant to Standing Order 15.1, 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 members. Although this room is equipped with a powerful audio system, feedback events can occur. These can be extremely harmful to interpreters and cause serious injuries. The most common cause of sound feedback is an earpiece worn too close to the microphone. We therefore ask all participants to exercise a high degree of caution when handling the earpieces, especially when your microphone or your neighbour's microphone is turned on. In order to prevent incidents and safeguard the hearing health of the interpreters, I invite participants to ensure they speak into the microphone into which their headset is plugged in and to avoid manipulating the earbuds by placing them on the table, away from the microphone, when they are not in use.

I will remind you that all comments should be addressed through the chair. For members in the room, if you wish to speak, please raise your hand. For members on Zoom, please use the "raise hand" function. The clerk and I will manage the speaking order as best we can, and we appreciate your patience and understanding in this regard.

Joining us today, we have, from the Office of the Federal Housing Advocate, Marie-Josée Houle, who is the federal housing advocate.

We also have with us, from the Canadian Housing and Renewal Association, the executive director, Ray Sullivan. He's online with us.

From the Association des groupes de ressources techniques du Québec, we have the director general, Éric Cimon, and the director of communications, Eloïse Houpert.

Welcome. It's great to have all of you here. I know that some of you are here on short notice. Thank you very much for accommodating us and taking yourselves here to Ottawa and our committee.

At this time, we're going to hear your opening remarks before we move into the members' questions.

Madam Houle, please go ahead.

Ms. Marie-Josée Houle (Federal Housing Advocate, Office of the Federal Housing Advocate): Hello.

I'm honoured to join you today from the unceded and traditional territory of the Algonquin Anishinabe nation.

[Translation]

My name is Marie-Josée Houle.

As the first federal housing advocate, I am here to lead national action to ensure that laws, policies and programs respect the right of individuals to adequate housing.

Since Canada enshrined the right to housing in the National Housing Strategy Act enacted in 2019, it has had an obligation to uphold that right for all. I'm here today as a representative of my office, a human rights accountability mechanism.

Today, I would like to address three points. First, I will talk about the harmful effects of the financialization of housing, a situation that the government must address. Second, I will talk about tenant protection, which must be a priority. Third, I will talk about the fact that the government must invest in the supply of non-market housing.

[English]

First, financialization is harming people in Canada. Many of the activities this committee is studying are about treating housing as an asset for profit, and not as a human right. Financialization has jeopardized Canada's affordable housing supply. Our research estimates that 20% to 30% of Canada's rental housing is financialized, with disadvantaged groups most impacted.

It started in the 1990s, when Canada allowed the creation of real estate investment trusts and pension funds to invest in financial markets and instruments. It's not new that these buildings are privately owned. What is new is that they're owned by large institutional investors whose obligation is maximizing returns for shareholders. These firms evict tenants, deny services and dramatically increase rents for profit.

Financialization is contributing to housing unaffordability and violating people's human rights. The federal government must curb financialization with measures like tax reforms that make financialization less profitable, especially for REITs; regulating pension funds so that their investments uphold human rights; and preventing banks from financing the acquisition of buildings if the building plan relies on excessive rent increases or evictions.

This brings me to my second point, which is that we must protect tenants and stabilize rents. Financialization, speculation and inflation are driving up housing costs. This has the greatest impact on renters, like people from disadvantaged groups, people who are one rent increase away from homelessness, people who are being evicted because of financialization and the people most at risk, who cannot afford any housing at all.

Again, curbing financialization is a key measure. The federal government must also work with all governments on rent stabilization measures, ensure national standards for access to justice for tenants facing eviction and expand supports for tenants facing rising costs.

To my final point, governments must invest in housing for the public good and prioritize non-market housing. Our research estimates that Canada is short 4.4 million affordable homes for those in need. Flooding the market with new housing will not solve the problem. We're losing affordable units more quickly than we can build them, and financialization is a major contributing factor.

Supply alone does not result in affordable housing, nor does using public funds on incentives for the private sector without safeguards for affordability.

The way forward is for government to invest in non-market housing. It is the best use of taxpayer dollars, and it creates permanently affordable and accessible housing for a wide range of people. It means that disadvantaged groups have more money for food, medicine and child care.

It has economic value. It benefits everyone, because it is not inflationary. When people are not paying so much for their housing, they spend in other areas, which bolsters economic stability.

Canada can protect and grow its affordable, non-market housing supply. We need the national housing strategy's \$82-billion suite of programs to change course to prioritize non-market housing. We need the federal government to create an acquisition fund for non-market and indigenous housing providers to buy, repair and operate existing buildings. We need the federal government to attach conditions to infrastructure funding that mandate the creation of non-market housing in new projects and link funding to affordable housing targets.

[*Translation*]

Other measures include strengthening affordability criteria for national housing strategy programs, CMHC insurance and other federal programs.

• (1110)

[*English*]

We all know that all levels of government have a role to play, but the federal government must lead the way.

[*Translation*]

Thank you.

I will be pleased to answer your questions.

The Chair: Thank you, Mrs. Houle.

[*English*]

Now we'll hear from Monsieur Cimon.

[*Translation*]

Mr. Éric Cimon (Director General, Association des groupes de ressources techniques du Québec): Thank you for having us and for allowing us to participate in the committee's work and to highlight the importance of housing in the current crisis and its effect on the country's public finances.

For those who are not familiar with the Association des groupes de ressources techniques du Québec, it is an association that brings together 25 technical resource groups, or TRGs, throughout Quebec. TRGs are social economy enterprises that, for more than 40 years, have contributed to the creation of nearly 100,000 community housing units in the form of cooperatives and non-profit housing organizations, which account for nearly half of the social housing stock in Quebec. They also have a number of community real estate projects under their belt, including multi-purpose community centres and early childhood centres.

TRGs have been at the heart of housing project development for nearly 40 years. We are present at all stages of the housing project implementation process, from the recognition of needs to the support of projects, to funding arrangements, the supervision of the site, the creation of groups, as well as property and financial management. For 40 years, TRGs have been acting as catalysts to build housing projects that meet the diverse needs of the most vulnerable populations and of all communities.

The construction of community and social housing can have a very significant impact on public finances. Your study is timely, since we, along with a number of Quebec housing stakeholders, took part in missions to Europe last fall. We looked at what was being done elsewhere—in France, Denmark and Austria, among other places. We often find that the integrated model for building social and community housing in Quebec is ahead of the other models in Canada, and we want to spread it across the country, but we realize that, even in Quebec, we are light years behind the capacity of certain European countries in this area. All these countries recognize the importance of social and community housing as a tool to fight inflation and prevent the escalation of crises such as the one we are experiencing today.

I'm happy to be speaking after Mrs. Houle because I completely agree with her economic argument. In addition, community housing helps strengthen our country and our values and enables us to go further by ensuring affordable housing for everyone, by reducing pressure on the market and by meeting a fundamental right. When you have housing that costs less, you free up economic space and you increase household purchasing power. Rent is the first thing people pay, since housing is at the heart of Maslow's pyramid. So when it stays low, people can meet all their basic needs, such as clothing and food, and take care of their children.

Maintaining an affordable housing stock for the most disadvantaged people gives them greater purchasing power. Some quick math shows that the average rent in Vienna is easily 200 euros less than it is here, in equivalent dollars. This represents a significant monthly economic contribution for people, who are then freer to make investments and participate in economic life, and who enjoy a better quality of life. Social housing in Europe is for people who are not rich, not just for the most vulnerable or specific clientele. People in countries where social housing is well developed have some of the best standards of living in the world.

It is important to make investments to catch up, but just because we are in a crisis does not mean that we have to do things wrong. We need to have a plan and long-term objectives.

• (1115)

In France, the objective is to have 20% social housing in municipalities with a population of more than 1,000. In the city of Vienna, 60% of the housing is social housing. In Denmark, the fund for the construction of social housing has made announcements, since the construction of social housing has an impact on the gross domestic product and the construction industry.

Planning construction during crises or down times leads to better economic outcomes, not only in terms of GDP, development and maintenance, but also in terms of the price on the market, which can increase purchasing power.

In France, they have livret A, a savings booklet that helps support the construction of social housing. From the moment they are born, all French citizens participate in the economy and ensure a good retirement for themselves, while ensuring that the rest of the population is well housed. Labour taxes also make it possible to make additional contributions in order to build housing without having to eat into the government's entire operating budget.

My message to you is that we are light years away from that. We have a lot of work to do to ensure the resumption of community and social housing construction, while preserving our values. The housing crisis makes that necessary. We have to stop thinking about affordability; we have to think about the tool that enables affordable living environments. So we hope that social and community housing will be part of your solutions, given that, in the long term, it is a major component of the solution to the housing crisis.

Thank you.

The Chair: Thank you, Mr. Cimon.

[English]

Members, we're going to need to suspend for a short time. We just have to test Mr. Sullivan's equipment to make sure everything is working.

• (1115) _____ (Pause) _____
• (1115)

The Chair: We are back.

We welcome, from the Canadian Housing and Renewal Association, executive director, Mr. Ray Sullivan, for opening remarks.

Mr. Ray Sullivan (Executive Director, Canadian Housing and Renewal Association): Good morning. *Bonjour. Kwe.*

I apologize that I can't be present in person to talk to you about this very important topic.

I'm here in Ottawa on Algonquin Anishinabe territory. I say that because whenever we talk about housing, it's important to remember that indigenous people are disproportionately represented among people who are in housing need, in housing precarity and without housing. We owe indigenous peoples a great debt and that includes a debt of housing justice.

CHRA is the national voice of community housing. Our members are non-profit, co-op and public housing providers, and also provincial and territorial governments, service agencies and advocacy organizations. We are seized with this housing crisis. Your work on this topic has shown that we are in an affordable housing crisis, but the question is why? This is not a temporary or short-term phenomenon, but has been building for decades, and it starts with the undersupply of non-market community housing. As a percentage of overall housing supply, Canada has about half the community housing stock of the OECD average. In fact, it's even proportionately slightly less than in the United States.

We started down this track 30 years ago, when the federal government withdrew from community housing. We were on track to beat the OECD average, but now we have fallen far behind, and the current crisis is the consequence. An adequate supply of community housing acts as a stabilizing force in the housing market, so we need to focus on the long-term goal of doubling the supply of non-market community housing. I don't think you're hearing this for the first time. It was a strong recommendation from Scotiabank a year ago. It was also a recommendation from the National Housing Accord, a group of private sector, academic and community housing experts, and there is growing consensus that this is the target we have to reach. The priority, as we do this, has to be a fully funded for-indigenous, by-indigenous housing strategy. Budget 2023 committed \$4 billion over seven years for urban, rural and northern indigenous housing, but the government's own National Housing Council has estimated the need at \$6.3 billion per year. I can assure you that there remains a strong consensus among the broader community housing sector that this is priority number one.

How do we scale up community housing? First, we need stable, predictable funding and financing from the federal government. When interest rates go up, projects can only afford a smaller loan, so grants and contributions are needed to fill those gaps, yet as we saw interest rates go up in 2023, we saw federal grants and contributions go down, making new development projects unviable. We need to restore and increase capital funding under the national housing strategy. This includes predevelopment funding. It costs a couple of hundred thousand dollars to get a project to a shovel-ready application stage. If you were to go to CMHC's website right now and look up "predevelopment seed funding", it says that the application portal is closed until further notice and it has said that for many months. Predevelopment funding has to be reliably available all year long as a funded program.

Significantly, we need land. There is a large inventory of federal land that can be made available for non-market community housing, but it is limited by a very small budget under the federal lands initiative. Blow that program up and unlock the potential of federal land by switching to a model of one-dollar, 100-year leases to non-profits, co-ops and community land trusts.

New development takes time and, while we need to increase the pace of building new community housing, there is also an option that can have a quick turnaround and a near immediate impact: acquisitions. For every one affordable home created under the national housing strategy, we are losing 11 affordable rents in the private market. We are actually falling behind. We need to invest in a national acquisitions fund to help non-profits, co-ops and land trusts

acquire existing rental properties, protect tenancies and stabilize rents.

All this costs money. Housing is expensive, that's actually the problem we're trying to solve, so it's going to take money to solve it, but I have good news for you: Investing in community housing is non-inflationary and has a significant positive impact on economic productivity.

• (1120)

[*Translation*]

My colleague Mr. Cimon also explained it well.

[*English*]

We released an analysis about 10 weeks ago, prepared by Deloitte Canada, that shows that an increase in the market share of community housing by just 1.5% will improve productivity by a massive 5.7% to 9.3%, and add a non-inflationary boost of \$67 billion to \$136 billion to the economy. I want to be clear. This isn't the economic impact from construction activity, but an improvement to economic efficiency from having a greater supply of community housing, so increasing the supply of community housing increases productivity, which improves quality of life, which benefits everyone in Canada.

Thank you very much. *Merci. Meegwetch.*

The Chair: Thank you, Mr. Sullivan, for your opening remarks.

Now we are going to move to members' questions.

In this first round, members from each party will have up to six minutes to ask you questions.

We will start with MP Morantz. I understand you may share some of your time with MP Hallan.

MP Morantz, please go ahead.

Mr. Marty Morantz (Charleswood—St. James—Assiniboia—Headingley, CPC): Thank you, Mr. Chair.

Thank you, all of you, for being here on this very important topic.

Ms. Houle, I want to direct my questions to you. I have a fairly straightforward question: How many homeless people are there today in Canada?

Ms. Marie-Josée Houle: I am not in a position to answer that question today. That is not something that is counted in Canada.

Mr. Marty Morantz: Okay. Do you know how many there were in 2015?

Ms. Marie-Josée Houle: No.

Mr. Marty Morantz: How about homeless encampments, do you know how many there are in Canada today?

Ms. Marie-Josée Houle: The number of people in homeless encampments is not something that is counted in Canada.

Mr. Marty Morantz: It wasn't in 2015, I presume, either.

Ms. Marie-Josée Houle: No.

Mr. Marty Morantz: Minister Fraser was here the other day, and he actually said, when we asked him about the housing accelerator fund, that, "It doesn't actually lead to the construction of specific homes." He also said recently that, "I think it's a generational moral failure that there are people sleeping without a roof over their head in a country as wealthy as Canada." I think we can all agree on that.

What I found interesting was that, in your report, you said, "There is no systematic data collection on who lives in encampments in Canada." You stand by this statement, I presume. Is that correct?

• (1125)

Ms. Marie-Josée Houle: Yes.

Mr. Marty Morantz: The minister professes to want to solve this problem, and his government has been in office for eight years, but there's no empirical method or process in place to actually measure the problem. Would you agree with that statement?

Ms. Marie-Josée Houle: Yes, I would agree with that.

Mr. Marty Morantz: The Auditor General issued a report in 2022 on chronic homelessness. It noted that Infrastructure Canada had spent close to \$1.36 billion between 2019 and 2021 on initiatives to prevent and reduce homelessness, but found that the department did not know whether the rates of homelessness and chronic homelessness had increased or decreased since 2019. Are you aware of that report?

Ms. Marie-Josée Houle: Yes.

Mr. Marty Morantz: It's consistent with your testimony today that, really, even though the government has spent billions of dollars—\$82 billion on the national housing strategy, \$4 billion on the housing accelerator plan, and a multitude of other programs—it's clearer, when we see with our eyes, that the problem has become more severe. We know that.

I had the mayor of Guelph here, Mayor Guthrie, in committee last fall. I asked him how many homeless encampments there were in Guelph in 2015, and he said there were none. I said, "How many are there today?" He said, "Twenty." We see this going on all over

the country, but when the government spends—it could be in excess of \$100 billion on this problem—and there's no way of measuring whether or not their programs are successful, how are we to trust that these programs are even working?

Ms. Marie-Josée Houle: I really appreciate the question.

I want to clarify that, across the country, there is a mandated point-in-time count of people experiencing homelessness. Having worked in housing loss prevention, it's really hard to measure, especially in areas in the north where homelessness is not quite as visible, as you would have noted in my Inuit housing condition report. However, the National Housing Strategy Act also requires the government to do a triannual review of all national housing strategy programs. That report is due out March 31, and I am waiting with bated breath, as you are, for that report.

Mr. Marty Morantz: Thank you very much.

I promised I'd share my time with my colleague Mr. Hallan, so I turn the mic over to him.

Mr. Jasraj Singh Hallan (Calgary Forest Lawn, CPC): Thank you, Marty.

Chair, I want to move the following motion. It's one that I had put on notice last week. It states:

Given that:

- a. Taxes on beer, wine and liquor will automatically increase on April 1, 2024;
- b. This year's tax increase will be 4.7%—the amount equivalent to average inflation over the past year; and
- c. Canadians and businesses cannot afford another tax increase;

The committee report to the House that it calls on the government to cancel its April 1, 2024, tax increase on beer, wine and liquor.

As we all know, inflation and interest rates are hurting Canadians' paycheques, pocketbooks and businesses. We see business insolvency rates going up. We know that this will hurt tourism and the hospitality industry, after they've already been significantly impacted by COVID.

This hike will also impact workers like taxi drivers, and areas like ride-sharing. Many of the people I talk to in different communities who are working in these industries have been impacted. There is less and less business, especially over the weekends, because fewer people are going out to restaurants and bars to spend money due to the increases in this excise tax.

On April 1 the tax on alcohol will go up. That's on top of the carbon tax hike and the payroll tax increases this January. We know that this Liberal government's out-of-control deficit spending caused 40-year highs in inflation, forcing the Bank of Canada to raise its interest rates, leaving Canadians with the highest cost of living ever. As a result of inflation, the government's automatic escalator on the alcohol excise tax will increase taxes on beer, wine and spirits by 4.7% on April 1 of this year, without any vote in Parliament.

We've heard from different stakeholders who are against this hike. They know how bad the impact will be on the industry and how much more expensive it will be for Canadians. These are stakeholders such as Beer Canada and the wine growers association.

Conservatives are calling on this government to cancel its April 1 tax increase on beer, wine and spirits. The Liberals have the opportunity to do the right thing right now for Canadians and businesses and support this motion.

• (1130)

The Chair: Thank you, MP Hallan.

Go ahead, MP Blaikie.

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

New Democrats are certainly of the view that it does not make sense to raise the tax on beer, wine and liquor at the rate of inflation when we're in a period of extraordinary inflation, well beyond the target that the Bank of Canada has set.

We have an excellent panel here, though. I had hoped that this debate might have come closer to the end of the panel. I'd be happy to take up the debate again around noon, but for the moment, I would move to adjourn debate on the motion so that we can have our time with the panel here.

The Chair: Members, are we good to move back to—

An hon. member: We'll just let it go and adjourn until [*Inaudible—Editor*].

An hon. member: I think we have agreement on it.

The Chair: Okay. If there is full agreement, we'll let it go and we'll get back to our witnesses.

MP Hallan, you have a minute on your time.

Mr. Jasraj Singh Hallan: Ms. Houle, I have a simple question for you. Have you seen that the homelessness situation has been getting worse or better?

Ms. Marie-Josée Houle: Well, I would encourage everyone to read the report on encampments that I just released this week.

To answer your question in a simple way, absolutely the visible homelessness in this country has risen. It's not just in large urban centres. It's in remote and northern areas as well.

Mr. Jasraj Singh Hallan: When you're talking to some of the people you would deal with on a daily basis, or just to Canadians in general, is the cost of living a big factor in homelessness?

Ms. Marie-Josée Houle: It is mostly the cost of housing that is the big factor. That was a factor long before the pandemic. It's just gotten worse. Everyone I've met in homeless encampments is in the encampments because they don't have a safe place to go.

Mr. Jasraj Singh Hallan: Absolutely.

Are there any other factors in their monthly budgets that are affecting this? We know that shelter costs have grown and are taking more out of Canadians' paycheques. Are there other financial factors you're hearing about that are getting people to have less at the end of the month?

Ms. Marie-Josée Houle: Anyone who goes to the grocery store and looks at the prices will see that groceries have also greatly increased in price.

The Chair: Thank you, Mr. Hallan.

Now we're going to MP Dzerowicz, please.

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

I want to thank all our witnesses today for their very important testimony.

Ms. Houle, thank you for the in camera report that you've put out. I did read it with great sadness. I will tell you that everything you've put in there is very much the reality that we see in, I would say, all cities across this country.

The first question I have for you is on the importance of acknowledging and committing to the right to housing. Do you think it's important for every party in the House of Commons to acknowledge the right to housing? Why is it important for all of us to be aligned on this issue?

Ms. Marie-Josée Houle: First of all, the right to housing was enshrined in domestic law in 2019 in the National Housing Strategy Act. The onset of the housing crisis in general in Canada has been long in coming over the past 30 years because we're doing things backwards. We're doing things from the top down.

Encampments are a real fine example of a top-down approach that, in the treatment of people, violates their human rights, especially with violence and forced evictions.

The human rights approach is about properly engaging with people experiencing homelessness, first of all. Because they are the holders of the solution, they are the ones who are able to articulate what's not working, what is missing and why they are choosing to live in a tent when they're just so exposed and just so vulnerable. It's because this is a better choice than anything else. That being said—

• (1135)

Ms. Julie Dzerowicz: Is it important for all the parties to be aligned on the right to housing in the House of Commons?

Ms. Marie-Josée Houle: Absolutely. Then we're able to get some solutions and be aligned on that because we need an all-of-government approach. It can't just sit on the shoulders of the federal Minister of Housing.

Ms. Julie Dzerowicz: Thank you, I appreciate that.

I also want to put on the record, Mr. Chair, that during the voting marathon in December, the Conservatives voted to defund the Office of the Federal Housing Advocate. I'm glad that they have shown some compassion and interest in resolving the issues today, but I do want to put that on the record.

There have been a number of suggestions around an acquisition fund, which I think is a very popular idea. A number of witnesses have mentioned that.

A few years ago, one thing that our federal government invested in for Toronto, which was a game-changer and not done before, was \$1.3 billion for Toronto Community Housing in order to ensure that there are repairs and housing is kept in good condition for those who are already living in our affordable housing spaces.

I know an acquisition fund is important, but are ideas like the types of investments that we've made in Toronto Community Housing at the city level also a good step?

Ms. Marie-Josée Houle: Yes, absolutely.

An acquisition fund is a way to ensure that housing that is already affordable will remain affordable. I think the other people on the panel can speak to this as well.

We can't buy and build our way out of this housing crisis because, as Ray had mentioned, we're losing 11 units of housing that are naturally affordable for every one that we're able to build through the national housing strategy.

Ms. Julie Dzerowicz: Thank you.

I'll turn my attention to Mr. Sullivan.

You talked about looking at federal lands as one way to start addressing the housing crisis that's under way here in Canada.

I am on record and I have talked a number of times to a number of ministers about making sure that we are doing a review of our federal commercial lands in order to address the housing and affordability crises that we have here. I do think it's important to acknowledge that our federal government has already created over 1,400 new homes on federal properties and we recently announced that we are unlocking an additional 2,900 new homes on federal properties by 2029.

Beyond this continued review, Mr. Sullivan, perhaps you could talk a little bit more about what more we need to be doing around federal commercial lands that are in the hands of the federal government.

Mr. Ray Sullivan: It was good to hear the minister announce several months ago a change in mandate for the Canada Lands Company to ensure at least 20% affordability. I'd like to see that rise higher than 20%, but it's certainly a good start.

There's a severe limitation on access to federal lands because there's a fund, the federal lands initiative, where the government es-

entially buys land from itself and then makes it available to municipalities and non-profits to develop.

The amount of land that can be made available is limited by that budget amount. That's why we're advocating to switch to a leasing model. A one-dollar lease to a non-profit, co-op or municipality for 99 years would allow us to build that affordable housing. It would also allow the government to retain the value of an asset on its balance sheet. In fact, the value of that asset would grow as the land is being developed.

Significantly, another important message is to look beyond the concept of surplus land and look at the idea of lazy land.

I live here in Ottawa, I ride my bike past federal government buildings outside of the downtown core and they are surrounded by an acre of mowed grass. The government office use can still continue in that building and we can build 50 townhomes across the front of the street and create affordable housing compatible with the existing use. This would unlock the true potential of the federal land inventory across the country.

Ms. Julie Dzerowicz: Thank you.

The Chair: Now we go to MP Trudel.

Welcome back to the committee.

[*Translation*]

Mr. Denis Trudel (Longueuil—Saint-Hubert, BQ): Thank you very much, Mr. Chair. It's a pleasure to be here.

I would also like to thank the witnesses for coming to talk to us about this important issue of homelessness and housing. They talked a lot about community housing and the importance of social housing. I'm very pleased to hear that.

Mrs. Houle, you wrote a report. There is no mention of the exact number of homeless people or the increase in the number of those people across Canada in recent years, but the Government of Quebec has done that work. In 2018, in terms of visible homelessness, there were perhaps 5,000 individuals in Quebec. Last year, the number was 10,000. So that number has doubled in five years. In fact, it was exactly when the federal government launched its major national housing strategy that the homeless population in Quebec doubled, no less.

At the same time, we have learned from various sources that the federal government is preparing to cut the budget by 3% for the reaching home program, the major national program to address homelessness challenges. The homeless population has doubled in Quebec, but the government is about to announce a 3% cut to the program's budget, probably to please the Conservatives and to go up in the polls. The federal government wants to show that it is in control when it comes to fiscal restraint. Do you think this is really a good place to make cuts when the homeless population is doubling in Quebec?

• (1140)

Mrs. Marie-Josée Houle: Absolutely not.

Mr. Denis Trudel: I quite agree with you.

In your report, you talked a lot about housing being a right. You're right.

You also talked about encampments. I did a tour of Quebec from one end to the other. There are encampments in large cities such as Montreal, Quebec City, Saint-Jérôme and Rouyn, but they are now appearing in small rural areas, particularly in the Lower St. Lawrence and Lac-Saint-Jean. There are even tent parks in small villages in the Laurentians, where we did not see that before. What measures do you think should be put in place?

There are two trends in homelessness. On the one hand, we can continue to fund emergency housing. On the other hand, we can invest a lot of money in social housing.

There are currently far too many people in intermediate homelessness resources. There are emergency resources, but there are also intermediate resources where people can live for one to two months, the time it takes to start a social or professional reintegration. In the past, this reintegration process could lead people to social housing. But there is no more social housing. Intermediate resources have become overwhelmed.

Should funding for emergency and intermediate housing be prioritized, or should investments be focused in social housing so that people can lead a normal life, in a home?

Mrs. Marie-Josée Houle: First, an inn is not housing. That's not a solution. This type of housing exists to respond to emergencies. We really need to focus on investments in housing.

In the regions you mentioned, a lot of housing has been converted to Airbnb rentals. This is more financialization. Measures must be put in place to stop or slow down investments in housing in order to make a profit. Financialization must stop.

In the Gaspé, there is not even a place to house employees working in tourism because all the housing and houses that belonged to families have been bought or converted to short-term rentals. We see that everywhere, but especially in the regions. During the pandemic, it was a good place to invest because it was a very stable industry during a period of economic instability. Again, this is financialization.

When we talk about expenditures, we absolutely have to target affordable, permanent housing that will be accessible to the people who need it most.

Mr. Denis Trudel: Thank you, Mrs. Houle.

Mr. Cimon, you did a tour of Europe. You mentioned Vienna, Denmark, France. In Vienna, 60% of the housing stock consists of social housing. What can Vienna teach us? What are they doing there that we have not understood here in Canada? What can we do to get closer to what they are doing in terms of social housing?

Mr. Éric Cimon: Recognition of social housing as a development tool and a way to uphold the right to housing, but also as an economic response so that people can have access to housing, is huge. That is why what we call affordable housing here does not

correspond to that definition. Affordable housing is affordable for whom? We always talk about affordability for low-income and vulnerable people. This is important. When you go to social housing, you create an asset whose objective is to help people, and the resulting wealth is reinvested.

To give you an example, just in Vienna, the organizations have 1 billion euros a year that they reinvest in renovations and new construction. I repeat, they have 1 billion euros a year, just for that city. This billion euros is not government money. This is the surplus of groups that, to meet their needs, do construction or renovation to ensure that the housing stock is in good condition.

Consequently, by investing in social and community housing and ensuring the value of that stock and the organizations that take care of it, the government creates additional wealth. Instead of prioritizing emergency assistance for the homeless, we are prioritizing housing to ensure that there will be no more homeless people.

In the beginning, we have to get out of this vicious circle by saying that we're going to build housing and that the value of that housing will be reused to create others, accelerate the pace and move to large scale. At the moment, we go by program, by small achievements, and we think that the private sector will create affordable housing. However, the individual will sell their home or turn it into an Airbnb. So we have to make sure that we have a long-term system.

It's 100 years of history in Vienna. This is a story that we have to start here now. Because of the crisis, we have to realize that it takes a big project and the ability to achieve our ambitions. We have to set a target.

We have the number of people in core housing need. How long will it take for us to be able to build and how will we be able to give ourselves the tools to multiply that money through the involvement of social and community housing? Social and community housing players must ensure that this money always stays in the system and that it does not end up in profit, or in a sale or a transformation.

• (1145)

Mr. Denis Trudel: Thank you very much, Mr. Cimon.

[English]

The Chair: Now we go to MP Blaikie.

Mr. Daniel Blaikie: Thank you very much.

Thank you to all our witnesses for being here today. There has been some great testimony.

One of the things I'm hearing is that one of our problems when it comes to the housing space is we have a government that still really only measures value in the housing space through profit, so a lot of the programs we're seeing always ask the question of how people who invest in housing make profit. If the answer is that they don't, there's very little investment. If there's a mechanism that somehow includes profit—as it did in the RCFI, as an example—the government seems to appreciate the value of the program more than when there isn't profit.

We talk about productivity and we talk about access to housing for workers and all of the more indirect points, which are perhaps harder to measure, although a lot of folks have shown they're pretty easy to measure if you have the conceptual tools at your disposal.

One thing we've talked a bit about here today is a non-profit acquisition fund to ensure that community organizations that are competent housing deliverers have the access to capital they need to compete with the corporate landlords that are otherwise coming in and scooping up those buildings. That's something New Democrats have supported for a long time. We're very happy to see the B.C. NDP move ahead on that in its own way.

One of the questions that come up in the context of a non-profit acquisition fund is how to make sure it doesn't simply become a tool for divestment by REITs and corporate landlords who have bought up some of these buildings and done what they're going to do in terms of evicting tenants and jacking up rents, and now see more value in selling the buildings than continuing to operate them.

I'm wondering, Ms. Houle and Mr. Sullivan, if you might have some thoughts on what kinds of guardrails can be put in place to ensure that a non-profit acquisition fund delivers benefits to Canadians and to people who need access to affordable housing, and doesn't simply become a divestment tool for larger landlords.

Maybe we could start with Mr. Sullivan and then come to Ms. Houle.

Mr. Ray Sullivan: What we need to focus on is interrupting that cycle you described, in which especially large financialized landlords are purchasing properties and often displacing the tenants who are there so that they can raise the rent, thereby raising the value of the asset, and then selling that asset and returning the profit to their shareholders and members.

Moving that building into non-profit and co-op control interrupts that cycle. That's why we're focusing on acquisition. It protects those tenancies, because we know that in that transaction in the private sector, those tenancies are at risk. There's a strong motivation for a new owner to increase the value of their assets by displacing those tenants and changing those rents.

The longer someone has been in that home, the more they're a problem on the balance sheet for that new owner. Grandma, who's been living there for 20 years at \$800-a-month rent, is vulnerable in this situation, but no longer will be when that property is owned by a non-profit, a co-op or a community land trust. That's the outcome we need to protect.

Mr. Daniel Blaikie: Ms. Houle, do you have anything to add to that?

Ms. Marie-Josée Houle: First of all, the committee has already heard from Maureen Fair, the executive director of West Neighbourhood House, about the need for maybe considering tax forgiveness for private firms that sell their buildings to non-profit and public entities. Also, according to Jill Black, a housing researcher, owners of rental buildings should be allowed to maybe defer taxes on capital gains and CCA recapture if they sell to non-profit...or buy another building within a year.

• (1150)

[*Translation*]

Mr. Daniel Blaikie: Mr. Cimon, do you have anything to add?

Mr. Éric Cimon: Yes. I just want to say that laws matter. When the Quebec government invests in a co-operative or a non-profit organization, certain obligations are imposed by legislation, in particular the Cooperatives Act and the legislative provisions for non-profit housing organizations. They were recently amended to give the minister the right to intervene in the purchase of a building that is put up for sale. A fund's investment must serve the public good and stand the test of time.

I'm not familiar with all the provincial legislation, but when you amend legislation that governs investment in a co-operative or a non-profit organization, you have to make sure that, under the relevant legislation, the co-operative is not allowed to sell its building to the private sector without the agreement of the minister.

The idea behind having a fund that pays for these measures is that money invested in social and community housing will ensure sustainability and guaranteed affordability over time. That is the only way we have found, in Canada and elsewhere, to ensure housing affordability, because no one is out to make a profit. People will still apply a minimal rent increase to keep their rental unit in good condition. There's no other way around it. The private sector will always be profit-driven. A new owner will be profit-driven. No one has found a different way to keep housing affordable.

Mr. Daniel Blaikie: Thank you very much.

[*English*]

Mr. Sullivan, on the topic of guardrails, you talked a little bit about the use of federal land. You mentioned that there's been an announcement about ensuring that 20% of units built on federal land are affordable. New Democrats would agree that this threshold should be higher. However, I wonder if there are other guardrails that you think the federal government should be looking at putting in place around the use of federal land for housing to ensure that Canadians get the maximum value in terms of addressing the housing crisis with the use of that land, as opposed to developers maximizing value through profit.

Mr. Ray Sullivan: I think that all public land—federal, provincial and municipal—should be set aside for community housing development in any residential context. This can be a mixed-income community, which allows a non-profit developer to leverage the value of market rents to provide even deeper affordability to a portion of the neighbours who are there. To me, dedicating 20% is nibbling at the edges. We need to change the mandate of the Canada Lands Company completely so that it's not driven toward a return on investment or a return on the value of the land from property, but on the social return of creating more affordable community housing.

Mr. Daniel Blaikie: Thank you.

The Chair: Members, I'm just looking at the time. We lost a little bit of time, so we're going to give each party two minutes to ask our witnesses a few more questions.

We're starting with MP Chambers for two minutes.

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

Mr. Sullivan, do we have a good enough database on existing federal land stock across the country that someone could look at and say, "You know, that might be an interesting parcel"?

Mr. Ray Sullivan: Yes. The Treasury Board keeps an inventory of all federal real estate assets. More important, I think, for what you're asking about are lands that are suitable for residential development. The housing assessment resource tools, HART, project, out of the University of British Columbia has actually been building an online inventory of those lands and scoring them on their suitability for affordable housing and residential development, city by city.

Mr. Adam Chambers: Thanks. That's very helpful.

You mentioned the impact of interest rates and the fact that higher interest rates mean less money, that a project has to shrink. This is why it's important for the federal government to take as many steps as it has in its control to bring down inflation so that interest rates can come down. Would you agree with that position?

• (1155)

Mr. Ray Sullivan: I agree that interest rates make all the difference when it comes to developing rental housing.

Mr. Adam Chambers: So lower interest rates are better for housing and better for everybody.

Ms. Houle, I have 30 seconds left, I wish I had longer, but if there's anything else you'd like to add from your testimony you haven't gotten to yet, in the last 30 to 40 seconds you can do so.

Ms. Marie-Josée Houle: Thank you for that.

I think when we're talking about an acquisition fund as well, we really need to expand it to non-profit seniors' apartment buildings. Seniors' housing and the financialization of seniors' housing and long-term care is something I'm really concerned about. We've seen really high rates of morbidity and mortality in seniors' housing that is for-profit and this too needs to be addressed. Thank you for the opportunity to speak about that today.

Mr. Adam Chambers: Thank you for coming.

The Chair: Now we go to MP Thompson for a couple of minutes.

Ms. Joanne Thompson (St. John's East, Lib.): Thank you.

Ms. Houle, thank you for referencing seniors' housing. That's something I spend a tremendous amount of time on and my question there is going to link to the homeless encampment. Thank you for that report, and for referencing the need to have broader supports, often mental health and physical health supports for substance use, and links with the justice system so it's not criminalized and so on.

You have worked in this sector for a very long time. Would you speak about the role of provincial governments in supporting the understanding that there isn't just one door or one solution to homelessness or housing needs, that there are actually multiple doors and there are various entry points, beginning, obviously, with someone who is not housed at all? Could you speak about the role of municipalities and provincial governments, particularly municipalities, and how we need to work with municipalities and how the accelerator fund is doing that to really ensure the wraparound supports are there but also the zoning and the acceptance that we need multiple types of housing, seniors' housing included, to be able to address the crisis in the country?

Ms. Marie-Josée Houle: I hope I understood your question appropriately. Housing is multi-jurisdictional and my report on encampments has called for a national response plan to be put in place by August 31 that includes representation from all levels of government. It needs to be led by the federal government, because this is a national issue, and what we're seeing is a patchwork of responses: some of them are human rights-based and led, and some are very punitive and also violate human rights. It's very important that we have representation of all levels of government, including indigenous government, because this is also an overrepresentation of people who are indigenous, so it's not only a human rights violation but also a violation of indigenous rights.

All levels of government have a role to play. Like you outlined, for municipalities, it is about bylaw, it is about zoning; for the provinces, it's also about funding around housing, but also around health—health is a huge issue. It can't be a siloed approach and we really need, I can't stress it enough, coordination. We need to address this. Nobody wants encampments in this country; we should not have encampments in this country.

The Chair: Thank you.

Thank you, MP Thompson.

[Translation]

Mr. Trudel, you have the floor for two minutes.

Mr. Denis Trudel: Let's talk about the financialization of housing. In Montreal alone—and I'm sure it's comparable to Vancouver and Toronto—0.46% of landlords own one-third of the rental stock. That means there is a major concentration of owners in the rental stock. In fact, this morning's *La Presse* featured an article about a landlord who is evicting tenants. These people have a major impact on housing prices, and I'd like to ask the witnesses for one or two key measures to remedy this.

Mrs. Houle, you may begin.

Mrs. Marie-Josée Houle: I'm sorry, but I didn't understand your question.

Mr. Denis Trudel: I'm talking about measures to tackle financialization. It's in your report, and you mentioned it in your opening remarks. What would be the most significant measure to put in place fairly quickly to tackle the financialization of housing?

Mrs. Marie-Josée Houle: One is to properly tax REITs, which I believe are not taxed. The government has done a study on this, and we must deal with the issue as soon as possible. A measure like this would ensure that investment in housing is less attractive to investors.

• (1200)

Mr. Denis Trudel: Mr. Cimon, do you want to add anything?

Mr. Éric Cimon: The first thing we have to do is make sure that there is no speculation and that the government does not contribute to it. When we fund private affordable housing, that housing can be purchased by an investor. Then it could become financialized, which defeats the purpose.

To ensure that the money will properly serve the public in the long term, the government must turn to social and community housing. It also needs to expand the target population: social housing must not be reserved for low-income and vulnerable people. It should also be for people who are simply not rich. By maintaining a large housing stock, investing in non-profit collectively owned properties and focusing on the social economy, we will be sure to avoid speculation.

Mr. Denis Trudel: Mr. Sullivan, what can you add, briefly?

Mr. Ray Sullivan: We have to make sure that a third of the stock is social housing.

Mr. Denis Trudel: Thank you.

The Chair: Thank you.

[English]

MP Blaikie, go ahead for two minutes, please. You will be the final questioner of our witnesses.

Mr. Daniel Blaikie: Thanks very much, Mr. Chair.

We heard today that spending on housing is non-inflationary. Incidentally, today is not the first time we've heard these things. We've heard that there are ways in which the government can actually leverage public land, not only to build housing but also to improve its financial position on the ledger through leasing, for example. We know that new housing projects can leverage market rent in order to make deep affordability possible for other units.

I'm curious to get a quick survey of our witnesses today. As much as addressing the housing crisis costs money—and I'm not trying to gloss over that—it sounds to me as though the financial resources do exist to address the problem. Is it a problem, principally, of getting access to financing, or is it a problem of political will and getting long-term funding commitments out of the federal government, and getting governments on the same page to get the administrative ducks in a row to be able to mobilize a sector that is clearly ready to deliver on the housing that Canadians need?

We'll start with Ms. Houle and take a quick answer from each of our witnesses.

Ms. Marie-Josée Houle: You said it: The non-market housing sector, co-ops and non-profits are ready. They know what to do. The business acumen exists. We do need the political will, but we also need the alignment of all levels of government to make it happen. We also need an all-of-government approach.

This is not just a housing issue; it is a housing, health and mental health issue as well, and it involves protecting people.

Mr. Éric Cimon: If we don't do everything you talked about soon and on a big scale, we won't have a housing crisis; we'll have a social crisis.

We have to make sure that we as a country wake up and do what we need to do to avoid that. We have all the tools; we just need to have the will and the money and make sure that everybody is on the same page.

Mr. Ray Sullivan: The commitments that were made under the national housing strategy expire in 2028 or before. We are within sight of that cliff and can see those things dropping off. Four years is a very short period of time when it comes to developing affordable housing, and we need to ensure that that legacy continues or we will be in the social crisis that Mr. Cimon described.

The Chair: Thank you.

Just before we get back to MP Hallan's motion, we want to thank our witnesses.

Thank you for coming before the finance committee, some of you with very short notice. You did a fabulous job. Thank you for your testimony on this housing study. We'll let you go at this time.

We'll get back to the motion.

I had MP Blaikie, MP Kelly and then MP Chambers on the list.

• (1205)

Mr. Daniel Blaikie: As I said earlier, New Democrats are of the view that increases in the excise tax on beer, wine and liquor shouldn't exceed the target rate of inflation. That's not exactly what this motion proposes to do. I would like to suggest an amendment that would help this motion do that.

I, therefore, move that the motion be amended to replace everything after “past year” with the following:

breweries, wineries and distilleries are an important source of wealth and employment in the Canadian economy, and industry sales have not returned to prepandemic levels, the committee calls on the government to limit the April 1, 2024, increase of the excise tax on beer, wine and liquor to the Bank of Canada's target inflation rate of 2%.

The Chair: Thank you, MP Blaikie.

[*Translation*]

Mr. Gabriel Ste-Marie (Joliette, BQ): I have a point of order, Mr. Chair.

[*English*]

The Chair: MP Ste-Marie.

[*Translation*]

Mr. Gabriel Ste-Marie (Joliette, BQ): I just wish we had—

[*English*]

Mr. Pat Kelly (Calgary Rocky Ridge, CPC): Wait. Am I not next?

The Chair: This is to the amendment.

[*Translation*]

Mr. Gabriel Ste-Marie: On a point of order.

We can continue debating the amendment, but before voting on it, I'd like to wait until I receive the French version.

[*English*]

The Chair: Okay. Thank you, MP Ste-Marie.

MP Kelly.

Mr. Pat Kelly: Thank you, Chair. I was momentarily concerned about the maintenance of the speaking order.

The amendment is of course material to the main motion, and the amendment would reduce the tax increase that is coming on Canadians for the excise tax on beer, wine and spirits.

I don't support the amendment, because I think the automatic escalation of taxes on beer, wine and spirits should be repealed outright. It's not right that there would be an automatic increase of any type that wouldn't be put to a vote in the House of Commons, where MPs can actually vote on whether or not the government ought to increase taxes. There's a democratic principle and a governance principle around taxation and votes in Parliament.

While undoubtedly a 2% increase would be less worse than the 4.5% or 5% increase that would result in the absence of a change to the automatic escalation of taxes that's going to come in, I would support a zero tax increase this year; and I would support no tax increase on beer, wine and spirits until and unless it's put to Parliament, the way tax increases should be.

Under this government, the tax on beer, wine and spirits has gone up every year since 2016. They brought in the escalator, raised the tax then, and put the tax increase system on autopilot, so that it goes up every single year.

Critics of my private member's bill, for example, which seeks to repeal the automatic escalator, have asked why I worry about the

price of beer, wine and spirits going up a little bit for Canadians. Canadians can afford a little bit extra on something that's a discretionary spending item.

To them I would say no. This cannot become a country where the simplest middle-class pleasures become unaffordable for working Canadians, where a bottle of wine with a loved one—we just had Valentine's Day—goes beyond that which middle-class working Canadians can afford, or going and having a beer with your friends to watch a hockey game.... These are middle-class consumers who are having their taxes raised every single year regardless of the will of the current Parliament of the day.

It's not right, so I would support repealing the automatic escalator entirely. I would encourage parliamentarians to support my private member's bill that would do that. In the meantime, I would encourage parliamentarians at this committee to oppose the amendment and support the original motion unamended.

Thank you.

● (1210)

The Chair: Thank you, MP Kelly.

Go ahead, MP Baker.

Mr. Yvan Baker (Etobicoke Centre, Lib.): I would just say that I think what Mr. Blaikie has proposed is quite reasonable, and we're prepared to support it.

The Chair: Thank you, MP Baker.

Would anybody else like to speak to this amendment?

Mr. Jasraj Singh Hallan: I'll say something on the amendment.

I don't see why we need to be playing a game of chicken with taxpayers and small businesses. We know that insolvencies are up. They are having a tougher and tougher time because of this government's high-tax, high-spend agenda.

I think that we should have this conversation again once inflation is down. Inflation is not down, as Mr. Blaikie pointed out. It's not within the target rate. The way the trend is going right now, it doesn't look like it's going to get there any time soon, so I think we should do everything we can to stand up for those struggling small businesses and not put more taxes and more burden on them. It's not just the small businesses that are suffering from this. Like I mentioned, there are many workers in ride-share companies and taxi drivers who I talk to all the time. They are seeing their business go down because they are seeing less and less business coming out of restaurants and bars.

I think we should do everything we can to defend their paycheques and make sure that their paycheques are more powerful. Unless inflation comes down to target, we should do everything we can to reduce people's taxes, not increase them.

We know that the carbon tax is also going to increase, on top of the payroll tax that happened January 1. That is less money in people's pockets as well.

We just had witnesses here who talked about shelter costs and then we talked about food. The increase in everything means less in people's pockets. If they want to enjoy those small things—I'm not a drinker myself—I will defend small businesses and Canadians to be able to enjoy those things that should not be a luxury in this country. It seems like we're moving more and more towards that.

I urge my colleagues to think about those Canadians and small businesses that are suffering. Let's not increase taxes. Let's do everything in this committee that we can so that we can decrease their taxes and make sure that they have more powerful paycheques.

The Chair: Thank you, MP Hallan.

I have MP Chambers and then MP Dzerowicz.

Mr. Adam Chambers: Thank you, Mr. Chair.

On the amendment, in principle, I support the original motion. I think the amendment has the effect of what the government decided to do last year. In the sense that that's an ultimate compromise, I suppose that's better than my preferred approach. On principle, I will support the original amendment.

I will just provide verbal notice of a motion:

That, with respect of Royal Bank of Canada's purchase of HSBC Canada, the Committee call on the government to require an amount equal to no less than \$100M be set aside in escrow for a period of 18 months to cover any fines, penalties or levies that may potentially be against HSBC Canada in connection with any current or future investigations by regulators or authorities under relevant legislation or regulations, including the Proceeds of Crime and Money Laundering Terrorist Financing Act.

I don't believe that it would be fair for the shareholders of RBC to be on the hook for potential actions taken by HSBC Canada prior to the merger. I suspect that there's already some amount of set-aside negotiated. I have no information in that respect, but I'm providing verbal notice of this motion as a way to make sure that taxpayers will get money if there were any wrongdoings by HSBC Canada prior to the transaction and that RBC shareholders aren't on the hook. By the way, shareholders include many Canadians through their pension funds, etc.

• (1215)

The Chair: Thank you.

Go ahead, MP Dzerowicz.

Ms. Julie Dzerowicz: I want to thank Mr. Blaikie for the proposed amendment. I do support it.

I will say to you that in my tiny riding of 12 square kilometres, I have a lot of microbreweries and a lot of breweries. They are very supportive of the 2%. It's what they asked for last year and it's what they're asking for this year. If they can keep it to the 2%, they feel that's affordable.

Also, Mr. Hallan, inflation has come down from 8.1% a couple of summers ago to 3.4% in December. It's not in the target range, but if you recall, the Governor of the Bank of Canada does believe it's moving into the target range and expects it to be there toward the end of this year.

Thank you.

The Chair: Go ahead, MP Blaikie.

Mr. Daniel Blaikie: This is a technical question, because I don't know how all the guts of the work gets done by the great people who support us.

If the interpreters are the ones translating the motion, then I'm wondering whether we should suspend so that they don't have to translate us while they're trying to translate the motion.

The Chair: The clerk could answer that. He has sent it to translation. I don't know where that is, up there in the ether, and we don't know how long that will take.

I could propose something else. We could use this time to transition to the PBC. When we do get that translation, we could get back to this and deal with it. Just the transitioning will eat up some time too.

Are members in agreement?

Mr. Jasraj Singh Hallan: We would be fine with that, as long as the votes are in public.

The Chair: Well, then we'd have to come back after that again. We'd have to transition.

Mr. Jasraj Singh Hallan: Then we wouldn't agree. We want this in public.

Mr. Daniel Blaikie: Can we have recorded votes and publish them? Can we agree to do that?

The Chair: No. That cannot be done in camera.

Mr. Jasraj Singh Hallan: Do we know how long the interpreters will be?

The Chair: I'll ask the clerk to inform the members, please.

The Clerk of the Committee (Mr. Alexandre Roger): Just to respond to Mr. Blaikie's question, our interpreters are not translators. We have a translation service called Tipdoc for urgent requests, which is where I sent it. They're working on it right now.

I can't inform the committee on how much time this will take.

Mr. Daniel Blaikie: Would it make sense to just have a brief suspension, then, while we wait and see?

The Chair: Or, as was requested, we could also transition to PBC and then transition back out.

Mr. Pat Kelly: I would just suspend.

• (1220)

The Chair: We'll suspend until, hopefully, we get that translation.

• (1220) _____ (Pause) _____

• (1238)

The Chair: Members, you should now have received the French version of the amendment.

Monsieur Ste-Marie, I don't know if you'd like to look it over.

MP Hallan.

Mr. Jasraj Singh Hallan: Thank you, Chair.

I just want to make one last plea. If there's any way Mr. Blaikie would be willing to do a 0% increase, as we discussed, until inflation does come down, we could have this conversation once again.

As we all know, it's a cost of living crisis that we're going through, and increasing taxes again is not helping anybody out—not our small businesses, not the producers and certainly not Canadians who are already struggling with the high cost of everything after eight years.

I would like to ask Mr. Blaikie if he'd be willing to get rid of the 2% and just keep it at zero. We can keep all of the other wording.

• (1240)

The Chair: Thank you.

MP Blaikie.

Mr. Daniel Blaikie: As Mr. Hallan has pointed out, there will no doubt be other occasions to talk about this again.

It's something that Canadians will watch very closely, alongside inflation numbers, but for the moment, I think that limiting the increase to the target rate of inflation is the appropriate course of action.

(Amendment agreed to: yeas 7; nays 4)

(Motion as amended agreed to: yeas 11; nays 0)

The Chair: We are going in camera for the PBC.

[Proceedings continue in camera]

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