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• (1535)

[English]

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

Welcome to meeting number 156 of the Standing Committee on Finance.

Today's meeting is taking place in a hybrid format. All witnesses should be addressed through the chair. Members, please raise your hand if you wish to speak whether participating in person or via Zoom. The clerk and I will manage the speaking order as best we can.

I'd like to remind participants of the following points. Please wait until I recognize you by name before speaking. All comments should be addressed through the chair. Members, please raise your hand if you wish to speak whether participating in person or via Zoom. The clerk and I will manage the speaking order as best we can.

Today we're on the study of the changes to capital gains and corresponding measures announced in budget 2025.

Pursuant to Standing Order 83(1) and the motion adopted by the committee on Thursday, September 26, 2024, the committee is resuming its study on the pre-budget consultations in advance of the 2025 budget.

I'd now like to welcome our witnesses.

From the Association québécoise de l'industrie du disque, du spectacle et de la vidéo, we have the director of public affairs with us, Simon Claus. Also joining Simon Claus is the executive director, Eve Paré. We also have with us, from Basic Income Canada Network, Sidney Frankel, senior scholar and Sheila Regehr, chairperson. From the Confédération des syndicats nationaux, we have François Bélanger, union adviser, and Yvan Duceppe, treasurer. From the Co-operative Housing Federation of Canada, we have Patricia Tessier, who is the acting executive director.

We thank you, Patricia, for joining us. I know it was really last minute, and you were able to make it work. Thank you so much; we appreciate that.

From the Council of Canadian Innovators, Benjamin Bergen, president, is with us as well as Nicholas Schiavo, the director of federal affairs. We also have, from the Raven Indigenous Impact Foundation, Jeffrey Cyr, president and chief executive officer, although we are having some challenges because the headset is not the appropriate one, as you know, members.

What we'd ask is that, for any questions that go to president Jeffrey Cyr from the Raven Indigenous Impact Foundation, you pose those questions, and the responses will be sent to us in writing. We wish that Jeffrey Cyr had the right headset. I know sometimes it's difficult in terms of the logistics of getting these headsets to our witnesses.

On that, we are going to hear from our witnesses for up to five minutes for their opening remarks.

Ms. Regehr, were you saying that you're having some trouble?

Ms. Sheila Regehr (Chairperson, Basic Income Canada Network): We're not getting sound.

The Chair: We will check with with sound and interpretation and make sure that it is working.

While we're changing that headset—hopefully it works—we are going to start with opening remarks.

That will be with the Association québécoise de l'industrie du disque, du spectacle et de la vidéo, and I understand that Eve Paré will be starting off those remarks via video conference.

You may start.

[Translation]

Mrs. Eve Paré (Executive Director, Association québécoise de l'industrie du disque, du spectacle et de la vidéo): Thank you, Mr. Chair. I also want to thank committee members for allowing us to testify today.

ADISQ, the Association québécoise de l'industrie du disque, du spectacle et de la vidéo, is an association of some 200 Quebec music and concert entrepreneurs. Their expertise makes it possible for Quebec artists to be heard and to build careers in the long term.

In this increasingly digital world, discoverability of local content on streaming platforms is a constant battle. We are going to be drowning in an ocean of music content. More than 100,000 new titles are uploaded to these platforms every day. In this hyper-competitive universe, there are also algorithms that often promote big international stars who have enormous financial resources at their disposal and who capture a large share of attention, and this makes visibility more complicated for our artists. At the same time, we are seeing fragmentation of listening habits. The result is that reaching the public has never been so complex, and this heightens the challenges for our companies. The effect of this imbalance is a decline in revenue for Canadian producers, while costs keep rising, making it hard to develop careers in the arts in the long term.

In 2018-19, given this situation, the Government of Canada granted the Canada Music Fund an extension of \$10 million over a five-year period, bringing it to \$35 million during that period. This fund supports the Fondation Musicaction and FACTOR, the Foundation Assisting Canadian Talent on Recordings, two key organizations that support the production, distribution and promotion of Canadian music projects. On this point, it is important to note that this support was not related to the pandemic. After this, in the 2021 election campaign, the Liberal Party of Canada committed to increasing the fund to \$50 million annually by 2024-25 to meet industry needs and ensure the predictability of the CMF's funding.

Last year, as the deadline for extending the funding approached, we appeared here to argue the importance of continuing to support the music sector and fulfilling that promise, but our appeal was only partially heard. In its last budget, the government granted funding in the amount of \$16 million annually, but only for a two-year period. Even so, the entire industry breathed a sigh of relief.

We are aware of the present budget constraints and the political context. We are appearing here today to try to persuade you to secure permanent funding for the Canada Music Fund. Predictability of programming is the cornerstone on which companies will be able to invest with confidence in the development of artists' careers.

In addition, the difficulties we have faced for years in our industry also result from the Copyright Act, which has become obsolete. We therefore hope to see two minor changes made that would, most importantly, have no budget impact for the public purse.

The present definition of "sound recording" in the Copyright Act excludes recorded music used in the soundtrack of a television broadcast or a film. The rights holders are therefore not remunerated for the use of their music. We are therefore asking that this definition be amended so that rights holders can receive remuneration when the fruits of their labour are incorporated into an audiovisual work.

Our second request relates to the private copying scheme, which has been a significant source of income for rights holders since it was created in 1997. This is a system of royalties charged on the media and compact disks used for copying music, in order to provide compensation for copies made by individuals for personal use. This scheme has never been revised, even though major changes have taken place in how music is copied. Many countries have revised their scheme to include MP3 readers or smart phones, with no resulting increase in the price of those devices. We are therefore asking that the private copying scheme be revised so that it is technologically neutral and allows royalties to be collected on media such as electronic tablets or smart phones.

We urge the government to act rapidly and incorporate these changes into the Copyright Act in this year's fall economic statement. Providing stable funding for our music and our companies means supporting an industry whose economic benefits help our culture to flourish.

Thank you for your attention.

● (1540)

The Chair: Thank you.

[English]

Now we'll hear from the Basic Income Canada Network. I believe Ms. Regehr will start.

Ms. Sheila Regehr: Thank you very much for the invitation to appear today.

We bring a sense of urgency that we hope you share. It's undeniable that Canadians are experiencing a polycrisis. This doesn't mean simply that multiple crises are occurring at the same time. They are interacting with each other to produce an effect that's much more serious than the sum of its parts.

These crises include threats to the environment, higher poverty rates as pandemic benefits lapsed, income and asset inequality, food insecurity, decreases in the affordability of shelter and other basic needs items, precarious jobs, crime and violence, and worsening physical and mental health for many of us.

A common thread in this polycrisis is the role that income security plays in producing it and making things worse. Income is certainly not the only determinant, but it is a significant one. Inadequate coverage, poor coordination, insufficient benefits, and inefficiency and ineffectiveness in some of our income programs do not help.

A basic income approach—and this is one that underlies seniors' and children's benefits—has proven itself to be efficient and effective. It's a critical policy lever that government can employ more comprehensively to help solve the polycrisis and lessen its impacts.

Canadians are worried, uncertain and stressed. They don't experience our income support programs as an effective safeguard against the severe risks they face, nor do they find it a support for developing their capacity to help themselves and others. A basic income guarantee does both of those things. It decreases uncertainty and risk, and it increases capacity and options. This is good for individuals, for our communities and for the economy.

What is a basic income guarantee? Very quickly, it's a periodic cash payment with no behavioural conditions for work, education or anything else. It's affordable because it's a better use of resources than paying for a patchwork that's generating more problems than solutions. Conditions in our programs come with costs to bureaucracies, to people who are stigmatized and constrained, to communities facing problems they can't fix, and to governments that lose the trust of citizens.

A basic income guarantee is income tested. This is not a plan where billionaires get money too. It's so that people who need the most help get it when they need it. It's similar to universal health care in that regard. We really hope we're not going to need brain surgery, but we know that it's available to us when we need it.

It does not decrease work. I cannot stress this strongly enough. Decades of research and evidence show that it enables caring for young children, gaining education, searching for a better job and fostering entrepreneurship. It recognizes that some people actually are overworked. It provides the economic basis to start and gain from employment, including—and this happens rapidly—by improving physical and mental health.

Mr. Sidney Frankel (Senior Scholar, Basic Income Canada Network): We have four recommendations, which are spelled out in the brief.

First of all, as Sheila said, Canada has many partial basic income programs—programs that are unconditional and universal or at least universal for a demographic group.

Given the crisis we're in, we argue that these existing vehicles should be used and their benefits should be increased. For example, we have the goods and services tax credit, the guaranteed income supplement, and a recommendation for a low-income supplement to the Canada child benefit.

Secondly, the Canada disability benefit is a wonderful innovation, but there are two issues. First is its adequacy. It's just not large enough to fulfill the promise of moving most people with disabilities living in poverty out of poverty. Then, the definition in the proposed regulations is much more narrow and conditional than the definition in the act. We hope this changes quickly.

Thirdly, innovation in basic income is occurring in provinces and territories—in British Columbia, Newfoundland and Labrador, Prince Edward Island, Northwest Territories and in the Yukon, which involves significant indigenous populations. These innovations, combined with Ontario's aborted pilot, are important for policy learning. We think the federal government should support them financially and technically, and offer communication and coordination.

Finally, we think that financial and human resources should be allocated to two things, which are developing a national framework for a basic income that will accommodate provincial and territorial interests, and developing a responsibility centre within the federal government for all income support programs and those conditions, like health, that are affected by income.

Thank you very much.

● (1545)

The Chair: Thank you, Mr. Frankel and Ms. Regehr.

Now, members, we'll move to the Confédération des syndicats nationaux for up to five minutes, please.

[*Translation*]

Mr. Yvan Duceppe (Treasurer, Confédération des syndicats nationaux): Hello and thank you, Mr. Chair.

I would first like to thank the Standing Committee on Finance for inviting us here.

I would note that the CSN, the Confédération des syndicats nationaux, represents more than 330,000 members in all possible economic sectors, primarily in Quebec but also throughout Canada.

First, we hope that the government will continue with its implementation of a progressive fiscal and budgetary policy. By that, we mean that we are not allergic to running low deficits, as a share of GDP, in order to meet the needs of Canadians and Quebecers.

Second, everyone is feeling the effects of the housing crisis. One aspect that bothers us relates to monetary policy. The Bank of Canada is said to be independent of the federal government. That said, we believe that rates should keep going down because inflation in general has been checked. The housing sub-index is still rising, however, and it affects primarily low-income people. We therefore hope that the Canadian government will invest in housing, especially in non-market housing, co-operatives and not-for-profit organizations, which would provide low rents in the long term.

With regard to employment insurance, the reform long promised by the Liberal government has not been brought in. Some of our members, and many people in the general public, are experiencing the problem of the “black hole”, a period during which they find themselves without an income. We believe this issue must be resolved. In addition, it was determined that to qualify for regular employment insurance benefits, a person needed 720 hours of insurable employment in some places, most of the time. To make this fairer, we believe the combination of hours and weeks needs to be rethought.

On the question of pharmacare, we welcome what has been done by the government to date, but it is not enough. All prescription drugs have to be covered, and that is not the case right now. This is a social policy that is important for the public as a whole.

There is much talk about immigration these days. We understand that it is important for the labour market, but not on just any terms, because those terms are often precarious for these people. There must be an end to closed work permits, because, ultimately, we are in the spotlight at the UN, which says that Canada is behaving badly toward immigrants.

The media are of fundamental importance in Quebec. We welcome funding for newsrooms, but it is important that this funding be extended to radio and television studios. Funding for CBC/Radio-Canada must be predictable, sustainable and sufficient, because advertising revenue is in constant decline and because CBC/Radio-Canada is a fundamental component of the culture of Quebec and Canada.

On the subject of the environment, there is talk of public transit to address or reduce greenhouse gas emissions. Unfortunately, most of our transit companies have non-recurring budgets. If we truly want to reduce greenhouse gas in the long term, those companies have to be adequately funded, both by the federal government and by the provincial government. We are telling the provincial government the same thing, have no fear, but we believe that the federal government's contribution is important.

I will close by saying that several tens of millions of dollars, maybe even a hundred million, have been cut from labour market development agreement funding, particularly affecting vocational training. We hope this funding will be restored so that our working women and men receive appropriate training in the labour market.

• (1550)

The Chair: Thank you, Mr. Duceppe.

[English]

Now we'll hear from the Co-operative Housing Federation of Canada.

Again, Ms. Tessier, thank you for coming on such short notice.

[Translation]

Ms. Patricia Tessier (Acting Executive Director, Co-operative Housing Federation of Canada): Thank you.

[English]

I'm very pleased to be here.

As you introduced me, I'm Patricia Tessier. I'm the acting executive director for the Co-operative Housing Federation of Canada, or CHF Canada, for short.

CHF Canada is the national voice of housing co-operatives. As some of you may know, there are more than 2,200 housing co-operatives located across every province and territory in Canada, which are home to a quarter of a million Canadians.

Co-operative housing is a well-documented success story. Co-op housing is affordable because it is operated at cost, meaning that housing charges—we call them housing charges, not rent—are increased only to cover the costs of operating and maintaining the buildings. Co-op housing is secure because there is no outside landlord who might hike up the rent, sell the building or renovate it. Co-op housing is inclusive as almost all operate on a mixed-income model. It brings people of all backgrounds together to make decisions about their housing together and to support each other.

In a world of growing housing insecurity and social isolation, co-op housing offers proven solutions to these financial and social struggles, but we need more and we need to protect what we have.

Here are our budget asks. This upcoming budget is an opportunity to solidify and further scale the existing federal commitment to build more co-op housing. I have four recommendations.

First and foremost, we need to build significantly more co-op homes. Canada must, at minimum, double the proportion of non-market community housing. By this, I mean co-ops and non-profit housing. The recently launched co-operative housing development program—it's wonderful, thank you—is playing a critical role in

enabling the development of the next generation of co-op housing. However, the demand is exceeding availability. This existing program and funding will help, but the program should grow in its ambitions with a larger envelope. I can tell you the sector is ready.

Secondly, we also need to protect existing affordable rental homes and the tenants who live there. We can do this through an accelerated and sector-led Canada rental protection fund. We are losing affordable housing more than we are building affordable housing at a rate of 15:1. If you'll permit me to repeat that, we are losing more affordable housing than we are building at a rate of 15:1. This is because a lot of relatively affordable housing in Canada is actually in the private rental market, where affordability is not guaranteed like it is with co-op housing; rather, renters are one rent hike or a renovation away from losing affordability, which is then lost forever.

It is not lost on me that the previous witnesses have talked of things that are very much impactful and relate to this.

The recently announced Canada rental protection fund is an important first step to enable co-operative and non-profit housing to purchase rental properties that are relatively affordable and are for sale. Tenants, both current and future, would be protected this way because that housing could be converted into a co-op or non-profit, therefore guaranteeing its affordability long term. A co-operative housing model does that. It guarantees affordability long term. Now we need to see the rapid implementation of a sector-led fund.

• (1555)

My third recommendation is that we must also advance indigenous housing rights by fully implementing the urban, rural and northern indigenous housing strategy. Providing culturally appropriate and affordable housing is an important way for Canada to advance reconciliation, so an urban, rural and northern indigenous housing strategy is essential. Implementation of the committed \$4.3 billion in federal funding for this strategy, led by indigenous housing providers, is urgently needed. The funding should lead to continued deeper investments aligned with the need.

My fourth and final recommendation is that we invest in long-term rental assistance for low-income households. Through the federal community housing initiative that exists now, low-income households living in co-ops and non-profits receive modest rental assistance. Their housing charge for rent or for co-ops does not cost more than 30% of their incomes. Typically about a third of co-op members receive rental assistance, but this expires in 2028. This is what enables co-ops to be diverse, mixed-income communities.

The federal government should commit to extending this program past 2028. This would support 40,000 households with low incomes who live in co-ops and non-profits across the country. Rental assistance is a cost-effective program for government because housing charges in co-ops are far less than market rents—we have a research paper that demonstrates this. Also, homelessness is much more expensive.

To conclude, a housing system that works for all people in Canada must include more co-op housing. Co-ops are ready to grow to help remedy Canada's housing supply and affordability crisis.

Thank you for your time.

I look forward to any questions.

The Chair: Thank you, Ms. Tessier. I'm sure there will be many questions.

We'll now hear from the Council of Canadian Innovators. I believe we're starting with president Benjamin Bergen.

• (1600)

Mr. Benjamin Bergen (President, Council of Canadian Innovators): Good afternoon, Chair, vice-chair and members of the House of Commons Standing Committee on Finance.

Thank you for the opportunity to present today on behalf of Canadian job and wealth creators from across the country.

My name is Benjamin Bergen. I'm president of the Council of Canadian Innovators, or CCI. I'm pleased to be joined today by my colleague Nick Schiavo, director of federal affairs.

CCI represents over 150 of Canada's fastest-growing technology-intensive companies. All of our members are proudly headquartered in Canada, employing thousands of workers across the country. These companies are leaders in sectors critical to our economic future, like AI, cybersecurity, fintech, health technologies, clean tech and more. They are innovating right here at home while commercializing their solutions globally, selling to governments and consumers across Europe, Asia and, of course, the United States.

As we approach budget 2025, it's important to recognize that Canada is at a crossroads. We are experiencing what many are calling the great Canadian slump, with rising living costs, stagnant productivity and a declining GDP per capita. This reality is making it harder for Canadians to maintain their standard of living. The facts are striking. Real medium wages have barely grown since the 1970s, and Canada's productivity has dropped to less than 1% since the year 2000. Forecasts now suggest Canada could be the worst-performing economy in the OECD in the near future.

These challenges are compounded by structural issues like climate change, global conflicts and pressure on our health care system. However, I'm not here to complain, and our members are not passive bystanders to these challenges. CCI's members have been actively working on policy solutions, and we believe with the right strategic actions Canada can turn the tide.

One of the most important areas for reform is Canada's approach to working with homegrown companies and ensuring Canada remains home to the very organizations that will fuel the country's long-term prosperity. At the heart of our recommendations is that we need a modern industrial strategy, one that places innovation, productivity and the intangible assets at the core of our economic framework.

This must include reforming key programs like the scientific research and experimental development tax credit, or SR and ED. Currently, the program is outdated, and its complexity hinders domestic companies from being able to fully benefit from it. In fact, a significant portion of SR and ED funding goes to foreign firms. We believe this must change to better support Canada's innovators. Our budget submission recommends cost-neutral ways to improve this critical program, and I'd be happy to explore this issue further during our Q and A.

Additionally, reforming government procurement is essential. Government procurement spending represents a significant portion of our GDP, yet our procurement systems are often risk-averse, rigid and lacking the flexibility to adopt new, innovative solutions. This not only stifles Canadian companies, but it also prevents governments from accessing cutting-edge technologies that could improve the public service.

The changes won't happen overnight, but tackling these procurement barriers is vital for unlocking Canada's innovation potential. I'm also happy to expand on this topic if it's of interest to the committee and speak to our recent reports, "Building Winners" and "Buying Ideas".

We also need to avoid policies that inadequately punish innovators and entrepreneurs. The recent changes to the capital gains tax, for example, are counterproductive at a time when we need to be fostering growth and investment. These policies create an added burden on entrepreneurs, making it harder for Canadian companies to scale and compete globally. When Canada's productivity is in crisis, we cannot afford to hold back our most innovative companies and their leaders.

In closing, I want to address something I heard from Minister Champagne today at the INDU committee, which I saw a reporter from The Logic tweet out. The minister suggested the challenges facing Canada's economy are due to a lack of ambition from our innovators and business leaders. If only innovators would “seize the moment”, we'd be better off, the minister stated. Frankly, this view is troubling, and it ignores the realities that entrepreneurs growing businesses in Canada are living through.

For nearly a decade we've been telling the government that Canadians are as innovative, ambitious and relentless in their businesses as anywhere else in the world. The real issue is that our government isn't providing the modern policy frameworks needed for them to succeed. They're still using old playbooks. Meanwhile, superpowers like the U.S., Europe and Asia are using new strategies to reflect the digital economy their companies are operating in.

I get it. It's easier for government to blame innovators instead of tackling responsibility for the role they should be playing to create the marketplace frameworks for innovative Canadian companies to succeed. However, this is like a hockey coach blaming the players for not skating fast enough when there's no ice on the rink. The problem isn't Canadian ambition. It's our policies, strategies and institutions that aren't harnessing and supporting innovators.

• (1605)

That's why budget 2025 represents a crucial opportunity to enact bold reforms, reforms that will foster innovation, increase productivity and drive long-term economic growth.

I look forward to answering any questions and further discussing how we can build an economy that Canadians deserve, one that is prosperous, innovative and globally competitive for years to come.

Thank you, and I look forward to your questions.

The Chair: Thank you, Mr. Bergen.

To members again, we have Raven Indigenous Impact Foundation as a witness. The president and chief executive officer, Jeffrey Cyr, is here. He will be able to hear you. He will be able to note any questions you may have, and the answers will have to come to us in writing because the headset is not to the specifications of our committee.

On that, we are going to go to members' questions. In this first round, each party will have up to six minutes to ask questions.

We are starting with MP Gray.

Welcome, MP Gray, to our finance committee.

Mrs. Tracy Gray (Kelowna—Lake Country, CPC): Thank you very much. It's good to be here.

Thank you to all of the witnesses today.

My first questions are for the Co-operative Housing Federation of Canada.

I normally sit on the housing committee, and we just completed a housing study where we heard from a variety of witnesses who were talking about the Liberal government policies administered by the government's housing agency, where there was a lot of extra red

tape and costs specifically having to do with, for example, building requirements that were above meeting building codes and additional types of costs like quantity surveyors or energy consultants, which might be difficult, especially in rural areas. These all add a lot of costs. We had witnesses say that this could add tens of thousands of dollars to any project. A lot of these are also in addition to normal building and even occupancy permits.

My question for you is this: Is this anything that you've seen and experienced, that some of these extra policies might be adding to costs when you're trying, through those you represent, to build affordable housing? That's my question to you.

Thanks.

Ms. Patricia Tessier: In terms of red tape, I would maybe come back with more information. I know that, concerning costs on accessibility requirements, some programs with funding have accessibility requirements and energy efficiency requirements that can add but can also save in the long term.

I think that, with accessibility, what we have asked in the past is that the accessibility requirements not be based on a single project but look more portfolio-wide, because at times there is no particular local need for accessibility, so there might be units built but not necessarily used.

Other than that, the administration and reporting back from a funding program can sometimes add to cost, but that's not necessarily to your question about the administrative costs or red tape for constructing or building new housing. I separate those, because I think you might get comments on administration as well on reporting.

Mrs. Tracy Gray: Thank you very much.

My next questions are for the Council of Canadian Innovators.

You commissioned a survey of entrepreneurs in July that showed that 90% of respondents believed that the Liberals' capital gains tax hike would have a negative effect on the innovation economy, yet Liberal budget 2024 stated, “Increasing the capital gains inclusion rate is not expected to hurt Canada's business competitiveness.”

Do you believe the Liberal government's assessment on that to be accurate?

Mr. Benjamin Bergen: No, I do not believe so. I think it's unequivocally false.

Mrs. Tracy Gray: Thank you.

Also in this survey that you did, it listed that 67% of tech entrepreneurs who responded to your survey said that access to capital is their top challenge in business.

Do you think these Liberal capital gains tax increases will hurt the ability of Canadian workers and businesses in the tech sector to stay in Canada?

Mr. Benjamin Bergen: It is not a question of if. It already is impacting it.

A lot of the information that we received initially when it was announced was about uncertainty, obviously, because the measures themselves hadn't been fully baked, and then there was a continued delay of it. What we have heard from not only our member companies but folks in the broader ecosystem is that it's impacting their ability to go and raise capital, because it's less attractive here in Canada when you can do it south of the border. It's making it more difficult to keep highly skilled workers here because their potential stock options are at a higher rate and then, ultimately, the returns are lower. It's a perfect combo where you're seeing it impact founders, employees and investors.

• (1610)

Mrs. Tracy Gray: Thank you.

You mentioned in your opening statement the issue of government procurement. I wanted to ask you a question on that.

A report was written in April 2024 by your organization that had to do with "historic innovation underperformance". We've seen, under this Liberal government, IT procurement policies and management that has led to ArriveCAN-style results favouring well-connected friends, wasting taxpayer dollars and not following government processes.

With that, have you seen how this might damage our innovation economy and the reputation of Canada's tech sector, with the way the government is currently managing its procurement system?

Mr. Benjamin Bergen: There are a couple pieces in that. It's a great question.

I think ArriveCAN is actually a symptom of a process that's broken. If we actually had a transparent, clear mechanism for domestic firms to be able to procure, we wouldn't have seen something like ArriveCAN happen. It was during the darkest days of COVID, and there were exceptions on those pieces that you can consider.

If we had a straightforward process, we would see firms actually able to access and properly go through it. The complexity of it is definitely part of the issue in terms of why we arrived at ArriveCAN. I don't want anyone in this committee thinking that procuring domestically leads to ArriveCAN. That is not the conclusion that should be reached. That's step one.

Step two is that the procurement system is so complex and challenging. You often don't even get domestic firms applying because they know that, with the way the RFPs are written and the way that certain structures are set up, there's no way for them to actually win contracts. A lot of the member companies that we work with could

sell to the Canadian government, but it's so delayed and time-consuming they actually go and try to sell to other governments.

Often, the reality is that you go and become successful elsewhere before our own government will actually purchase your product. That's sort of the headwind that we're facing.

The Chair: Thank you, MP Gray.

Now we'll go to MP Baker, please.

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

[*Translation*]

Thanks to all the witnesses for being here.

Normally, I like to question several witnesses, but today one of my constituents is here, so I am going to address her.

[*English*]

Ms. Regehr, thank you for being here. It's great to have a constituent here. It's not often that we have constituents from Etobicoke Centre presenting at the finance committee. Thank you for coming and being here.

I listened to your presentation and there are a few things that I'd like to follow up on, if I may.

The first thing you talked about was some of the benefits of a basic income. I want to drill down on that a little bit.

One thing you talked about was decreasing risk. Can you talk about what that means? What do you mean by that?

Ms. Sheila Regehr: Yes, I think the other witnesses have highlighted this too. It is risky in Canada. There is very little protection against those kinds of new risks that people are facing.

We were just commenting that one of our former board members has achieved great high-tech success in the company. He says it's because he got a basic income from his wife, who was earning when he had nothing, so he could put it into a business.

The risks are the kinds of things that humans face all the time. We can just be unlucky in our genetics. We can face health problems, which are curable by our health care system, but it may take some time to recover, which people don't have the funding for.

Then we have all these risks that are increasing, with technology and artificial intelligence, with a precarious work environment and with just living longer. I have a brother-in-law who came out of high school with very little education and with the expectation that he could walk down the street, get a good job, work his way up and he'd be set for life. That doesn't happen anymore.

People do need to transition throughout their lives, so there needs to be some underpinning—some economic stability—to be able to make those transitions and to plan to do better. Otherwise, people are trapped and that doesn't help any of us.

• (1615)

Mr. Yvan Baker: That makes sense.

One thing you talked about was that there's a patchwork of programs out there. What would you recommend be done about that?

First of all, what is the patchwork? Could you explain what you mean? Which programs are they or could you cite some examples, so that we all understand what you mean by that?

Then, what would you recommend be done about that group of programs?

Mr. Sidney Frankel: The patchwork has to do with a series of categorical programs for people with disabilities, for families with children and for seniors, and there are only very meagre programs for the working-age population. They're largely left out.

A basic income is what we propose to do about it. This is, at its full implementation, a universal benefit that has no conditions and, in a sense, is an entitlement and a right of citizenship. It eliminates the kinds of problems we saw with COVID when existing programs were inadequate and new programs were put into place. They needed to be put into place, but there were many inequalities in those new programs.

For example, if we look at the CERB and the CRB, they didn't apply to people who may have had additional costs because of COVID but hadn't earned at least \$5,000 in the previous year. There were people falling through the cracks, so a basic income, by definition, eliminates most of those cracks by having a single program structure.

Mr. Yvan Baker: Just for my clarity as to what you're recommending, am I hearing you say that a basic income, if it's the appropriate amount with the appropriate criteria and structure—I realize there's a lot of detail here to be thought through and understood—would then replace those programs? Is that what we're talking about, or would it be supplemental to them?

Mr. Sidney Frankel: It would replace many programs. It would replace those programs meant to meet basic needs, but it wouldn't replace those programs meant to meet special needs, like the variable costs of medication, which some households don't experience at all and some experience in very large amounts, and like the additional costs related to having a disability.

We take the term “basic income” seriously. It's meant to meet basic needs and can be partially funded by eliminating other programs meant to meet basic needs.

Mr. Yvan Baker: I appreciate that.

I have about 30 seconds left, so I have a quick question that I hope you can answer quickly.

Can you give us a sense of what amount of money we're talking about for the individual? Also, more broadly, if you know this, how much would be required for the government to make this possible?

Ms. Sheila Regehr: We have done modelling, and the Parliamentary Budget Officer has done modelling based on our parameters. Our amount was replicated by CERB, actually. We published this right before COVID hit.

That's what a mature basic income looks like so that it really does provide a sufficient amount to allow people to meet their basic needs. Not everybody's going to get that amount. Some will get less, but the important thing now is to start. We know that full program, that national framework, is needed, because we're talking about provincial programs too, and those social assistance programs are the ones that really don't work and are punishing people and making them sick. We need a mature system. We need a national program, and that's not going to happen overnight.

What we want in this budget is a start with the programs that already exist and can deliver that unconditional income to whatever extent is possible within the budget, because people are really hurting, and any amount at this point is going to help keep people housed and keep people from resorting to crime to meet their needs. Taking some risks—

• (1620)

The Chair: Thank you. I'm sure you'll have another opportunity to speak, but we're well over time.

Now we're going to MP Ste-Marie, please.

[*Translation*]

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

I would like to welcome all the witnesses and thank them for their briefs, their presentations, and their answers to our questions. This is very useful for the report we will be submitting to the government. Like Mr. Baker, I too will not have time to ask all the questions I would have liked to ask all the witnesses, but everything has been duly noted and we are going to pass on the requests.

Mr. Chair, before asking the witnesses my first questions, I want to congratulate you, because earlier today, we met with a delegation from Sweden that included the governor of the central bank and several elected representatives. Frankly, you were more than up to the job when you pronounced several phrases in Swedish for our guests during the presentation and facilitation.

I also want to express my appreciation for the useful interactions of Mr. Kelly, Ms. Dzerowicz and Mr. Sorbara. I also thank the clerk, Mr. Roger, for all the work he did, and the analysts for the preparatory document, which was very useful. And last, my heartfelt thanks to the two interpreters we had, who did a very good job.

Mr. Claus and Mrs. Paré, from the Association québécoise de l'industrie du disque, du spectacle et de la vidéo, thank you for being here.

I would ask that you explain the situation again and convince us of the arguments we should use to persuade the Minister of Finance to make the annual contributions to the Canada Music Fund permanent, which was one of the promises the government made, if I understood correctly.

Mrs. Eve Paré: A permanent base fund of about \$25 million is in place at present. The difference between that \$25 million and \$42 million, the actual current figure, is a supplement that has to be periodically renewed.

The announcement that was made in the last budget takes us to the spring of 2026, so we are once again going to have to persuade the Department of Finance to renew this supplementary support. Not knowing whether the funding will still exist 24 months from now is a source of a lot of uncertainty and unpredictability for companies. Investment decisions are made for the short term and that hurts the industry.

Mr. Gabriel Ste-Marie: You said clearly that it was important for the programs to be made permanent. When it comes to making the financial support permanent, is this just an announcement that is made for the next two years? How many years should the announcement be valid for? How do you see that? What does the government have to do in order to actually make the programs permanent and end the uncertainty in your industry?

Mrs. Eve Paré: As I explained, more than half of the funding is permanent and we do not need to go back and ask the Department of Finance to grant those funds every year or every two years. It is the additional funds paid in recognition of the industry's needs that have to be renewed. It is those additional funds that we would like to see made permanent, so we no longer have to ask for them to be renewed.

Mr. Gabriel Ste-Marie: Thank you.

Should the government see those funds as an expenditure or as an investment in society and the economy?

Mrs. Eve Paré: It is actually an investment. It is an investment in Canadian culture and identity. The music companies are part of a prototyping industry: They take risks on an artist and sometimes it works, or it doesn't work. When it works, the profits are reinvested in other music projects that ensure there is musical diversity throughout Canada.

Mr. Gabriel Ste-Marie: Thank you.

Now, regarding the Copyright Act, can you explain the revision you want to see to the definition of “sound recording” again? What is the problem?

Mrs. Eve Paré: I will let my colleague Simon Claus explain that.

Mr. Gabriel Ste-Marie: Thank you.

• (1625)

[English]

The Chair: We're having some technical challenges. We will have to come back to Mr. Claus.

[Translation]

Mrs. Eve Paré: The definition of “sound recording” as it appears in the Copyright Act expressly excludes superimposing a musical work or sound recording on an audiovisual product. For example, when a piece of music is used for a film or a television program, neighbouring rights—what is paid to the performers and producers—are not applicable. The creators—the performers and producers—are not remunerated when their work is used in an audiovisual work. The act really does contain this exclusion, and we would like to see it removed.

Mr. Gabriel Ste-Marie: Your answer is very clear. Thank you.

Mr. Claus, do you want to add something?

Mr. Simon Claus (Director, Public affairs, Association québécoise de l'industrie du disque, du spectacle et de la vidéo): As Mrs. Paré explained very well, performers and producers of records are precluded from receiving royalties for the use of their works on television and in the cinema. These performers therefore do not receive fair remuneration, because it is not included, while it is for authors and publishers, for example.

We are not asking that remuneration be synchronized; rather, we are asking for fair remuneration when a sound recording and the musical performance are incorporated into the work.

Mr. Gabriel Ste-Marie: Thank you.

Are you familiar with the situation in other countries on this subject? Does it work better?

Mr. Simon Claus: We have to remember that the Copyright Act is economic legislation that creates a framework for remunerating rights holders. The act organizes compensation for the various rights holders and is vital to the music industry.

For several years, however, it has been greatly weakened by technological developments, but also by certain decisions that have been made. The requests being made today are intended to “fix” the Copyright Act, which is tending to become obsolete, specifically by modernizing its provisions about private use copying and by revising its definition of “sound recording”.

These are things we see elsewhere, such as in the European Union, where some countries have decided to revise their laws because they were out of sync with how our industries operate today. The purpose of both of our requests is purely to bring us into line with our partners, because this remuneration is provided for in other countries.

Mr. Gabriel Ste-Marie: Thank you.

So you are asking that the provisions on private use copying of sound recordings or musical works be technologically neutral, as is the case in other countries. There have been advances made in this regard in other countries, and you are asking that the act be amended to this effect as well. Is that correct?

Mr. Simon Claus: That's correct.

In some countries of the European Union, these private use copying provisions are applied to telephones, even second-hand ones, and this has not resulted in any increase in the cost of those devices. European countries are not flocking to Canada to buy their smart phones because the Copyright Act in Canada contains no provisions on private use copying.

Mr. Gabriel Ste-Marie: Thank you.

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

[English]

We're glad that we got Mr. Claus back on.

Now, I will go to MP Davies, please.

Mr. Don Davies (Vancouver Kingsway, NDP): Thank you.

I'd like to direct my questions initially to you, Ms. Tessier.

In the 1970s, 1980s and right up until the early 1990s, my research indicates that the federal government, I think via the Canada Mortgage and Housing Corporation, pioneered a very successful national co-op program. Can you tell us approximately how many of those 2,200 co-ops that exist in Canada today were built through that program with federal assistance in the seventies and eighties?

Ms. Patricia Tessier: Yes, indeed. That was the beginning of the growth, and it's too bad it stalled. I don't have exact numbers, but definitely.... I would say that it's near a third of what we have, but we will follow up with the exact numbers.

Mr. Don Davies: Thank you.

Ms. Patricia Tessier: The federal government definitely helped launch the growth of the sector.

Mr. Don Davies: I can tell you that in my riding of Vancouver Kingsway, somewhere between 12 and 15 of those co-ops are still successfully being run today and providing homes, stable homes, for hundreds and hundreds of families in our riding.

In 1992, the Brian Mulroney Conservative government cut that federal co-op housing program in its final budget before Mulroney resigned. Can you outline what impact that decision by the federal government to exit the federal co-op support program had on the development of new co-op housing units across the country in subsequent years?

• (1630)

Ms. Patricia Tessier: Yes. Definitely one big impact that we've been trying to address is the capacity to build. We used to have resource groups. In fact, in Quebec, those resource groups were maintained because they still had funding programs. The resource groups that helped with building—development, building the knowledge, the technical expertise—really dissipated.

Another key is affordability. We can build, but not necessarily affordably. With that capital and a program from the federal government, it allows that leg up. It allows it to be affordable. It's all about the numbers.

Mr. Don Davies: Of course.

You mentioned the recently launched co-operative housing development program, and you quite rightly point out that it can play

a critical role in helping to develop the next generation of co-operative housing.

How many units is it expected to produce in its current form?

Ms. Patricia Tessier: That's a really good question.

Again, it was alluded to by almost all of the witnesses here that the cost of construction has gone up dramatically, which is why we're also, in our ask, speaking about the Canada rental protection fund. Assuming an average across the country, because some cities are more expensive than others and some don't necessarily require a partner, but knowing that some partners such as municipalities or others will come in, there will probably be between 3,200 and 3,300 units, as we call them.

Mr. Don Davies: Is that nationally?

Ms. Patricia Tessier: Yes.

Mr. Don Davies: Thanks.

I was talking earlier today with the financial wellness lab that operates out of Western University, and they've done extensive research. They told me today that housing and rent costs are the number one economic concern of Canadians today. They also said that Canada loses \$54 billion in lost productivity every year due to the impact of financial stress. Putting those two things together, the major source of financial stress is housing costs. We lose \$54 billion in productivity.

I noticed that, in your pre-budget submission, Ms. Tessier, you said that the problem of lagging productivity requires policy intervention and growth-minded policy that will benefit parts of society. You identified that building not-for-profit housing, including co-ops, will generate more wealth for everyone and increase productivity.

Can you expand on that for us, the connection between housing and productivity?

Ms. Patricia Tessier: Yes, and we can go to dinner after, and I can continue.

Generally speaking, we're also seeing a link to economic development. There are many towns and cities that don't have affordable housing and, therefore, businesses can't be open.

This is recurring. We are hearing this a lot. I've also heard that the younger generation may not have kids or may wait longer for kids. All of these do impact.... There's the stress, obviously, when we're seeing, sadly, more leaves taken. All of these impact the ability to maintain your employment, stay healthy and be a productive contributor to society.

I would address your question that way and be happy to speak a bit more.

Mr. Don Davies: I have a quick question then, Ms. Tessier. How many affordable housing units do you estimate can be preserved with the \$1.5 billion allocated to the Canada rental protection fund that you mentioned?

Ms. Patricia Tessier: Given that construction costs are way higher—and I gave you an approximation of what the \$1.5 billion will do for new growth—on a ballpark basis, we could be increasing that probably by 20% or so, so it is probably more in the area of 4,000 and 5,000, depending on where we buy. There are definitely—I myself have looked—private rental apartment buildings for sale in places like Winnipeg that cost much less and are more affordable.

Again, generally speaking, it depends where we target and what's available.

The Chair: Thank you.

Thank you, MP Davies.

Members and witnesses, we're now moving into our second round of questions.

We're starting with MP Chambers for five minutes.

• (1635)

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

I appreciate the opportunity to have a number of great witnesses here today.

Mr. Cyr, I apologize that we won't be able to hear from you, but rest assured that we did receive your submission, and we may look for another opportunity to invite you back. We'll talk about that offline. I appreciate the work that you've done to advance procurement opportunities and in paying for outcomes.

For the Canadian Council of Innovators, Mr. Bergen, you referenced a couple of things I'd like to expand on a little more. You mentioned some challenges with SR and ED. Can you elaborate briefly?

Mr. Benjamin Bergen: Yes, for sure. For those not familiar, SR and ED is an expenditure of \$4 billion a year for the government. It's actually our largest expenditure in terms of innovation—about 18,000 companies receive it. When you dig into it, a handful of companies receive close to 25% of every SR and ED dollar, and it turns out that a good chunk of those are actually foreign multinationals.

In a space like the innovation economy where unemployment is effectively zero, we're subsidizing the R and D of foreign multinationals, while making it more challenging for our own domestic firms to be able to hire and create opportunity for their firms. This has consequences such that you're no longer creating IP-rich companies, which is where wealth and prosperity have really moved to, and you're supporting firms that are ultimately taking the wealth out of the country.

To indicate how systemic this is, up until 2021, Huawei was still receiving a considerable amount of money from this program, indicating that we're funding not only the R and D of foreign firms, but also foreign firms that we've actually deemed to be a national security risk and which we view to be confrontational to us as a nation.

Mr. Adam Chambers: I'm sorry, but I just have to confirm. Are you suggesting that Huawei was still receiving rebates under the SR and ED program?

Mr. Benjamin Bergen: That's correct.

Mr. Adam Chambers: Wow. Isn't it also true that about 30% of the program is spent on a cottage industry of consultants, who help people with the paperwork to fill out these applications?

Mr. Benjamin Bergen: Yes, I think there are two pieces here. First, where is the money going? Is it actually leading to outcomes that are leading to wealth and prosperity?

Listening around the room, it really sounds like we have a revenue challenge in this country. We can't pay for housing. We can't pay for arts and culture. By creating opportunities where we're able to drive and support domestic firms in programs like SR and ED, and making sure that those dollars are being allocated to the right outcomes, that's one step—definitely looking at it from that framework. The other is also the cost. SR and ED hasn't really been updated in more than 40 years. We have a program for which companies basically have to contort themselves in order to access the funding. It requires a gambit of different types of consultants and agents, so an entire SR and ED cottage industry has built up in many practices.

Programs do need overhead and you need to cost things, but when it's close to 25% to 30% going to consultancies rather than driving outcomes, then we have a real challenge here, a real issue.

Mr. Nicholas Schiavo (Director, Federal Affairs, Council of Canadian Innovators): If I can just add on that quickly, this is not something new. Here at CCI, we've been calling for reform to this program for almost a decade. We secured a win in budget 2023 to have some kind of consultation. That consultation process has now happened twice. In both cases we've participated. However, speaking on behalf of our members in the industry, I would say if we don't see concrete reforms to update the program for the 21st century in the fall economic statement, many of us would consider that a failure, so we do hope for the best.

Mr. Adam Chambers: Thank you very much.

I think I have about a minute left. On the capital gains tax, just so I'm clear, the feedback from your members is that it will create incentives for them to look south of the border. Is that your testimony?

Mr. Benjamin Bergen: Yes, unequivocally.

Mr. Adam Chambers: I was also at the INDU meeting this morning. In my free time, I like to travel around and watch other committees. I heard the same quote. How does it make you feel when you hear a minister say what he did?

Then also, you look at SR and ED, as you just mentioned, or the amount of money that we subsidize to foreign multinationals in the electric vehicle battery sector, but they're putting higher taxes on Canadian companies that are based here and trying to grow.

• (1640)

Mr. Benjamin Bergen: I'll remove feelings on this one. I think we just need to look at the reality.

To quote William Blake, execution is the chariot of genius. What we've seen from this government over the last 10 years is an inability to execute.

Looking at various programs, whether it be things like superclusters, which were downgraded to clusters, the creation of the Canada Innovation Corporation or the economic tables, this is really a government that has truly struggled to understand where the 21st century economy is going.

I think the last remarks of a minister to blame innovators for their inability to deliver is an indication that the government has lost the plot and truly indicates real challenges going forward in terms of how we are going to get ourselves out of these challenges economically so that we can pay for housing, pay for transit, pay for health care and pay for arts and culture.

I would turn it back, really, on the minister to say, "Show us what you've accomplished, show us what you've done", and then we can talk about who has ambition and who's able to actually deliver.

Mr. Adam Chambers: Thank you very much.

The Chair: Now it's over to MP Dzerowicz.

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

I want to say a huge thank you to Sheila and Sydney for being here to talk about basic income. My colleague asked excellent questions. I think you know I'm very supportive, so I'm going to just say thank you for coming. Your recommendations are very clear.

I also want to say a huge thanks to Patricia Tessier. You gave a great presentation. I'm a huge believer in what you have said. We have to give far more money to our non-profits and co-ops. My colleague Joanne is going to ask a few more questions of you, but I also want to say we have to do far more to protect existing affordable housing stock. We are seized with this right now, and it's something I'm very much working on.

With whatever time I have left, I want to direct my questions to the Council of Canadian Innovators, which provided very biting testimony today. I think you both know I'm a very big supporter of the vast majority of recommendations that you've put forward. I didn't hear my colleagues' testimony this morning, but I know that we very much believe in innovators in our country and we have great confidence in them. We think we have the smartest, brightest innovators, and I agree with you. There's even more we can do to help support them.

The first thing I want to ask about is your procurement. I almost want to blow our whole procurement system up, and part of the reason is that not only do we have excellent innovators but I also think we have a small business economy. Therefore, I would like both our innovators and our small business economy to be able to tap into our procurement.

The thing is that it seems like such a big beast. How do we get started? In terms of the first step or two, what would be your recommendation?

Mr. Benjamin Bergen: If our comments are viewed as spicy or fiery, it is just an indication of where we are as a country. If our economy had grown over the last decade similar to places like Denmark, the United States or Australia, there would be an additional \$500 billion in our economy each year, which would probably be more than enough to pay for the housing requests that we've seen put forward at this committee, for arts and culture or, potentially, for a basic income.

Therefore, getting innovation right and getting the 21st-century economy right is critical. We have a revenue problem in this country, and the people we work with are revenue generators, so figuring out ways to support them is critical.

I know the minister does support innovators in terms of his language, but when he goes to committee, it is truly troubling that is his framing.

On the procurement piece, I will kick it over to Nicholas to tackle that, because there is a real opportunity here for the government to do something transformative. It's going to take time, but there's an opportunity.

Mr. Nicholas Schiavo: Thanks, Benjamin.

Thank you for that question, MP Dzerowicz.

If I could offer the committee one top-line, concrete recommendation to start to move the log jam, it would be to create a dedicated fund for technology procurement that departments could use when they need quick, innovative solutions. The idea behind this fund would be to reduce risk aversion, support ongoing product development with firms and with suppliers, and focus on key areas that are strategic both for Canadians and for the government. Think about things like energy, health care, clean tech and cybersecurity.

Ideally, this fund, which can be modelled after international examples like the SBIR, would have a simple, fast application process. It would be focused on collaboration. It would build capacity within the public service, and it would offer financial incentives for departments to take risks.

If I can take a step back, I think there is a fundamental misunderstanding of what procurement is or should be in the federal government, and this is shared across governments of all stripes going back decades.

Procurement is not a silo just to get things; it is 15% of our GDP. Every single year, the federal government and governments across the country are spending billions of taxpayer dollars on everything from pencils to software to fighter jets, but we are not doing it in a way that is strategic. Other advanced economies understand that they can use procurement not only to deliver services for their citizens but also to grow their economies and play to those domestic firms where there are strengths.

It is a bit of a cultural shift in terms of procurement in this country. Simply put, procurement done well is prosperity for Canadians, so I hope we can see some of that change.

• (1645)

Ms. Julie Dzerowicz: Thank you.

Very quickly, because I know I've run out of time, I just want to say that I read through your recommendations, and I do think that a lot of Canadians do not understand that the shift of value to intangibles is under way and has been under way for a while. You have made recommendations around making sure that we have clear performance indicators and explicit measurements around prosperity and growth for our foreign direct investment. As a follow-up to our committee, could you provide some suggestions of what those could be? That would be really helpful.

I know I've run out of time, Mr. Chair, but I want to thank very much all the witnesses today for their excellent presentations.

Thank you.

The Chair: Thank you.

If you can allow those to come to committee, that would be great.

MP Ste-Marie is next up.

[*Translation*]

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

Mr. Duceppe, the reform of the employment insurance scheme was promised long ago, and consultations were held; this was in the mandate letters. The date that had been announced was pushed back, but now we have radio silence.

Can you remind us of the importance of this reform and the reason why it is urgent that it be carried out?

Mr. Yvan Duceppe: This reform is urgently needed for the following reasons.

The money that a person receives from employment insurance is not a very high income. Often, people who receive employment insurance are seasonal workers such as forestry workers: people who plant trees, which are sometimes burned down by forest fires. In Canada, trees can't be planted year-round. Depending on the season when a person is able to work, it may be that they have not accumulated enough hours of work to receive unemployment and support themselves. This is the infamous "black hole" in employment insurance. This problem, which affects a number of people, needs to be fixed.

That is not all. As I said, the threshold to qualify for employment insurance is set at 720 hours of work, but that threshold does not

take into account the fact that some people only work part-time. When you work 35 or 40 hours a week, it is not too hard to accumulate 720 hours of work, but for people who work only one or two days a week, it is harder. In my opinion, the number of hours required should be adjusted and the number of weeks worked should be considered. This would ensure that these people qualify for employment insurance. I think this is important.

The last point relates to the types of benefits. Often, people who receive other types of benefits, who are often women, unfortunately, are not able to receive employment insurance, and this creates a degree of economic insecurity. Obviously, we have to avoid excluding people insofar as possible. There are unfortunately too many exclusions. People who live in the Gaspé, on the north shore and in the lower St. Lawrence are asking the federal government, despite its promises, to understand the problem and support them. These people really need this income.

• (1650)

Mr. Gabriel Ste-Marie: Thank you.

[*English*]

The Chair: Thank you, MP Ste-Marie.

We'll now go to MP Davies, please.

Mr. Don Davies: Thank you, Mr. Chair.

Ms. Tessier, I think the housing crisis affects every community and every demographic from coast to coast to coast, but I think we can all acknowledge that there's an acute need among our indigenous, Métis and Inuit communities.

I note in your pre-budget submission that you write, "Budget 2024 committed \$4.3 billion over seven years to co-develop an Urban, Rural, and Northern Housing Strategy. Implementation of this funding is urgently needed, led by the Indigenous housing sector."

Could you elaborate on what you see as the key components of that strategy?

How do you believe that funding might best be allocated?

Ms. Patricia Tessier: Thank you for the question.

Definitely a key component, as you iterated, was that it's led by indigenous housing providers. For indigenous, by indigenous is a key component to the success, as well as recognizing and ensuring that funding allows for appropriate housing. The needs are different and the cultures are different. Even in a recent conversation about multi-generational living.... It is very common in certain indigenous cultures to have multi-generational living nearby or within, as well as having community gathering spaces. These are just examples of things that are aligned and appropriate to the culture at hand.

I think those are two key things—taking the time to engage and recognizing that their voices need to be heard. For indigenous, by indigenous will very much be the biggest key to success in that.

Mr. Don Davies: Ms. Tessier, I'm interested in the dual needs of capital funding and partnerships to help build the co-ops that so many people need in Canada, and then the operational funding that is often required to do that.

Can you elaborate and give us your thoughts on how the federal government can play a role in either or both of those areas?

Ms. Patricia Tessier: Capital funding is the initial contribution if we're developing new.... That initial contribution, like for any of us who have a house, ultimately lowers the operating cost because it lowers your mortgage and, therefore, can be more affordable, so that's capital and why it is required for affordable housing.

The operational funding, then, is really more geared towards, "How affordable?" That's why the ask is for a rental subsidy for low income, just to ensure that it can be no more than 30% of their income. Some new programs and language are now talking about the average market income and it not being over a certain percentage of the average market income, but that's problematic if the average market income just keeps increasing. If it's not tied to income and there's no rental subsidy, again, that will lead to some homelessness and, as we talked about, a reduction in productivity and impacts on the availability of staff for businesses.

The operational is really, probably, less about operating costs of a building but more about how to ensure we keep the homes affordable so that those who have lower incomes or deep needs have the income to contribute to the cost of running or operating the housing.

I hope that answers your question.

The Chair: Thank you, MP Davies.

I go now to MP Kelly, please.

Mr. Pat Kelly (Calgary Rocky Ridge, CPC): Thank you, Mr. Chair.

To the council of innovators, do we need investment in Canada in machinery, equipment, IT, technology and physical infrastructure? What are some of the things that we need investment in to reverse this productivity gap?

Mr. Benjamin Bergen: In Canada's tech sector we really struggle to have the capital required to help companies scale and grow. There are a few areas where this plays out. One is in the venture capital space. There are very few VC firms that have capital allocation to help firms scale and grow, so, often, firms have to go outside of Canada in order to access funding. We have some capital challenges in the VC space that are an issue.

In terms, though, of where government really should be focusing its energy, it should look at what the outcomes are that are going to drive firms to be successful. Our mantra at the council is, really, that the government shouldn't be picking winners. It should be supporting winners.

When you look at different government programs and funding opportunities, how are those funds being marshalled and allocated towards those firms that are showing green spurts and showing real opportunity? Often in Canada we support research but we forget about the development side of things, and it's the development side of things that fundamentally will pay for many of the things that

folks in this room are talking about. Therefore, looking at ways of alleviating that and creating opportunity is critical. We point to SR and ED as just being one of many programs through which the government could be allocating those dollars more effectively.

• (1655)

Mr. Pat Kelly: Will increasing the inclusion rate on capital gains help draw investment into your sector?

Mr. Benjamin Bergen: In terms of the analysis that was done, not just by our organization but by others, when you make it more expensive and costly and you drive down risk versus reward, then you see capital move elsewhere. In the innovation economy, capital and, actually, labour—

Mr. Pat Kelly: Thank you. I have a lot of questions. I'm sorry. I really didn't mean to cut you short, but is it your testimony that this will drive investment out of the innovation sector?

Mr. Benjamin Bergen: That's correct.

Mr. Pat Kelly: What are the other barriers to investment and opportunity in the innovation community? Is it red tape or the inability to access procurement contracts?

Mr. Benjamin Bergen: Definitely there is red tape, and there are challenges on that issue.

In terms of investment, though, we're seeing some more friction, really, in getting first customers. You'll often struggle to have government actually purchase and buy domestic technology. They'll often fund them. They'll give them funding through different programs. Really, what our members are telling us is that they would much rather have a purchase order than a grant or a subsidy because they can take that and go to a bank, get funded and increase their ability to fund their operations. For us, it's a shift in how some of these policies are structured, and through that you'll be able to help unlock capital that is very much needed.

Mr. Pat Kelly: It's fair to say, though, that if we are to...? You rightly spoke of the declining per capita GDP that we've experienced in Canada over the last 10 years. It's the worst performing economy, projected to be the worst performing economy in the OECD.

You mentioned in your opening remarks the stagnant productivity since 2000. Could you clarify that remark? Also, what are we going to need to do about this? We need to incentivize innovators, and we're going to need.... Taxing these innovators is not going to do it. Could you give us some thoughts on that?

Mr. Benjamin Bergen: Sadly, I don't have a short answer here, so I'll try to be as succinct as possible.

In essence, what we have to realize is that the economy has shifted such that wealth and prosperity are no longer actually captured in labour, no longer captured in jobs. Wealth and prosperity are captured in those who actually own ideas, own intellectual property and own data.

The value chain system has shifted. In order for us to be able to build wealth and prosperity and to reverse the stagnation, we have to build an innovation economy that can capture value chains. We actually have to shift many things at once. It's not just one tax policy that's going to unbind everything. What we have to look at is how you build firms that are able to keep and retain intellectual property here. When we're looking at how we fund things, are we generating IP? Are we retaining IP? Are we commercializing it?

If you marshal government programs, whether—

Mr. Pat Kelly: Just quickly, as I don't have much time left, is it fair to say that there's an incredible deficit of investment between Canada and the United States?

The cross-border investment between Canada and the United States for many years was positive in Canada's favour. Canadians are now investing their money in the United States. The gap is almost half a trillion dollars. Do some of these failures that you've spoken of contribute to this deficit in investment in Canada?

• (1700)

Mr. Benjamin Bergen: If you don't have a framework that actually captures wealth, it will leave and go elsewhere. Money is smart. It moves.

I would also point out that 125,000 Canadians left Canada in 2023, a record number, and a lot of those were in the tech sector. Not only are we seeing capital flee and go south of the border; we're actually seeing a lot of our highly skilled workers leave as well.

Mr. Pat Kelly: That's the legacy of nine years now. This is when the capital flight began.

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

Now we're going to MP Sorbara, please.

Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.): Thank you, Chair.

There's a lot of great discussion and thoughtful questions from all members of the committee today.

It's great to have all the witnesses here both virtually and in person. Thank you for availing yourselves and thank you for your ideas and your testimony.

To the Basic Income Canada Network, Sidney and Sheila, thank you and welcome. I believe you're from Toronto, if I'm not mistaken.

A voice: Winnipeg.

Mr. Francesco Sorbara: Winnipeg and Etobicoke, I hear. I'll give a shout-out to Etobicoke today, not Vaughan, which is something I usually don't do.

When we think about Canada's social fabric and the social programs we have in place, I like to think about having four groups of individuals, of Canadians, in our country to take care of. We have our seniors and Canadians with disabilities. Then we have families with kids, and we have working Canadians—who can be at different stages of their lives, divorced, single, etc.—with no kids. When we look at our social programs in those four buckets, we're doing very well.

Think about seniors, the poverty rate and what we've done for seniors since the late 1960s when we brought in CPP, the Canada Health Care Act and so many great things and what we've done over the last 10 years as a government. Of course, I can rhyme off a number of measures, including reversing the old age security and GIS increases from 67 back to 65, which puts \$20,000 more in the pockets of seniors when they retire that they would have lost, and the increase in the GIS or the expansion of the Canada pension plan, which was done by the former finance minister in conjunction and collaboration with all the provincial ministers. It was a great job.

When I think of families, I think of the early learning national day care plan we put in place that may, in fact, be in jeopardy because the opposition party wants to get rid of it. It's clear on Instagram and other sources that they would like to get rid of it. We think of the Canada child benefit that we put in place, which delivers about \$30 billion a year to families and about \$100 million in my riding in Vaughan—Woodbridge.

Then we think of working families and what we've done with the Canada workers benefit, income tax cuts, raising the personal exemption amount to \$15,000 and cutting the middle income-tax bracket. Again, these are real savings. I think it's like \$15 billion in annual tax savings a year when you combine the two, so these are big measures.

I haven't even mentioned the Canadian dental care plan. I think almost 450,000 Canadians have gone to the dentist because of this plan. We're covering a gap. We have more work to do. On pharmaceutical, there's a gap there that needs to be covered.

I think we're going the right way. I just wanted to say that because I understand you folks on basic income. I disagree with it. I think we've put in place a social fabric that's great. I wanted to speak to you on that. I'm not going to ask a question because I have to shift gears in my limited time.

I want to go to Benjamin over at the Council of Canadian Innovators, whom I have a lot of respect for. I have interacted with many of his members.

Benjamin, I will be as frank as possible. I'm not a doom and gloom person. I think Canada is the best country in the world. We are a G7 country. I think our fiscal framework speaks for itself. I think our innovators are the best in the world. Our investments, whether they are in AI or electric vehicles, whether they are in steel, aluminum, the agricultural sector or the wine industry... I can go on and on. I think this is Canada's decade. I've said it in the House. We have some work to do to make sure and solidify that it's Canada's decade, but we're on the right track.

I've read through your recommendations. The SR and ED program is over \$100 billion of tax expenditures that the federal government does on an annual basis, if my calculation serves me well. How important is reviewing the SR and ED program, in your view, to unlocking even greater amounts of innovation for our economy?

Mr. Nicholas Schiavo: Ben, I'd be happy to—

Mr. Francesco Sorbara: This is for Ben or Nick, whoever.

• (1705)

Mr. Nicholas Schiavo: I'm happy to kick things off. Let me first say, Mr. Sorbara, thank you for the question, and we agree that this is definitely the greatest country in the world. I think we all want those programs you listed. I think how we pay for them is maybe where we disagree.

To your question on SR and ED, this is integral. As Benjamin said, this is the largest, the oldest and the most important innovation program we have in this country. It's nearly \$4 billion every single year, and we are squandering a lot of that money, not only to foreign multinationals but also to the big four consultants for just filling out the application. It is in desperate need of reform, and we've participated in those consultations.

I'll also note, though, that, when we developed our policy brief, we did so in a thoughtful way to make it cost-neutral. We know that money is tight right now, so we wanted to be thoughtful about that. That also requires that Canada implement a national innovation box or a patent box—

Mr. Francesco Sorbara: Nick, I want to jump in here before I run out of time.

I wanted to ask about the national innovation box or patent box regime in recommendation two in your brief. Would it be wise to shift resources from one program into that box?

From everything I've read...and you have a lot of very thoughtful leaders within the council. Is a national innovation box where we would see the first derivative change in gains on the innovation side and the productivity side? Would that be a key driving force for us?

Mr. Nicholas Schiavo: Yes.

The whole idea behind our vision with an innovation box or a patent box, as you mentioned, is moving from inputs to outcomes. For those on the committee who may not be familiar, it's an income-based incentive to encourage the commercialization of IP in Canada rather than direct R and D spending. More than a dozen European Union countries have implemented some form of patent box, along with China, Australia and the United Kingdom. One of the reasons for that is that these tend to be more effective for small,

open economies like Canada's that rely not only on exports but also on global value chains.

We are really trying to rebalance SR and ED with this patent box to say that, if you want the benefits in terms of better tax treatment, you can have those, but you need to be commercializing that IP here in Canada and ensuring the value and the wealth of that flows back to our economy and to Canadians.

Mr. Francesco Sorbara: Okay. Thank you, sir.

I think my time is up, if I'm not mistaken.

Thank you, Chair.

The Chair: Thank you, Mr. Sorbara.

I'm just looking at the time, and we don't have time to get through a full third round. What I'm going to do, as this committee is accustomed to, is divide the time amongst all the parties. We're looking at five minutes or so for each party to be able to ask questions for this final round.

We're starting with MP Bezan.

Welcome to our committee.

Mr. James Bezan (Selkirk—Interlake—Eastman, CPC): Thank you, Mr. Chair.

I want to thank our witnesses for joining us today. My questions are for the Council of Canadian Innovators.

You talked about how the government has been slow in adapting new technology. You talked about how Minister Champagne has started the blame game by blaming innovators. Do you feel like this Liberal government has been hostile towards innovation?

Mr. Benjamin Bergen: I think you have to look at the record there specifically. I did bring up William Blake, who said that execution is the chariot of genius. There have been some attempts at trying to do some things, but the delivery in terms of how they've actually been executed missed the mark. To your question about hostility, I would say that maybe they misunderstand or don't understand the complexities of an innovation economy, and the outcome of that is apparent. We've seen policies that haven't delivered. We haven't seen the successes in job creation and wealth promotion from things like the superclusters.

Rather than relying on and engaging with companies that are winners and are out there actually selling products globally, a lot of these policies are being ingested and created by folks who, candidly, don't understand how an innovation economy works. Part of our work is to educate and engage. We have definitely tried to do that with Minister Champagne and his predecessor, but when you look at the framework of what has actually been achieved, I think that record is definitely a failure.

Mr. James Bezan: Okay. I appreciate that.

When you look at national defence and the innovation that needs to take place there, what you see happening in Ukraine is that it has been able to stay in the fight because of innovations like using drones, electronic warfare and cybersecurity to fend off attacks from the Russians.

How can the innovation sector help Canada develop the types of defensive mechanisms we need here, including cybersecurity? When you look at AUKUS pillar two, which is all about quantum computing, AI and cybersecurity, Canada is not in the game. What can the innovators across this country do to help us from a national security and defence standpoint?

• (1710)

Mr. Benjamin Bergen: I'll kick it over to Nick in just a second, because he's very well versed in many of these pieces.

The thing about strategic procurement is that not only will it lead to economic opportunity and prosperity, but it's also part of national security. To the point in your question around things like NATO, our inability to have the capacity to defend this country and work with our partners is critical. If we're going to meet our NATO commitments, which is that 2% piece, we should do it by actually buying domestic innovation and technology that can then be sold and go global.

Right now I'm working with a particular firm whose technology the Ukrainians desperately want—it's a Canadian technology—but there's no ability for them to actually procure it. When we think about these types of things, how are we effectively using our expenditures on things like defence to not only defend ourselves but to create economic opportunity?

Nick, I'll pass it to you, if we still have time.

Mr. James Bezan: Mr. Bergen, can you just say what exactly that technology is that the Ukrainians need, and what the impediments are to getting it to them?

Mr. Benjamin Bergen: Given the NDAs that we have signed with our member companies, I'm not going to jump right into this right now in committee. However, I'd be happy to speak to you off-line about this particular piece.

Mr. James Bezan: Thank you.

Perhaps we can kick over on the AUKUS piece and the NATO piece to your colleague.

Mr. Nicholas Schiavo: Maybe just on the NATO piece I'll say that we're trying to get to that 2% target. The only way we're going to be able to do that is through procuring domestic capabilities. We know that, between 2018 and 2020, the cyber sector in Canada grew over 30% in terms of employment, R and D, and revenue, but only 8% of that came from Canadian government contracts.

To really put it in perspective, Canada's Five Eyes partners buy three times as much Canadian cyber-technology products and services than Ottawa itself. Other countries understand what we have. They are using it for their security apparatus, and for whatever reason we fail to do so. I can't tell you how many times I have met with a new member, and they have told me that they do business with the American military or with the British military, but DND is

nowhere to be found. There are lots of processes in there to, I think, hold our own in our military alliances.

Mr. James Bezan: How do we change the culture of risk aversion that exists within DND, at PSPC, and fix the procurement piece to make sure that Canada—and the Canadian Armed Forces, in particular—is an early adaptor of our technology.

Mr. Benjamin Bergen: Yes, I think that's critical. I think that is definitely something that we need to be working towards. In our two submissions, that really is highlighted.

The Chair: Thank you, MP Bezan.

Now we'll go to MP Thompson, please.

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

Ms. Tessier, perhaps I could start with you, please. I'm a fan of co-op housing, but I have to give a shout-out to the very strong supporters in my province of Newfoundland and Labrador, who work so hard to really build capacity for co-op housing and also push against some of these stereotypes and barriers that, as a province, we faced in really promoting this as a real choice for the so many people who need affordable and secure housing.

I was really pleased in June for our government to invest \$1.5 billion in co-op housing. In light of a very solid federal commitment to this sector, how can we address some of the challenges that I'm seeing around co-op housing, as it's an important part of an overall housing strategy and the urgency to get these homes started?

Ms. Patricia Tessier: Thank you for the question.

Yes, you do point to the fact that sometimes there is misunderstanding or a negative perception around co-op housing. Definitely it's a mixed solution. It's not social housing. I have worked as well in the non-profit community housing. The co-op housing sector is very different. It is about empowerment. It does actually lead to skills development due to the model as well, which is another point that reinforces the link between economic development and the co-operative housing model and its potential.

Regarding the challenges I alluded to, one is ensuring that we have sufficient capacity, having the resource groups and the technical expertise. We are working quite quickly, and we say we are ready. We have been getting ready because, prior to the announcement, the members set a vision to grow co-op housing.

You will see in the pre-budget announcement as well that we are not near the average of the OECD in terms of the amount of non-profit community housing. Increasing that to be on par with other OECD countries will also contribute to our GDP. Really, the main challenge is the funding to ensure affordability because that is primarily what non-profit co-op housing members with CHF Canada provide.

Can we build? I think you'll see that generally in all sectors, building housing right now is a challenge because no one can afford...even buying.

The continued investment.... It was noted before as well, when the program was axed, absolutely 100% of the development of co-op housing basically stalled. We were in the city of London not long ago where there has been no development of co-op housing there in 22 years or something, and actually, that was a surprise to some. They didn't realize.

Absolutely, the contribution...and it doesn't need to be a lot. As you said with the \$1.5 million, it's \$500 million in contribution. It just needs that leg up, and the benefit is long term. Our "The Co-op Difference" research report shows that the housing also becomes more affordable over time. It really is...to act now because this is a long-term solution that provides affordability and security of tenure, having the house and not being fearful of being kicked out and being able to have a family because you're not going to be kicked out or renovicted.

I think the challenges are more in the mindset shift of understanding co-operatives. That's a very big one, I think, and the continued funding and more funding, so we very much hope that this program will demonstrate the need. We have a long list. We know there is more need out there.

• (1715)

Ms. Joanne Thompson: Thank you.

I certainly hope that this funding does provide that lift, and that certainly I am able to see more co-op housing in my area.

I have a very quick question, Mr. Duceppe.

You mentioned national pharmacare and the importance of implementing this, and certainly you know we're moving forward with diabetes medication and prescriptive contraceptives.

Could you comment on what this means for your members, and moving forward, where you'd like to see this program go in terms of priorities?

[Translation]

Mr. Yvan Duceppe: Thank you for the question.

I just want to note that, as we said, we welcome the initiative that has been taken. Yes, we understand it is limited to contraceptives and diabetes medication. That said, what we would like is for it to be extended to other types of medications, because this is an important element of social policy.

People often find themselves with very high bills, whether for drugs or for insurance. This is important to our members and we

hope it will be gradually improved. Still, I think this is a step in the right direction.

[English]

The Chair: MP Thompson, that's the time. We're over time, actually.

We will move over to MP Ste-Marie, please.

[Translation]

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

Mrs. Paré or Mr. Claus, you are asking that the \$1.25 million exemption be removed; it was special and temporary but has been in place since 1997, if I am not mistaken. Is that the case?

Mr. Simon Claus: Exactly. The exemption, which was introduced in 1997, was temporary, yes. It ultimately became a sort of subsidy for radio stations, indirectly paid by rights holders and depriving them of legitimate revenue for the use, here again, of their works. So it is just a normal payment to the rights holders—the performers, the producers—for the work they do.

Mr. Gabriel Ste-Marie: So I understand that what is owed to performers and the industry should be paid, but this does not preclude other solutions to provide better support for our media, which are in trouble. Thank you.

Mr. Duceppe, I would like you to tell us about new housing, and specifically the importance of there being a larger non-market share of housing stock. What do you mean by "non-market"?

• (1720)

Mr. Yvan Duceppe: I would say that the rise in the cost of housing is often a result of flipping. Speculation means that we end up with housing that is more expensive for landlords, who pass the bill on to tenants.

Some housing is referred to as "non-market", as in the case of co-operatives. That housing is here for good, so there are no re-sales, and it is the historic cost of construction that applies. Renovations have to be done occasionally, of course, but there is no speculation.

Earlier, I heard Ms. Tessier say that co-operative housing actually produces diverse communities. They are not communities solely for low-income people, as we might think. Yes, there are low-income people, but the aim is to have diversity. That also applies to housing provided by NPOs, not-for-profit organizations.

We therefore need to have non-market housing. I want to note that Canada has had a very weak track record in this regard for years. Barely 5% of Canada's housing stock is non-market, while in countries like France and the United Kingdom, non-market housing accounts for 14% or 16%, not to mention Sweden, where it is 40%.

However, I do want to point out that housing is also a right and should be accessible to everyone. Non-market housing is the best way to achieve this.

Mr. Gabriel Ste-Marie: I hear you. So it is not enough to have affordable housing, we really have to provide non-market housing, or social housing, as it is also called. Thank you.

One of your requests relates to restoring the funding under the labour market development agreements and workforce development agreements. Can you tell us more about this?

Mr. Yvan Duceppe: Yes.

If I had my colleague François Bélanger, an economist, with me, it would definitely be easier for me to answer.

I can tell you that in Quebec, the Commission des partenaires du marché du travail, which brings together employers and unions, is calling for the cuts to this funding to be cancelled, because they result in reductions in worker training budgets. Those budgets are enormously useful.

I heard earlier that we may not always be as productive as we might hope. In our opinion, training is precisely a tool to make our workers more productive and better able to do their jobs—and yet the federal government is cutting budgets that are being spent appropriately, in partnership between employers and unions, as I said. I think companies consider it important to ensure that Canada has what it needs, when it comes to training, and that workers are properly trained.

Mr. Gabriel Ste-Marie: Thank you.

I have about 30 seconds left.

If the Association québécoise de l'industrie du disque, du spectacle et de la vidéo has a last word to convince committee members of the merit of their requests, please go ahead.

Mrs. Eve Paré: This year, our requests have no budget implications, apart from making funding permanent, so no additional money is being requested. The amendments to the Copyright Act have no effect on the public purse, but would be hugely beneficial for our industry.

Mr. Gabriel Ste-Marie: Thank you

The Chair: Thanks to the witnesses.

Thank you, Mr. Ste-Marie.

[*English*]

We now go to MP Davies.

MP Davies, you are the final questioner of our excellent witnesses today before we conclude.

Mr. Don Davies: Thank you.

Mr. Schiavo, I think I agree with you, if I understand your testimony correctly, that Canada could and should be using our procurement policy to help better support the Canadian environment for businesses.

Do you agree that provisions in Canada's trade agreements that prohibit Canada from distinguishing between foreign and Canadian domestic bidders for procurement are harmful?

Mr. Nicholas Schiavo: I do. I think the risk aversion we see across procurement also applies to some of our trade agreements.

We stick to them to a T, which is, of course, important for our allies but sometimes comes at the cost of Canadian industry.

• (1725)

Mr. Don Davies: Following that, the United States seems to be intermittently liberal in terms of trade policy, and then they get protectionist. In the latest iteration, I think, under the Biden administration, and I think even under the Trump administration, they were very avowedly protectionist. Do you see that as giving us a little bit of political room as a country to be a little bit more rugged, I guess, in terms of using our procurement policies to help Canadian business people?

Mr. Nicholas Schiavo: I do. I think a lot of what CCI preaches is not novel. It is what we're seeing in other advanced economies, including the United States. I think regardless of who wins the White House, with USMCA/CUSMA up for renegotiation, Canada does need to be smart and aggressive about ensuring that domestic industries are well supported, looking at things like IP and digital rights.

However, we see other countries with smart industrial policy, and what we are saying is that we should follow suit.

Mr. Don Davies: I'll just give one more question to you, then. I'm thinking of other countries like the Scandinavian countries that are considered to be relatively high-tax, high-regulation jurisdictions, and they seem to be performing very well. They historically performed very well.

Are there any lessons in your experience that we can learn from those Scandinavian countries and apply here to help achieve the same kinds of stellar results?

Mr. Nicholas Schiavo: Benjamin, do you want to field that one?

Mr. Benjamin Bergen: Yes, for sure.

If you look at the Nordic countries with high productivity, higher taxes and really wonderful services that I think often we reference here in Canada, you see it really is how they're supporting their domestic innovation economy.

Look at a country like Denmark. Novo is the company behind Ozempic, which folks might be familiar with given its popularity right now around the world. Novo is really supported by the Danish government. They marshal their education. They marshal research and development in that space. As an open, small economy, that's where they've really decided to be players. Novo is such a large company in Denmark that they actually calculated the GDP with and without the company involved in it, because it shifts the overall wealth and prosperity of the country so far.

As we march forward, looking at where there are opportunities for Canada to be winners in certain sectors and where we really marshal our forces on capital, talent, customers and freedom to operate, that will really lead to, I think, some of the similar outcomes that we're seeing in other small, open economies that are smart.

Mr. Don Davies: That's a really good suggestion. I think one of you mentioned the need for a modern Canadian industrial strategy. Maybe "industrial" is not even the right word anymore, but a smart strategy.

The last words go to Mr. Frankel and Ms. Regehr. I want to give you my remaining time to tell us what you think we need to know about the minimum basic income.

Ms. Sheila Regehr: I'm going to use this opportunity to respond to Mr. Sorbara's non-question.

We absolutely agree with him about all of the things he talked about that we've done right in Canada for seniors and for families with children. Those are unconditional programs. They work. They have a payoff in the economy. They have a payoff for people. It releases the capacity of people to do things. We need to keep doing it, because obviously we need to finish and deal with all of the unaffordability issues, the rise in poverty, the incredible insecurity people are feeling. We need to get on with it. We agree with him, but it's not done yet.

Mr. Don Davies: Mr. Frankel, do you have anything to add?

Mr. Sidney Frankel: I agree we're doing well in most areas, but those Canadians living below the poverty line on provincial and territorial social assistance funded through the Canada social benefit would not agree, and the Canada workers benefit is tiny. It's good to have that program, but it's not doing nearly enough for Canadian workers who are working in the marginal lower echelons of the labour market.

The Chair: Thank you.

Thank you, MP Davies.

On behalf of the finance committee, we want to thank, as I said, our excellent, great witnesses here for their testimony on our pre-budget consultations in advance of budget 2025. We really appreciate all their remarks. Those have all been captured and will make up part of our report.

Members, I do need just a minute of your time. On Bill C-365, it's a decision point on whether we bring it to the House or look for some extension on that.

I see PS Bendayan's hand up.

• (1730)

[*Translation*]

Ms. Rachel Bendayan (Outremont, Lib.): Thank you, Mr. Chair. Thank you for raising the issue. We discussed it very briefly in the past, and I undertook to prepare a motion for the committee.

The government has already proposed the foundations for an open banking system in Canada, in budget 2024. We undertook to finalize the framework, definitely. To be honest, this is an important subject, and one that is close to my own heart.

Because it is a bill that is also of concern to the Conservatives and the Bloc, I propose that we ask the House for an extension and ask you to schedule a meeting with witnesses, so we can at least consider the bill and an open banking system for Canada. In my opinion, it deserves at least one meeting, and I think we have time to hold it this fall.

[*English*]

The Chair: PS Bendayan is looking for the extension.

Yes, go ahead, MP Chambers.

Mr. Adam Chambers: We don't agree to the extension. I think what's happening here is that the government is waiting to get past the date when they will bring in their fall economic statement. If Ms. Bendayan would like to produce a motion, we could consider it at the next meeting, but we aren't prepared to give consent for an extension at this point.

The Chair: Members, does anybody else wish to speak to this? Okay. I'm just going to need to suspend for...

We're suspended.

• (1730)

(Pause)

• (1730)

The Chair: Members, we're back. We're going to a vote on this.

An hon. member: What are we voting on, Mr. Chair?

An hon. member: I'm sorry, Mr. Chair, but is there a motion on the floor?

Mr. Pat Kelly: There's no motion, Mr. Chair.

The Chair: I spoke with the clerk. We're going to a vote on the extension.

Yes, go ahead, Ms. Gray.

Mrs. Tracy Gray: I have a point of order, Mr. Chair.

Unless I didn't hear something right, I didn't hear anyone say, "I would like to move the following motion." I don't have anything in writing, and it's not translated, so I'm not exactly sure what you're voting on.

The Chair: Thank you, MP Gray.

What I asked the members for is the decision that we have to make about reporting back to the House or looking for an extension. That is what was asked of the members, and now the members have an opportunity to vote on that.

Mr. Adam Chambers: There's no motion on the floor to vote on.

Mr. James Bezan: The chair can't move a motion.

The Chair: We go back to PS Bendayan.

PS Bendayan, was that...?

[*Translation*]

Ms. Rachel Bendayan: I made a motion. It was in French, but I can repeat it in English. I could also—

[*English*]

The Chair: One second, I'm not getting translation.

Mr. James Bezan: Her headset isn't compliant.

The Chair: PS Bendayan, your headset is non-compliant. It's not an approved headset.

We go to MP Davies, please.

Mr. Don Davies: Thank you, Mr. Chair.

I just want to make sure I understand what we're talking about here. I note that, at our last committee business meeting, when we were setting out the business for the fall, we indicated that there was a private member's bill that had to be reported back to the House unless we sought an adjournment. I just want to clarify.

Is that what we're talking about here, that bill?

The Chair: Yes, MP Davies, that is what we are discussing. We discussed it in a previous meeting. We've come to the point at which we need to make a decision, either to the extension or the reporting.

Mr. Don Davies: Because it was already raised in committee business before, I don't think 48 hours' notice is required. I think we can...and I'm happy to move a motion right now, then, that we seek an extension to consider that bill. I can't remember the number of the bill. I'm sorry, but I'm in Vancouver, so I don't have my file in front of me.

The Chair: It's Bill C-365.

Mr. Don Davies: I move that we ask the House for an extension for Bill C-365.

To the clerk, is that 30 sitting days, or what is the extension that we generally get?

• (1735)

The Chair: Yes, it is 30 sitting days—that is correct.

Mr. Don Davies: I'll just speak briefly to my motion, if I might.

It's been sitting there. It's reasonable. I haven't had a chance, actually, to really look at the bill. If we don't do anything, it will be reported back unamended to the House. I don't think that's responsible since none of us have had a chance to look at the bill or even discuss it. I'm curious about my colleagues' views on the bill as well. I'm agnostic on it at this point. I haven't had a chance to take a position, but I think it's imminently reasonable that we take a little bit of time, which, again, I think we anticipated when we discussed committee business just a few weeks ago.

I move that motion.

The Chair: Thank you, MP Davies.

I do have a speaking order. A motion has been moved for the extension on Bill C-365.

I have MP Ste-Marie and then MP Kelly, MP Baker and MP Chambers.

[*Translation*]

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

First, I would ask for unanimous consent to release the witnesses, given that their participation is over.

[*English*]

The Chair: I think that's a great point.

We again want to thank our witnesses. You may exit. Thank you very much. Again, we appreciate your testimony in coming before committee.

Thank you.

[*Translation*]

Mr. Gabriel Ste-Marie: Second, I will say that I am in favour of the committee considering Bill C-365. I would not want it to be sent back to the House without being amended.

However, I am wondering about your decision, since I wonder whether there doesn't have to be 48 hours' notice for this kind of motion, so it can be debated fully. I would therefore like to have an opinion on this. Thank you.

[*English*]

The Chair: I will suspend for a second.

Thank you, MP Ste-Marie.

Yes, it would need 48 hours if it were not on the business at hand, but it is the business at hand, so it does not require the 48 hours.

Go ahead, Mr. Kelly.

Mr. Pat Kelly: I have a point of order.

It is not the business at hand. The business at hand today was the pre-budget consultation. We were not meeting to discuss committee business. It would require notice, it not being the subject of today's meeting.

The Chair: Thank you, MP Kelly.

When I opened up discussion on Bill C-365, it became the committee business.

Mr. Pat Kelly: Do I have the floor, then? Am I next?

The Chair: You are next. If MP Ste-Marie is finished, then you are next.

Mr. Pat Kelly: I move that we adjourn debate.

The Chair: Mr. Clerk, go ahead.

(Motion negated: nays 6; yeas 5)

Mrs. Tracy Gray: I have a point of order, Mr. Chair.

We're past our time now. I don't recall coming to an agreement that we would be past the time of this committee. We're past the time. Technically, the committee was ending at 5:30, and we haven't had unanimous consent to continue this committee. I'm not even sure if there are committee resources to continue with this conversation.

The Chair: There are resources. We will continue. We are continuing with resources.

Mrs. Tracy Gray: The time is up at this committee.

The Chair: We are continuing.

Now we have MP Kelly.

Mr. Pat Kelly: Look, we thought we were heading toward reporting this back. There was no plan during the time that we spent on committee business to include this. I'm disappointed that the parliamentary secretary, in the last 15 seconds of this meeting before its expected adjournment, chose to force through an extension to a bill that ought to be, by now, brought back to the House.

I wasn't on this committee during the previous time when this could have been studied, if it were a priority to study. On business, bills get priority, typically. I don't know what happened before I was here, but for this bill, it's time for it to go back to the House so that it can continue with the legislative process.

I'm disappointed that this is how this has come about. I guess we could just talk about this, if that's what we're going to do now, but it's time for this bill to be reported back. I'm very disappointed with the tactic of springing this by way of a sloppily delivered motion in the final seconds of witness testimony on a pre-budget consultation.

• (1740)

The Chair: Thank you, MP Kelly.

I have MP Baker next and then MP Chambers.

Mr. Yvan Baker: I have been on this committee for a few years now, and this is the first time that I remember the Conservatives not wanting to study one of their own pieces of legislation.

I think what we have is the members saying that they'd like to study it and consider it before it goes back to the House. I think that's a very reasonable position.

That's all I have to say.

The Chair: Thank you, MP Baker.

I have MP Chambers, MP Gray and then MP Davies.

Mr. Adam Chambers: Colleagues, we already agreed, last meeting, to what I think was a reasonable compromise amongst all competing interests, with the exception of Mr. Davies, who actually I don't think got anything in the last negotiation we had. That was, I had thought, an opportunity to buy a little peace for a bit.

There's no reason we have to force a decision today. Why don't we all just take a break, reflect on it over the weekend and come back on Tuesday with a proper motion? Maybe it's not 30 days. Maybe it's 20. Maybe it's a week, but I don't think we need to try to decide this today. Frankly, given the fact that we had a fairly good working relationship last meeting, I'm not really sure that having people cancel flights on a Thursday night to sit here and do it...because that's what some of us are prepared to do here now. I've just found out when the next flight is.

If we'd like to keep going around and around, we can continue to do that. We thought we had negotiated the next couple of months out pretty well. It now looks like the government is trying to change the deal we made last week. I'll leave my remarks there in case they persuade anybody. Unless you want to start bringing in the bullpen, we're prepared to continue to talk about it. Let's just figure it out on Tuesday when we come back.

Thank you, Mr. Chair.

The Chair: Thank you, MP Chambers.

I have MP Gray, MP Davies and MP Bezan.

Mrs. Tracy Gray: Thank you very much, Chair.

My understanding is that we're debating something here today that was literally dropped within the last minute of this committee's

sitting. I was packing up my purse and my bag. It is a little irregular for this to be happening.

I know that committees do committee business. I know that the different committees I've sat on will have committee business and decide on committee business. It sounds like there's a desire to change that in a public forum like this, as opposed to when you're normally doing committee business.

There really hasn't been a lot of explanation given for to what the ask is. Quite often, there will be.... For other chairs I've worked with, they'll sort of have their intention as "we're going to do this and then I'm going to put aside five minutes at the end because there's some committee business that we need to make a quick decision on". That hasn't happened at this meeting. I'm not normally a member of this committee, but this sounds like something that doesn't normally happen. It sounds like there's a lot of confusion here. There needs to be more discussion and thought.

I'm a little bit unclear.... I still haven't seen anything in writing. I'll just check my inbox here. I haven't seen a motion circulated in both official languages, unless something has come through. I'll look to my colleagues to see. The motion that was brought forth wasn't specific to the business of the committee. Therefore, there should be something that we should have in writing, in both official languages, and that doesn't exist. It sounds like it wasn't just a sort of friendly motion, where it's a matter of "we're going to make this one smaller amendment". It sounds like something that needs a little more thought.

Chair, I'm not sure if the mover of the motion has put that together and has that in writing and it's being circulated.

I'll look to the clerk to see if anything has been received and is being translated. Not that you're aware of...?

The mover of the motion.... I'm not sure if it's being circulated, but I would think that we should suspend this until we have the motion in writing in both official languages, because it's not on the business of the committee that we're dealing with right now. It's not like it's just a three-word motion. It's more substantive than that. I think it's normal protocol, if we have motions that are out of the committee business, to have them in writing.

• (1745)

The Chair: Thank you, MP Gray.

Before I go to the next member, I'll say that MP Davies' motion was to ask for the extension for 30 days, and I guess that in the Standing Orders, MP Chambers, to your question, it has to be 30 days. In the Standing Orders, that is what it says.

On that, MP Gray is not a sitting member of this committee. Neither is MP Bezan. That's just a little background.

There has been significant discussion already around this, and we knew we were coming to a decision point that has to be made because this has to be reported back to the House.

Mr. Adam Chambers: I have a point of order.

The Chair: That's just to give everybody a little background on that. There has been discussion prior to this meeting.

On a point of order, I have MP Chambers.

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

Could the clerk confirm whether it would be in the committee's ability to change the length of time from a 30-day extension to a one-week extension? Are we not able to do whatever we like as the committee about giving an extension?

The Chair: I'll suspend for a second.

Clerk, if you could, just explain, please.

The Clerk of the Committee (Mr. Alexandre Roger): The extension of private members' business for the bills is specified in the Standing Orders. The committee cannot request something that goes beyond or is different from the Standing Orders. It's not among the committee's possibilities to do that at all.

The Chair: Thank you, MP Chambers.

I am going to MP Davies now.

Mr. Don Davies: Thank you, Mr. Chair.

I have a question before I continue with some remarks.

My question is through you, Mr. Chair, maybe to the clerk. What is the deadline we have to make a decision as a committee on an extension before it's deemed reported back to the House?

The Chair: Thank you for that, MP Davies.

It does have to be reported back to the House by next Wednesday. The challenge, of course, is that we have PBC. We have witnesses already lined up for next week, etc.

Mr. Don Davies: I'm going to assume that all of my colleagues around the table are proceeding in good faith, and we're not just going to be entering back into something that has been a problem, historically, with this committee, which is delaying and filibustering and throwing up procedural roadblocks in order not to get to just regular business, but here is how this actually went down.

First of all, committee business is always in order. It's always in order.

Second, you don't need a written motion to bring up something that's already been discussed. It's already part of the existing fabric of the business of the committee. You need 48 hours' notice for a new motion that has not been brought to anybody's attention.

Third, we discussed this issue and raised the issue at our last committee business meeting, and I appreciate, in fairness to Mrs. Gray, Mr. Bezan and anybody else I can't see who wasn't there, that they weren't there at it. Mr. Chair, you've pointed that out.

When we were discussing the fall schedule, we specifically mentioned that this bill was sitting on our docket and that it would be reported back to the House, unamended, unless we asked for an extension. We put a pin in that, recognizing that we were going to have to come back to this.

The next thing is that, in terms of those who don't want to deal with it today, we either deal with it today or we deal with it on Tuesday. Both days are identical days. They are days when we're scheduled for pre-budget hearings—today or on Tuesday.

This is not a substantive issue. This is an issue of whether we want to give ourselves an extra 30 days so that we can actually look at the bill.

I understand that this is a Conservative bill. If we don't do this, the bill will likely go back to the House, and it could very well be defeated. If we don't have a chance to actually hear some evidence on it and to consider the bill, then I don't see how that does any service or is of any assistance to the drafter of the bill, who I believe has worked hard to get it to this point. We all know that it's rare to get a PMB past second reading to committee. If it's at committee, that person deserves to have this committee take a look at the bill.

All we're asking for here is to give this committee a little more time in which to consider the bill. There's nothing untoward. There's nothing procedurally incorrect. There's nothing by surprise. There's nothing substantive. This is, frankly, a garden-variety housekeeping measure that we had identified as needing to be taken care of.

Frankly, Mr. Chair, I think it was wise and deft of you to leave it to the end of this meeting so that we got to hear from the witnesses. Nobody anticipated that there would be any opposition to this, and so far, I haven't heard a substantive reason. Do any of my Conservative colleagues not want to consider the bill?

Do you think it's better to have the bill reported back to the House with no examination by the committee? That's what will happen. What is the advantage of waiting until Tuesday when we would have the exact same conversation as here today? Mr. Chambers is making veiled attempts to bring in the bullpen. Are they suggesting a midnight filibuster over this profoundly insignificant issue of whether we grant ourselves a 30-day extension today or on Tuesday? Seriously...? That's not serious. Those aren't serious parliamentary intentions, I don't think.

Let's go to a vote. If you don't want to give the 30-day extension, then vote against the motion. If you do, then vote for it. We'll let the will of the committee prevail, but this is not an issue that should be holding up...

My last point is that none of this bears, in any way, on the good faith that we all brought to bear last week or the week before that in coming to the fall schedule. We specifically identified this issue as one that could be dealt with. There's no subterfuge. There's no sneakiness. There's no resiling on any agreement. There's no backsliding. We're dealing with a piece of business that we said we were going to deal with, frankly, at almost the last possible moment.

Whether we do it today or whether we do it Tuesday, the committee members are going to have to make a decision on whether we want this bill to be reported back to the House without examination or whether we want to give ourselves a little bit of time so that we can actually schedule a day or two to bring in the sponsor of the bill, who I think probably wants to come to the committee and have a chance to speak to the bill. That would also give us a chance to actually have a little sober thought.

• (1750)

My last point is this: If we have one duty as parliamentarians, it is to examine legislation that comes before us.

I think it's the height of irresponsibility to take a position that would see a bill that we want a chance to take a look at and to hear a bit of evidence on in the only part of the legislative process that actually allows for some evidence.... For anybody here to say, "No, we don't want that," and to let the bill go back without any of that scrutiny, examination, evidence or consideration, that, to me, is a dereliction of our duty as parliamentarians.

This is much ado about nothing, and I think we should just get on with the vote. If people want to vote against it, vote against it, but let's not hold up the committee business and all the important things that we're going to do.

My final final point is this. Mr. Chambers is correct. I did not burden the process by demanding that any particular issue of mine be put forward. I deferred so that the Conservatives got two of their priorities folded into the fall agenda. The pre-budget hearings, notionally, I guess, it could be argued, are something of an advantage to the government, since it will be their budget, and my Bloc Québécois colleague also got something, because we're folding in his study as well.

Nobody's trying to go backwards on anything. There's no benefit to anybody by pushing this motion. It's just good committee management. Let's put the swords down. Let's all catch our planes tonight—those who need them—and let's make a sound democratic decision on this and move forward.

● (1755)

The Chair: Thank you, MP Davies.

MP Davies is correct in the sense that we did have a discussion on this, and we knew that the decision needed to be made. We're coming up to the end of the time that we have to make that decision, members.

I have MP Bezan, and then MPs Dzerowicz, Chambers and Kelly.

Mr. James Bezan: I'll just say this as a long-time member on the Hill and a long-time person in chair positions on the Hill, with over eight years as a chair. These committees are created through the House of Commons. Our membership is approved by the House of Commons, and work that is referred to a committee by the House is supposed to take precedence over all other work.

My understanding is that in the 60 days you've had this bill, there hasn't been a single meeting on this private member's bill, which I believe is not taking that reference from the House seriously. The reason that extensions are provided by the House.... Again, it's the House that will provide the extension. They have to agree to it, and it won't be agreed to until next Wednesday, according to the rules. If you want to go to page 1161 on rules and procedure in Bosc and Gagnon, at chapter 21, the only reason they'll grant an extension is that the committee couldn't complete its work within 60 days.

The committee decided not to do the work in 60 days. That, to me, is egregious and a violation of the privilege of the member on the PMB, the sponsor of the bill.

Yes, this bill should have been brought forward and considered in a justified time. If we couldn't hear all the witnesses who were required, or if it was an in-depth and technical bill, that's why ex-

tensions are granted, but to ask for an extension just because we didn't prioritize studying this bill, didn't call a single witness and didn't even allow the sponsor of the bill to appear before committee is egregious.

I would suggest that we let this bill, if it wasn't of interest to this committee up until this point in time to be reported back to the House or it failed and missed the deadline so it was deemed reported back to the House...but to request the extension of the House, which may not grant that extension because of the lack of seriousness shown by this committee in getting the work done in a timely manner, is a violation of parliamentary privilege.

The Chair: Thank you, MP Bezan.

Next is MP Dzerowicz.

Ms. Julie Dzerowicz: First, Mr. Chair, I'm going to request that I never speak after Mr. Davies, because he steals all my lines and it's becoming very annoying. I want to repeat everything Mr. Davies has said.

There's no fooling, you guys. There's like no "whoa, you waited until the very last second". It's because we want to honour our witnesses. You wait until the end.

Just to let you know, I had our team member look over the last 30 times we actually did extension requests. There were no issues. They passed with unanimous consent on this committee. We've had no issues. It's pretty typical.

Mr. Bezan, with all due respect, you're not part of this committee. We've actually been studying all Conservative—

● (1800)

Mr. James Bezan: I'm here as a substitute. I am a member of the committee today.

Ms. Julie Dzerowicz: No, you haven't been, as I indicated.

We have actually been studying Conservative motions. All of the studies we've been doing have been based on Conservative motions, which is okay, and the Conservatives haven't prioritized this particular PMB.

What is typically done.... We have asked for an extension. I don't know why you guys are wasting time. There are times to filibuster. There are times to say, "Oh my gosh. This is awful. You guys are not organized". This is a very typical thing to do. We've been doing Conservative studies. This has not been prioritized by the Conservatives, so that's why we're asking for an extension.

It is your colleague who put forward this PMB, and what we're trying to do is honour their work by bringing them here to present, so we can ask some questions.

I don't know why you guys would not want us to do this. There's no trickery here. We thought this would be a very easy thing because it is something we have been doing consistently. Nobody's fooling anybody, and for you guys to be wasting time on this, honestly, it should be an embarrassment.

The Chair: Thank you, MP Dzerowicz.

I have MP Chambers, MP Kelly, MP Gray and then MP Ste-Marie.

Mr. Pat Kelly: I'll switch with MP Chambers if you like.

The Chair: No. We'll go to you now because I said MP Kelly right after.

Mr. Pat Kelly: Thank you.

Listening to lengthy interventions about the importance of not repeating arguments or about trying to get straight to a vote is interesting.

This is a bill about competitiveness in banking. We have, in Canada, a nice, cozy inside club of six large banks with 95% of the business, and we are delaying with the help of the NDP. The NDP moved the motion to delay this bill in this place instead of reporting it back to the House of Commons where we could quickly—in the last stages, while we still have a chance in this Parliament before the government finally runs its course—get this thing approved.

I would just as soon go straight to a carbon tax election and have no more business approved in the House, but if this Parliament is still going to continue to operate, getting this bill passed would actually be a positive step forward in helping Canadians save—what is believed by the mover and what we believe to be—\$400 a year.

The lack of competition in financial services is a real affordability problem in this country. We have a concrete measure that can be reported back to the House next week and that can take it one step closer to becoming law. I'm disappointed that the NDP members seem so uninterested in expediting this bill, which will actually do something about the power of the existing financial institutions and about the lack of competition they have there.

I'm disappointed. I think it's important that this bill gets reported back.

To those who asked why we are making a big deal about something that just happened to be moved in the last dying seconds of this meeting and who said that this wasn't done with malice or anything like that, we have the ability to communicate with each other. If the Liberals had a concern about this bill and were keen to ensure that it would be studied at committee, given the discussion we had about the business of this committee, and if there was consensus on a work plan, which it certainly seemed that there was, then the parliamentary secretary could have picked up the phone, talked to the Conservative vice-chair and shadow minister for finance, raised the concern, discussed a work plan and achieved consensus, but that didn't happen.

We had the surprise, the ambush, in the final seconds of this committee, wherein the parliamentary secretary—not even well enough prepared for this meeting to come with a proper headset—sprung a delay that had not been discussed. I am disappointed, and I'm not prepared to go without these points being made and without argument in favour of this bill as well. This is a good bill. This is a bill that should be reported back to the House and that should be given its best chance to expeditiously pass in this Parliament.

• (1805)

The Chair: Thank you, MP Kelly.

I have MP Gray up next and then MP Ste-Marie and MP Goodridge.

Mrs. Tracy Gray: Thank you, Mr. Chair.

Just so we're clear here, obviously the Liberal and NDP coalition is really strong. It continues on. They're trying to delay this Conservative private member's bill, on which it was agreed to move forward. Why do they want this bill to be delayed? It's really interesting, because we know that the Liberals and their NDP partners are big fans of big business.

What will this bill do? We know that this Conservative private member's bill will address a lot of the banking challenges in Canada that are due to a lack of competition. Competition is a major issue, and the banking sector in Canada is like an oligopoly. There's very little competition, and we've seen this even with recent mergers. We know that the contents of this Conservative private member's bill were promised by the government probably up to seven years ago, and now they want to delay this Conservative private member's legislation.

This is at a time right now as well when unemployment continues to rise in Canada.

We heard damning testimony earlier today, while working on the study that is happening at this committee right now in pre-budget consultations, on competition and how the tech sector is being crushed by the policies of this current Liberal government. It was testimony on how GDP per capita is down in Canada, productivity is down and investment is leaving Canada. We heard that just moments ago.

Here we have this Conservative private member's bill that has an opportunity to address issues in one particular industry, and the Liberals and NDP want to delay it. It's actually quite unbelievable. This private member's bill should have been fast-tracked, if anything, because it would save the average Canadian family \$400, as has happened in the United Kingdom.

Right now we have this strong, continued coalition between the NDP and Liberals. They're teaming up. It's like they want to support the big banks and they want to support a lack of competition. We know they've already supported mergers in this country that have left less choice for Canadians. We've already seen cost increases for Canadians. The lack of competition is a huge issue. The private member's bill we're discussing here, which the Liberals and NDP want to delay, is in an industry where there is a real lack of competition. We have it in the aerospace sector and the banking sector.

This government, supported by the NDP, continues to create policies that are not helpful. Productivity is down in this country. We know that people's paycheques aren't going as far. We have some of the most expensive services in Canada, including in the banking sector.

You have to wonder why the Liberals and NDP want to delay this Conservative private member's bill that would address some of the issues and at least open up opportunities in the financial services sector and in the banking sector. It's really odd, considering there are timelines that Parliament sets out, that the government hasn't dealt with this and now they want to delay this private member's bill.

• (1810)

It just doesn't seem to make any sense. Wanting the biggest companies that have very little competition.... It just doesn't make sense. Why would they want to prevent this Conservative private member's bill from moving forward? That's a question that Canadians should be asking.

Thank you, Mr. Chair.

The Chair: Thank you, MP Gray.

I have MP Ste-Marie on next.

MP Ste-Marie, the floor is yours.

[*Translation*]

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

I move to adjourn debate.

[*English*]

The Chair: Clerk, would you take the vote?

(Motion agreed to: yeas 10; nays 1)

The Chair: The debate is adjourned.

Members, shall we adjourn the meeting?

Some hon. members: Agreed.

The Chair: We're adjourned.

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