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Chair: Mr. John Williamson



Standing Committee on Public Accounts

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• (1105)

[English]

The Chair (Mr. John Williamson (New Brunswick South-west, CPC)): Good morning, everyone.

[Translation]

I call the meeting to order.

Welcome to meeting number 159 of the House of Commons Standing Committee on Public Accounts.

[English]

Today's meeting is taking place in a hybrid format, pursuant to the Standing Orders. Members are attending in person in the room and remotely using the Zoom application.

Before we begin, I'd like to ask all in-person participants to read the guidelines written on the updated cards on the table. These measures are in place to help prevent audio and feedback incidents and protect the health and safety of all participants, especially our interpreters. I'll give a kind reminder to all those in person and online that for the safety of our interpreters, it is very important that your microphone is muted when you're not speaking.

[Translation]

Thank you for your co-operation.

Pursuant to Standing Order 108(3)(g), the committee is beginning consideration of the Public Accounts of Canada 2024, referred to the committee on Tuesday, December 17, 2024.

[English]

I'll first announce the witnesses, and I'll have a couple of words to say to pre-empt any comments.

I thank you all for agreeing to come in on such short notice. I appreciate it, as do all members.

From the Office of the Auditor General, we have Karen Hogan, Auditor General of Canada. Thank you to you and your team. We also have Andrew Hayes, deputy auditor general; Sana Garda, principal; and Etienne Matte, principal.

From the Department of Finance, we have Chris Forbes, deputy minister. It's good to see you again.

Finally, from the Treasury Board Secretariat, we have Annie Boudreau, comptroller general of Canada. Good day. It's nice to see you and your team this morning. They are Blair Kennedy, executive

director, government accounting policy and reporting, and John Daley, senior director, public accounts and advisory services.

I have a couple of comments before I hear your points of order or points of protest on the 2024 public accounts.

These documents were tabled yesterday, which was the very last day Parliament was sitting. As long as I have been chair, this committee, in report after report, has been urging and calling for these documents to be tabled by the end of September. They're typically tabled at some time in October or early November. This call has had cross-party support.

I'm going to let members probe our witnesses today as to why they've come so late, but if you're protesting us sitting after yesterday, I would urge you to direct your questions to cabinet ministers for not managing this document so that it was presented to Parliament in a timely manner to ensure that members and the public have the accountability and transparency they deserve.

On that note, I'm going to turn things over to our witnesses, who will each be given time to speak if they choose to take it.

Ms. Hogan, you have the floor for up to—

Mr. Francis Drouin (Glengarry—Prescott—Russell, Lib.): I have a point of order.

The Chair: Go ahead on a point of order.

Mr. Francis Drouin: Mr. Chair, I respect that you may complain about the tardiness of the tabling of public accounts. They were done according to the Standing Orders.

My issue is not with the witnesses being here, but out of respect for the witnesses who are here, you called this meeting last minute with less than 24 hours' notice. You and I have had these discussions before. It's disrespectful of us. It's a disrespect to our committee.

The tabling of the documents happened yesterday, and we have to allow members to prepare themselves to ask the right questions. Here we are again at your will. You didn't consult anyone. I didn't receive any emails from you.

Why do you not consult with the committee? Why do you not respect the will of committee?

Hon. Michelle Rempel Garner (Calgary Nose Hill, CPC): I have a point of order, Chair.

Mr. Francis Drouin: When committee meetings are called, it's an important exercise, I understand, but be respectful of members. You are not respectful of members and I'm losing confidence in you, Chair, because in 10 years, I've never gone through this before.

I've had only two meetings with less than 24 hours' notice. One was in October when you called—

Hon. Michelle Rempel Garner: I have point of order, Chair.

Mr. Francis Drouin: You put up a notice of meeting with less than one hour's notice, and you put up a notice of meeting with less than 24 hours' notice. It's disrespectful to us as committee members. That's not how we operate. I've been on the government operations committee with Mr. McCauley as opposition chair, but never has that chair done this. It's disrespectful of our time. I don't mind doing this exercise, but give us at least 48 hours. We require a notice of meeting to be tabled with 48 hours' notice.

• (1110)

The Chair: Thank you. I—

Mr. Francis Drouin: I'm warning you that it won't go well today because you're disrespectful of us.

The Chair: Thank you, Mr. Drouin.

Ms. Rempel Garner has a point of order.

Hon. Michelle Rempel Garner: I will just say, on his point of order, that this is getting into the realm of debate.

Thank you, Chair.

The Chair: Thank you very much.

Mr. Drouin, I was not able to provide 48 hours' notice because it was not known if the public accounts were going to be tabled yesterday. As soon as I knew, we confirmed with the departments and they were all willing to be here. I don't think it's asking too much for members of this committee to be here as well if officials can be here to speak about this document.

Ms. Iqra Khalid (Mississauga—Erin Mills, Lib.): On a point of order, Chair, I would like to seek some clarification from the clerk.

I want to know when invitations were sent out to the officials. We received such short notice, so how short was the notice they received to be here and for you to get resources for the room? I would like to know.

I have had this conversation with the committee time and time again for the amount of time I've been on this committee, and every single time, you give us the runaround. Quite frankly, you are quite tyrannical in how you operate this committee. It is really unfair to—

Mr. Kelly McCauley (Edmonton West, CPC): I have a point of order, Chair.

The Chair: I'm going to our witnesses very soon.

Ms. Iqra Khalid: I'm not finished. I'm seeking clarification.

When exactly were invitations to officials sent out? Were they also given less than 24 hours? That was the notice we received.

Mr. Kelly McCauley: On a point of order, Chair, this is debate, and you're not required to provide such information.

Ms. Iqra Khalid: I have no problem being in this committee. I have no problem doing the work of this committee, and I have shown that. I have proven that in many ways by building consensus among all parties to try to pass motions to get work done.

The reality is that in the time I've been on this committee, we have had more meetings and fewer reports than ever in public accounts. That's a failure on your part, Chair. I wish we could stop playing partisan politics.

I would like some answers, please. I would love the clerk to help us clarify when the invitations to officials were sent out.

The Chair: I asked the clerk to put the officials on notice on Monday that, if the public accounts came in, we would look to bring them in on Wednesday. Once we had an indication that they were available and confirmations began to come in, you saw the first notice. We had, I think, two departments with TBCs, and they were filled out in the morning.

There's no skulduggery here. If the government had done its job and tabled these documents in a timely manner, we would have dealt with them in a timely manner. I am put in this corner because of the actions of the government and the delay of this report.

Ms. Iqra Khalid: No, absolutely not.

Mr. Francis Drouin: You're put in this corner because that's how you behave.

The Chair: Mr. Drouin, it's not my job to march to the government's beat.

Mr. Francis Drouin: It's not the government's beat. It's the members' beat. You're disrespectful.

The Chair: Mr. Drouin, it's not my intent to be disrespectful.

Mr. Francis Drouin: You advised department officials on Monday, but we found out at 4:30 p.m. yesterday. That is disrespectful to members.

The Chair: Thank you, Mr. Drouin, for your point of order.

Ms. Hogan, you have the floor for five minutes.

Ms. Karen Hogan (Auditor General of Canada, Office of the Auditor General): Mr. Chair, thank you for this opportunity to discuss our audit of the Government of Canada's consolidated financial statements for the 2023-24 fiscal year.

I would like to acknowledge that this hearing is taking place on the traditional unceded territory of the Algonquin Anishinabe people.

With me today are Andrew Hayes, deputy auditor general, and Sana Garda and Etienne Matte, who are financial audit principals.

Our audit of the government's financial statements is the largest of the audits carried out by my office. It involves almost every one of our financial auditors working to ensure that the data presented in the statements is complete and accurately reflects the government's financial results for the year. This work serves to help Parliament exercise its oversight of the government, promotes transparency and accountability and encourages good financial management.

You will find our independent auditor's report on the government's consolidated financial statements starting on page 55, volume I, of the Public Accounts of Canada 2024.

We issued an unmodified or clean audit opinion on the government's consolidated financial statements. A clean opinion means that the information in the financial statements was presented fairly and in accordance with Canadian public sector accounting standards. In other words, readers can rely on the information provided in the financial statements.

In 2023, our auditor's report was dated September 7, and the public accounts were tabled on October 24. This year, the government took longer to finalize the consolidated financial statements, which caused delays in completing our audit. The tabling of the Public Accounts of Canada happened yesterday.

The public accounts are a key accountability document. They help Canadians and parliamentarians understand how public funds were spent compared to the commitments and promises the government made in the year's budget.

[*Translation*]

When this information is not available in a timely way, its usefulness and relevance is compromised, and the opportunity for Parliament to use this information for decision-making is reduced.

Each year, my office also provides Parliament with a commentary that highlights important information about the results of all our federal financial audits. This year, we are drawing attention to opportunities for improvement that we noted in the financial reporting process. The office of the comptroller general leads and oversees financial accounting and reporting across the federal government. Based on the results of our work, greater oversight is needed from that office for significant transactions and new programs across the government.

This year's commentary highlights a weakness that we have covered in past reports: 80% of Crown corporations did not have their corporate plans approved before the start of their fiscal year. Delays in approving these plans must be addressed because they result in operational inefficiencies, project delays or additional costs.

We also raise observations about pay administration, deficiencies in the IT general controls over some key government systems, the accounting for asset retirement obligations and national defence's inventory. These are recurring issues that my office continues to monitor.

Mr. Chair, I would like to thank the dedicated staff across the many departments, agencies and Crown corporations involved in preparing the government's financial statements.

This concludes my opening remarks. We would be pleased to answer any questions the committee may have. Thank you.

• (1115)

The Chair: Thank you.

We will now hear from Ms. Boudreau, who will have five minutes for opening remarks.

[*English*]

Ms. Annie Boudreau (Comptroller General of Canada, Treasury Board Secretariat): Mr. Chair, thank you for the opportunity to appear before the committee today.

I'm pleased to be joined by officials from my department: Blair Kennedy, executive director, and John Daley, senior director.

As committee members are aware, the production of the Public Accounts of Canada is set out in the Financial Administration Act. Deputy heads and chief financial officers of organizations are responsible for the accuracy of the information provided and are required to follow the Government of Canada's accounting policies, which are based on public sector accounting standards.

The production and finalization of the public accounts are a joint responsibility between the Receiver General for Canada, the Department of Finance and the Treasury Board of Canada Secretariat, which includes the Office of the Comptroller General of Canada.

As comptroller, one of my responsibilities is providing leadership for financial management within the Government of Canada. My office provides government-wide leadership on accounting standards and preparation of the departmental financial statements, including the preparation of the Public Accounts of Canada.

[*Translation*]

The Department of Finance is responsible for the part containing the financial statement discussion and analysis, which sheds light on the variances with the budget. The receiver general compiles the data received from departments, agencies and Crown corporations, and publishes the public accounts.

Lastly, the Auditor General performs an audit of the consolidated financial statements included in the public accounts. I am pleased to say that, for the 26th year in a row, the Auditor General has issued an unmodified, or clean, opinion on these financial statements. This demonstrates the high quality of Canada's financial reporting and the work of my colleagues in the public service. I would like to thank the financial management community of the Government of Canada, the Department of Finance, the receiver general and the Office of the Auditor General for their help in preparing the public accounts.

[English]

I would now like to touch on the timing of this year's public accounts, which I know has been of interest to this committee.

The government is legally required to table the public accounts no later than December 31 following the end of the fiscal year or within the first 15 days once the House reconvenes if it is not sitting during that period. I want to assure the committee that we always endeavour to table the public accounts at the earliest opportunity.

Several significant and new transactions were accounted for as part of the preparation of the 2023-24 consolidated financial statements. My team and I needed to take adequate time to ensure that the results presented were fair and credible and were in accordance with public sector accounting standards.

Some of these transactions included contingent indigenous liabilities and provisions for accounts receivable and loans, in particular COVID-19 programs and the Canada student loans service. The government also had to assess whether any important events happened between the financial statement date and the finalization of the public accounts.

[Translation]

Specifically, it had to determine whether certain events should be accounted for or explained in more detail in the notes to the financial statements. One situation requiring additional information was the recent confirmation of the non-permitted \$1.9-billion surplus in the public service pension fund. Further analysis and work was necessary to complete this year's public accounts, which is why their tabling was delayed.

Regarding our response to the committee's recommendation that the tabling date be moved up, we remain committed to tabling the next public accounts by October 15, 2025, barring any exceptional circumstances.

I would like to thank the committee for its interest and this opportunity. As the newly appointed comptroller general of Canada, I am honoured and privileged to be here today to discuss the Public Accounts of Canada 2024. My colleagues and I would be pleased to answer the committee's questions.

• (1120)

The Chair: Thank you for being here today.

[English]

To begin things, our first round will consist of four minutes and six minutes each.

Mr. McCauley, you have the floor.

Mr. Kelly McCauley: Thanks, Chair.

Thanks for being with us, as always, witnesses.

Mr. Forbes, The Globe and Mail reported that former finance minister Chrystia Freeland, your former boss, on Friday received the news that she was to be fired from her position, yet she was still to come out to deliver the fall economic statement showing a \$61-billion deficit, basically taking the fall for blowing past the \$40 billion line in the sand.

Were you tasked with preparing a transition binder for Mark Carney or any other incoming new finance ministers?

Mr. Chris Forbes (Deputy Minister, Department of Finance): I did not prepare any transition material for any new minister until one was announced on Monday.

Mr. Kelly McCauley: When did you start preparing a transition binder?

Mr. Chris Forbes: We started preparing a transition binder on Monday. We prepared transition material when Minister LeBlanc was confirmed.

Mr. Kelly McCauley: It was after Minister LeBlanc was appointed, not before.

Mr. Chris Forbes: We always have evergreen material ready for a change of ministers or deputies.

Mr. Kelly McCauley: Have you met professionally with Mr. Carney?

Mr. Chris Forbes: Have I worked professionally with Mr. Carney?

Mr. Kelly McCauley: No, have you met professionally in this current role?

Mr. Chris Forbes: No, I have not.

Mr. Kelly McCauley: Do you meet with him at all personally?

Mr. Chris Forbes: I have not spoken to Mr. Carney. I spoke to him briefly once when I was the deputy minister of Environment and Climate Change Canada. We exchanged emails, and that was the last time I interacted with him.

Mr. Kelly McCauley: There's been a widely reported conflict between Finance and PMO over spending.

What financial measures that Finance deemed inflationary ended up being included in the fall economic statement? I mean issues that Finance pushed back against but still ended up in the fall economic statement.

Mr. Chris Forbes: We provide advice to the Minister of Finance on budget and fiscal matters. The minister and then the government make decisions on what measures to implement and what advice to follow, and we then implement that.

That's all I can say about what decisions the government has taken.

Mr. Kelly McCauley: The fired former finance minister commented on “costly political gimmicks” that the government can “ill afford”. What costly political gimmicks were included in the fall economic statement?

Mr. Chris Forbes: I didn't write the letter you're referring to. I think you'd probably have to ask Chrystia Freeland, the former minister of finance and deputy prime minister, about that.

Mr. Kelly McCauley: Was there anything in the fall economic statement that you as deputy minister of finance advised against?

Mr. Chris Forbes: I won't talk about the advice we provided versus the decisions the government took. The government gets to decide. We implement the decisions the government takes based on our advice and their decisions.

Mr. Kelly McCauley: Thank you.

Ms. Boudreau, I have to join my colleague the chair in expressing disappointment at the late publication of the public accounts. This committee, two years ago in its public accounts report, recommended October 15. Your predecessor, I understand, committed to that date, yet I think this is the latest tabling ever of the public accounts. It almost looks like it was done to cover up that we ended up with a \$61-billion deficit last fiscal year, blowing past the line in the sand drawn by the previous finance minister.

Was there any political pressure to delay the public accounts?

Ms. Annie Boudreau: No, there was not. You're right that my predecessor—

Mr. Kelly McCauley: I am asking this specifically: Was there any instruction?

• (1125)

Ms. Annie Boudreau: The answer is no.

Mr. Kelly McCauley: It just happened organically.

Ms. Annie Boudreau: As I was saying, there were a lot of big transactions this year.

I also want to—

Mr. Kelly McCauley: Would you provide in writing those transactions, please?

Ms. Annie Boudreau: Absolutely.

Mr. Kelly McCauley: You mentioned that one of them was for pensions. Help me out here. The pension surplus was realized in the current fiscal year, not the previous fiscal year. Why did you mention the consideration of it as one of the items that caused a delay?

Ms. Annie Boudreau: It was one of the subsequent events we had to look at.

Mr. Kelly McCauley: Right, but help me out here. Under the PSAB rules, it would be recognized in the fiscal year that it occurred in, which is the current fiscal year, not the previous fiscal year. Why did that cause a delay on the previous year's books?

Ms. Annie Boudreau: If the events existed at March 31, 2024, we needed to take into consideration all those transactions. Contingent liabilities would be one example—

Mr. Kelly McCauley: I'm not talking about the contingent liabilities.

Ms. Annie Boudreau: —as would the non-permitted surplus. For this one, we did not adjust the books. What we did was put a note in the financial statements for the reader to be informed of that transaction.

Mr. Kelly McCauley: When did the contingent liabilities change? When did they become assessed as likely to result in future payments, triggering them to become listed in the public accounts and therefore delaying the public accounts?

Ms. Annie Boudreau: Again, if the situation existed—

Mr. Kelly McCauley: No, I'm asking when.

Ms. Annie Boudreau: We—

Mr. Kelly McCauley: When were they assessed as likely to result in future payments?

Ms. Annie Boudreau: We have a lot of contingent liabilities. We need to look at all of them individually.

Mr. Kelly McCauley: I mean specifically the \$16 billion regarding the indigenous file.

Ms. Annie Boudreau: As I said, it's not only one transaction. There are several transactions included in that amount. We have to make a determination one by one as to the likelihood of a payout and if we are able to estimate an amount.

Mr. Kelly McCauley: Thanks.

Mr. Forbes, the public accounts document states, “The federal pollution pricing system is revenue neutral”. We had this discussion last year. It's not revenue-neutral. We've stated as such. Why is it listed as revenue-neutral?

Mr. Chris Forbes: The government has committed to, doing so over time, returning the money to—

Mr. Kelly McCauley: It's not revenue-neutral. Actually, if you look at—

The Chair: Mr. McCauley, that is your time, I'm afraid.

I'll turn now to Mr. Erskine-Smith.

It's good to see you today, sir. You have the floor.

Mr. Nathaniel Erskine-Smith (Beaches—East York, Lib.): Thanks very much.

I understand, Chair, the consideration regarding the late tabling of the documents. I think, fairly, that it would have been good to send us a note on Monday, just so we were kept apprised of it, but I won't dwell on that.

I want to start where Mr. McCauley left off with contingent liabilities so that Canadians have a better understanding of what they actually mean. We're talking about a fairly large number, \$76 billion, but this particular document accounts for a new \$16.4 billion in contingent liabilities. It says, "As part of advancing its commitment to resolve past injustices by accelerating the resolution of Indigenous claims, the government recorded expenses of \$17.8 billion in 2024, of which \$16.4 billion is related to contingent liabilities".

Can you spend a little time articulating more concretely what that means?

Ms. Annie Boudreau: I will start with the definition of "contingent liabilities", and after that I will provide some examples.

Contingent liabilities are possible obligations that may result in the future sacrifice of economic benefits arising from existing conditions or situations involving uncertainty. The uncertainty will ultimately be resolved when one or more future events not wholly within the government's control occurs or fails to occur. Contingent liabilities are distant from liabilities in that there is a degree of uncertainty as to whether a present obligation to sacrifice economic benefit exists at the financial statement date of March 31, 2024.

There are two basic characteristics of contingent liabilities. There must be an existing condition or situation, as I was explaining earlier, and there must be an expected future event that will resolve the uncertainty regarding whether a present obligation exists. For a contingent liability to be present, there must be an existing condition or situation, at the financial statement date, that indicates the government may have a liability. The existing condition or situation could be, for example, a legal case—

• (1130)

Mr. Nathaniel Erskine-Smith: I don't want to entirely cut you off, but it might be helpful to offer an example that is more accessible than reading some of the definitions you're reading. My constituents are saying, "That's a big number, \$16.5 billion of new accounting. What's an example?"

Ms. Annie Boudreau: To use a court example, if a court case is filed before the end of the fiscal year—before March 31, 2024—there may be a need to record a contingent liability for that court case when a payment is likely. The assessment of likelihood is complex. It may include such items as filing a new claim; certification of a class action claim by the court; the completion of a legal risk assessment by Justice Canada; new information regarding class size or other factors that influence the potential value of a claim; and a decision by the government to enter into negotiations to settle out of court.

Mr. Nathaniel Erskine-Smith: You'll hear Conservatives cast this as us widely missing the mark, suggesting that it's profligate spending, but this is not new program spending. This is accounting for liabilities that pre-existed this government. Is that right?

Ms. Annie Boudreau: We have three types of contingent indigenous liabilities, and one of them is for specific claims. As you said, specific claims deal with the past grievances of first nations and relate to Canada's obligations under historical treaties.

On March 31, we'll look at the conditions and at whether we're able to assess the likelihood of a payout and the amount that will go with that payout, and we have to make a determination as to whether we need a contingent liability. In some cases, if we're not able to determine an amount, we'll put a note in the financial statements.

Mr. Nathaniel Erskine-Smith: I appreciate that.

I want to switch gears a bit, because the other piece—it's a smaller piece—relates to the \$1.2-billion writedown of expired COVID treatments and vaccines and another \$3.5 billion for loans and receivables related to emergency supports. This has been a politically contentious issue as well, and there have been accusations that the CEBA program was mismanaged. Obviously, the Auditor General has a report on this, and there have been some questions as to the value of the CEBA program and what purpose it served for small businesses.

Mr. Forbes, could you take us back to March 2020 and the dire straits in the ensuing months that small businesses were facing? How necessary was the CEBA program for businesses to survive?

Mr. Chris Forbes: The CEBA program—and we talked about this last week or the week before—was part of a suite of programs that helped support the Canadian economy through the really difficult parts of the pandemic. The evidence I would look at is some of the results for small businesses—the survival rates and the low bankruptcy and insolvency rates. This was a key measure to support small businesses.

Mr. Nathaniel Erskine-Smith: I want to imagine an alternative scenario where a leader who says something like, "I don't believe in big, fat government programs, and I just want to cut taxes and red tape." How would that have helped small businesses in the course of the pandemic?

Mr. Chris Forbes: I don't have a counterfactual, but I think absent the CEBA program, we probably would have seen a much higher rate of small business insolvencies and bankruptcies during the pandemic. I think that's a—

Mr. Nathaniel Erskine-Smith: Absent CERB, how many people who'd lost their employment would have struggled individually?

Mr. Chris Forbes: I don't have a number for you, but when we look at the suite of benefits that were provided, our assessment would be that those were necessary to protect Canadians at a time when the economy was largely shut down and when businesses, with the debts they owed, with managing their borrowings and with current activities, were severely impacted, so—

Mr. Nathaniel Erskine-Smith: What if we had just said, "We're just going to cut your taxes"?

The Chair: I'm afraid that is your time, sir. I gave a little extra because you were in a good exchange. We will come back to that, I hope.

[Translation]

Ms. Sinclair-Desgagné, you may go ahead. You have six minutes.

Ms. Nathalie Sinclair-Desgagné (Terrebonne, BQ): Thank you, Mr. Chair.

Thank you to the team from the Office of the Auditor General of Canada for being here. We have already wished each other happy holidays, but we will do so again today.

I would also like to thank the representatives of the Department of Finance and the Treasury Board Secretariat for being here.

I'm going to get right into it with a number of questions.

Ms. Boudreau, according to the public accounts, the reason net debt hasn't fluctuated much is that there's a major difference in pension assets. If we look at the numbers more closely, we see that there is a \$7-billion difference between 2023 and 2024.

In one week, I received 30 emails from public servants who live in my riding accusing the government of stealing their pensions. If we dig a little deeper, we can see that the government did indeed dip into the surplus. According to a public service union, the government took far more than it is allowed to take from the public service pension plan.

In addition, you mentioned that this transaction was one of the ones that lag behind the tabling of the Public Accounts of Canada. What seems odd to me is what caused this delay, the fact that the government decided to go after the money contributed by workers, by public servants.

Of the \$7 billion, how much, if not the total amount, was taken from the public service pension fund?

• (1135)

Ms. Annie Boudreau: Thank you for your question.

As for the \$1.9 billion or the non-permitted surplus, it has no effect on the consolidated financial statements for the fiscal year ending March 31, 2024.

Ms. Nathalie Sinclair-Desgagné: How is it, then, that there's a \$7-billion difference on the line for public sector pension assets? Fundamentally, that's where the biggest difference is.

Ms. Annie Boudreau: I'll have to get back to you with a written answer.

In the meantime, I can tell you that the unauthorized surplus has no effect. There will be none on the pension cheques of people who are retired or who will soon be retired.

Ms. Nathalie Sinclair-Desgagné: You can't know, Ms. Boudreau, unless you have a crystal ball. We are never immune to disasters. The pension plan could collapse or a disaster could happen in five or ten years; the pension plan may not be as well protected as we think. The government took money directly out of the pockets of public servants, workers, from their salaries. This is money they've earned by working.

Who made the decision to go after \$1.9 billion?

Ms. Annie Boudreau: It's allowed by law. According to the act—

Ms. Nathalie Sinclair-Desgagné: I want to know who made that decision.

Ms. Annie Boudreau: The President of the Treasury Board released her report. According to the actuary's report, which is very clear, you can't have more money in the fund than 125% of its value, so she had an obligation to get that money out, and that's what she did, in accordance with the law.

Ms. Nathalie Sinclair-Desgagné: That's strange, because the union is saying exactly the opposite: it's questioning the fact that it is legal to get so much money. The union's press release is very clear; it seems to know what it's talking about. Yet it's saying the opposite of what you're saying. According to the union, the amount of \$1.9 billion is higher than what should normally be collected by the government.

Are you saying that the union doesn't know what it's talking about?

Ms. Annie Boudreau: What I'm saying is that it was calculated by the chief actuary. The amount is \$1.9 billion, which will be deposited into the consolidated revenue fund.

Ms. Nathalie Sinclair-Desgagné: Okay.

Does this mean that the 30 public servants in my riding whose emails I've received, as well as the hundreds, if not thousands, of public servants, are being told nonsense by their union?

Ms. Annie Boudreau: I haven't read the letter you're referring to, so I can't confirm its validity.

Ms. Nathalie Sinclair-Desgagné: Okay. This is an excerpt from a press release that was sent out by the union on November 26, 2024:

The Professional Institute of the Public Service of Canada (PIPSC) strongly opposes the government's decision to transfer \$1.9 billion which exceeds the allowable surplus from the Public Service Pension Plan (PSPP) to its general revenue, a move that ignores workers' equal contributions to the plan at a time when many face layoff notices.

It seems odd, and I think the government would be better off working more closely with its union. Indeed, the \$1.9 billion coming out of the pockets of public sector workers still seems enormous.

I will indeed need a written answer as to why there is a \$7-billion difference between 2023 and 2024 on public sector pension plan assets. I would be very grateful if you could let us know the nature of that information.

My next question is for Mr. Forbes.

I put the question to your officials on Monday during the question session on the economic statement, but I didn't get a lot of answers. Now that the time has gone a bit, I hope I get one from you, Mr. Forbes.

Where did the \$1.3 billion budgeted for borders come from? Also, has the Department of Finance started to develop a plan on what that means, \$1.3 billion in spending on border control?

• (1140)

Mr. Chris Forbes: Yesterday, a couple of ministers made an announcement about the plan to explain, with some details, the \$1.3 billion.

I don't have the announcement that was made, but it gives the details of the border plan.

The Chair: Thank you very much.

[*English*]

Up next we have Mr. Cannings, who is joining us virtually.

You have the floor, sir, for six minutes.

Mr. Richard Cannings (South Okanagan—West Kootenay, NDP): Thank you.

I'm going to start off by picking up where Madame Sinclair-Desgagné was going with the pension fund situation.

I think all MPs across the country have heard a lot of concern from public servants who are putting deferred pay into their pension funds. Now they find they've been paying so much that it's created a surplus that has gone above the legal amount, and part of that surplus has gone into general revenue.

As you know, these pension funds come from the contributions of both the workers and the government, and I think workers and pensioners are upset that they don't seem to be getting.... If they've been paying too much, they're not getting that money back directly or through other mechanisms. It's just going into general revenue. They don't mind the government portion going back, I'm sure.

Is there any mechanism to do that? Are there any plans? If there aren't, why aren't there? It seems to be patently unfair, and that's why we are being swamped with messages from our constituents.

Ms. Annie Boudreau: When the surplus was put in the document tabled by the President of the Treasury Board, she mentioned that the government is looking at options for the future, and she will be discussing that with stakeholders.

I don't have more information at this moment about when it will be discussed and which stakeholders will be involved. There's nothing else I can tell you today on that.

Mr. Richard Cannings: Would those options refer to what to do with the extra money, or are there options to make sure we don't have such an incredible surplus in the future?

This all started, I believe, back in the Harper administration. They changed the structure of the pension funds so that new employees were getting a different kind of pension and would have to work longer to get it. It seems there has to be some rejigging there for the future and in what to do for the present.

Do you provide any advice to the government on those options?

Ms. Annie Boudreau: As I was saying, the president is required to do something when there is a surplus above 125%. That is what she did. She tabled a document that was supported by the actuary, and it showed the non-permitted surplus situation. That amount will be transferred to the consolidated revenue fund.

Again, some discussions will happen in the new calendar year with key stakeholders, and she will be in a position to provide more information next year.

Mr. Richard Cannings: I'll move on to the statement in the public accounts that said revenues increased by \$11.7 billion. At the same time, income tax revenue decreased 0.7%, mainly due to lower corporate taxable income and income from non-residents. If revenues from corporate taxes were down, who paid this extra \$12 billion and how did they pay it? Who picks up that difference?

• (1145)

Mr. Chris Forbes: I'm not sure it's a question of difference. Different revenues grow at different paces. We have other large sources of revenues. Personal income taxes grew, as did GST revenues. A number of other revenue sources grew. Those offset the effects of the corporate tax revenue decline, and it is normal in any fiscal year that different revenue bases will grow at different paces depending on the state of the economy and other developments.

Mr. Richard Cannings: Do you have any sense of why corporate taxes went down?

Mr. Chris Forbes: Well, as we said, the growth in corporate taxable income was one piece of it, for sure.

I could turn to my colleague Ms. Dancy, who may have other information and the specific details.

Ms. Evelyn Dancy (Assistant Deputy Minister, Fiscal Policy Branch, Department of Finance): I'm happy to add.

What we've described in the fall economic statement.... In annex 1, there's a bit of a discussion about the current fiscal forecast.

As our deputy minister noted, there's a general slowdown in the economy, which has been facilitated to arrive at a soft landing, and it has resulted in a lower corporate taxable income or profit stream than we had previously foreseen.

Mr. Richard Cannings: Can you just tell me what the total revenue from corporate taxes was in the last year? Does anybody have that figure?

Mr. Chris Forbes: The corporate tax revenue recorded in the public accounts was \$82.5 billion.

Mr. Richard Cannings: What was the amount for personal income taxes?

Mr. Chris Forbes: It was \$218 billion. I think I have the right number.

Mr. Richard Cannings: I think it's well known that big corporations especially—and I'm not talking about small businesses at all—have elaborate ways of going through loopholes to decrease their tax amounts. It's been calculated that we are losing \$10 billion a year from these loopholes.

Would anybody here today provide advice to the government on how to close those loopholes? I don't think we want to put an extra burden on companies that are suffering and struggling. If they are, obviously they're not paying much tax because they're not making much money, but for the companies that are—

The Chair: Mr. Cannings, you're well over your time, but I'm going to have Mr. Forbes answer your question. We'll come back to you.

Mr. Forbes, you can answer that.

Mr. Chris Forbes: I have a couple of points.

We work very closely with the Canada Revenue Agency to identify places in the tax system where there is an avoidance of taxes that should otherwise be paid. I think there have been a number of steps taken in the past few years to tackle some of this unfair tax avoidance and tighten the rules.

There's an ongoing effort, quite honestly, with the Canada Revenue Agency to identify these pieces because the fairness of the tax system.... It's important that corporations and individuals feel that the tax owed is being collected. It's an ongoing battle, and we work closely with the Canada Revenue Agency to tackle those issues.

The Chair: Thank you very much.

That ends our first round. Our second round will consist of six members with various times each.

Ms. Rempel Garner, you have the floor for five minutes.

Hon. Michelle Rempel Garner: Well, thank you. Allow me to put on the record that Teddy is a wonderful dog. I just feel like that should go in Hansard.

Mr. Forbes, have you developed an economic analysis of a potential 25% tariff on exports to the United States should the new American administration implement this measure in January?

• (1150)

Mr. Chris Forbes: We're certainly working on a range of scenarios for what might happen. It was a statement, but obviously the new U.S. administration has not placed—

Hon. Michelle Rempel Garner: Can you table any interim results that you have on that with this committee?

Mr. Chris Forbes: I would have to see what I have available, but we have done some work in this area.

Hon. Michelle Rempel Garner: It's approximately a month away. Has that exercise not been completed yet?

Mr. Chris Forbes: In some ways it's evergreen. We're trying to figure out as we go exactly how this will impact us.

Hon. Michelle Rempel Garner: Have you forecast how many jobs would be lost or the impact on the labour market in Canada should a 25% tariff be implemented on January 20 by the American administration?

Mr. Chris Forbes: There are two parts to that question. We don't have final numbers that I could share. We're working with businesses, provinces and our own models to determine impacts.

Hon. Michelle Rempel Garner: We're a month away from that, and no plan or economic analysis of that impact is completed yet.

Mr. Chris Forbes: I would say that economic analysis has been done.

Hon. Michelle Rempel Garner: Who's holding the pen on that analysis right now?

Mr. Chris Forbes: The main departments involved would be Global Affairs, the Department of Finance—

Hon. Michelle Rempel Garner: Who's coordinating it?

Mr. Chris Forbes: It's a collaborative process.

Hon. Michelle Rempel Garner: Is there one person? Is there a project management office for this?

Mr. Chris Forbes: No, there's no project management office, but we have multiple departments—

Hon. Michelle Rempel Garner: Okay, so some people are working on it off the corner of their desk. Would that be an accurate characterization?

Mr. Chris Forbes: No, I wouldn't characterize it that way.

Hon. Michelle Rempel Garner: Who's in charge of that? Is it you?

Mr. Chris Forbes: Officials report to cabinet. There's a cabinet committee on Canada-U.S. relations that is chaired—

Hon. Michelle Rempel Garner: Who's on that cabinet committee right now?

Mr. Chris Forbes: Well, it's chaired by Minister LeBlanc. There are a number of other ministers there.

Hon. Michelle Rempel Garner: It's the fresh cabinet minister as of yesterday. I get it.

I think it's pretty clear that we don't have an analysis done on that. That's wild. I really hope you guys get on that for the sake of this country.

Does your budgetary forecast for fiscal year 2024-25 include additional spending to meet Canada's 2% NATO commitment?

Mr. Chris Forbes: The fall economic statement has the investment line from the defence policy review that took place and was announced in budget 2024.

Hon. Michelle Rempel Garner: I'm asking about the upcoming—

Mr. Chris Forbes: I'll finish the answer. There are no additional amounts for the commitment to get to 2%.

Hon. Michelle Rempel Garner: Has the government directed your department to conduct an economic impact analysis of the government's proposed industrial emissions cap?

Mr. Chris Forbes: Are you speaking about the oil and gas cap?

Hon. Michelle Rempel Garner: That's correct.

Mr. Chris Forbes: There's a cost-benefit analysis that would be included, and a regulatory impact assessment that's done with all regulations. That would have been submitted to the Treasury Board.

Hon. Michelle Rempel Garner: An economic impact analysis has been done. Can you table that with this committee as well?

Mr. Chris Forbes: That would be with the Treasury Board. I'll have to check what I can table. It's been submitted to the Treasury Board, so it may be a cabinet confidence.

Hon. Michelle Rempel Garner: It would be nice to know that.

Last week, the Parliamentary Budget Officer said that the government's GST tax trick, as I like to call it, would cost as much as \$2.7 billion if a province with an HST asked for compensation. Has the government given your department any indication that they intend to compensate provinces that have not waived their compensation requirement?

Mr. Chris Forbes: We have put forward in the fall economic statement the cost of the federal portion. The government has indicated that provinces that wish to join can do so by paying it for themselves.

Hon. Michelle Rempel Garner: There are some that have said they would not waive the requirement.

Have you forecast following through with your compensation requirement?

Mr. Chris Forbes: I'm unaware of which provinces are—

Hon. Michelle Rempel Garner: Take Saskatchewan, for example.

Mr. Chris Forbes: Saskatchewan is not a harmonized sales tax province, so they wouldn't be—

Hon. Michelle Rempel Garner: Okay. Are there any other provinces that have said they have not waived their requirement?

Mr. Chris Forbes: No, not to my knowledge, but I can't confirm that.

Hon. Michelle Rempel Garner: What was the total cost of renting hotel rooms for refugees and asylum claimants in fiscal year 2023-24?

Mr. Chris Forbes: I don't have the answer for that. Maybe one of my TBS colleagues would have that.

Hon. Michelle Rempel Garner: Can you please table that with the committee?

Ms. Annie Boudreau: Of course.

Hon. Michelle Rempel Garner: How many refugees and asylum claimants were housed in hotel rooms in fiscal year 2023-24?

Ms. Annie Boudreau: We'll come back with an answer to the committee in writing.

Hon. Michelle Rempel Garner: You will table that with the committee.

What was the total cost of per diems for refugees and asylum claimants in fiscal year 2023-24?

Ms. Annie Boudreau: We'll come back to the committee with an answer.

Hon. Michelle Rempel Garner: Thank you.

The Chair: Thank you. That is your time, Ms. Rempel Garner.

[*Translation*]

Mr. Drouin, you have the floor for five minutes.

Mr. Francis Drouin: Thank you very much, Mr. Chair.

I'd like to thank the witnesses, who agreed to appear on short notice. I'm glad they received the invitation on Monday, at least. They had more leeway than we did, but that's not their problem. It's my problem and it's because of our chair, whom I tease amicably.

• (1155)

[*English*]

I have a question for the comptroller with regard to the tabling of the public accounts.

I know they should have been submitted one month before. You've raised large financial transactions as a potential excuse for the reason and rationale that we couldn't table the public accounts in time, but understanding that, are you guys changing your internal processes to ensure that we table the public accounts in a timely fashion and that we respect the October 15 date from this committee that we set out to respect?

Ms. Annie Boudreau: I started in this position on April 15, 2024, and year-end was March 31, 2024, so I was not there for the fiscal year we just tabled. Obviously, I needed time to look at the transactions and make sure that I was comfortable with them.

Having said that, as you said, the commitment made by the former CG was to table the public accounts by October 15, 2025. We still have that commitment, and, yes, we are looking across the departments and the Crown corporations included in the public accounts to make sure we have the proper controls, the proper mechanisms, and are able to speed up the process this year.

As the Auditor General mentioned in her commentary this year, my office should have a stronger role in working with CFOs and deputy heads, and that's the commitment we have. We accept that observation, and we'll make sure that next year we are in a better position to table earlier.

[*Translation*]

Mr. Francis Drouin: All right. Thank you very much for your answer.

Mr. Chair, I'd like to submit a motion, which is very short. I hope that the committee will be able to make a decision on it quickly, and then come back to the questions. You must see where I'm going with this, because we've been having trouble getting information for some time now. So I'm obliged to frame your role as chair. It's not because I want to, but the other members seem to be getting information before we do.

I therefore move:

That, with the exception of a meeting called in accordance with section 106(4), no meeting of the committee or subcommittee may be held during the adjournment of Parliament from December 19, 2024, to January 26, 2025.

This is simply to put some guardrails around your role as chair, because the way we're currently operating doesn't allow me to do my job.

[*English*]

The Chair: This motion is out of order. We're here to hear from witnesses today, Mr. Drouin. This is not time for committee business, so I'm ruling your motion out of order.

Ms. Iqra Khalid: Mr. Chair, I challenge your ruling.

The Chair: Ms. Khalid, if you say "point of order", you will get the floor.

Ms. Iqra Khalid: On a point of order, I challenge your ruling.

The Chair: The ruling is being challenged, and we will hear from members on whether they wish to continue hearing from witnesses or wish to turn to debate on the matter about working in January.

(Ruling of the chair overturned [*See Minutes of Proceedings*])

The Chair: I'm going to suspend the meeting.

Mr. Drouin, have you sent the motion to the clerk yet?

Mr. Francis Drouin: Yes.

The Chair: I'll come back to you in just a few minutes.

• (1155) _____ (Pause) _____

• (1205)

The Chair: I'll call the meeting back to order.

I'm going to ask our witnesses to just hang tight for a bit. I won't keep you here should the debate extend, but should it wrap up quickly, I would be remiss if I excused you right away. If you can just hold on for a bit, we'll see where this goes.

Mr. Drouin, I'm going back to you. The motion has been distributed to all members. You have the floor.

Mr. Francis Drouin: Mr. Chair, I will be extremely brief.

My motion doesn't preclude opposition members using Standing Order 106(4), just as we operate in other committees. They can call a 106(4) meeting if they want to on January 1 or January 2. I don't care about that. It's just that we need warning times. We've had this discussion before, and unfortunately I have to put guardrails around your chairing. I respect and know that you have a job to do—we all have a job to do—but this is the rationale for why we've moved this forward.

• (1210)

The Chair: I'm going to consult with the clerk, because you're now adding to your motion, and then I'm going to the next speaker.

Ms. Iqra Khalid: I have a point of order, Chair.

The Chair: Go ahead on a point of order.

Ms. Iqra Khalid: I don't think Mr. Drouin has added anything to the motion. The wording of the motion remains the same. He's just explaining the context of it, and I think there's nothing really to consult about. I'm hoping we can call the vote and move on with the business of the day.

The Chair: I'll come back to you in a second. Thank you, Ms. Khalid.

The motion is in order. Thank you, Mr. Drouin.

Mr. McCauley, you have the floor.

Mr. Kelly McCauley: Thank you, Chair.

I should use my time to rail at our witnesses, and you can get back to us later. No, I won't do that.

I have to express my extreme disappointment with the government. I understand what they're trying to do here, which is, as we've seen in the past from the Liberals, using guillotine motions to stop us from studying the various scandals this government has been involved in.

This issue we have before us today, the so-called late meeting for the public accounts, is solely on the government. This is, from what I have seen, the latest we have had a tabling of the public accounts in history. I advise and welcome anyone to send me an email or text if I am wrong. I had the library of Canada look into this, and we have had December tablings before but never this late. Also, it's on basically the final day of the House of Commons. There is a legal requirement to have that done by December 31, but the House isn't sitting then. If the public accounts hadn't been tabled yesterday, they would have been tabled in the House at the end of January. As it is, I think it's 261 days after year-end.

For the three or four people watching at home—

Mr. Francis Drouin: At least he's honest.

Mr. Kelly McCauley: Hi, Mom. I'm sure the other two are my wife and one of my two sons, because my other son has better things to do.

Canada's fiscal year-end is March 31, and we're now in December. The Toronto Stock Exchange, the TSX, requires any publicly listed company to have their accounts publicized, I think, within 30 days. If the Government of Canada were on the TSX, it would be delisted for not having the accounts open.

Why is this important? Well, there are several reasons. One is accountability, but parliamentarians are asked to and tasked with voting on expenditures. The supplementary estimates just came out—they're \$26 billion—and we were asked to vote on them before we even knew whether there was any money in the bank. Can you imagine going to your bank and asking for a mortgage for \$20 million for a house but telling the bank, "You have to tell me yes or no before I tell you whether I have a job, money in the bank, finances and the ability to pay"? That's what the government has done in delaying the public accounts. The supplementary estimates were reported two weeks ago, and we were forced to vote on \$26 billion before we found out the government blew 55% past their previous guardrail.

Fired deputy leader and finance minister Chrystia Freeland stated that a \$40-billion deficit was our guardrail. We would not go past it. It had as much credibility as Barack Obama drawing his red line in the sand about chemical weapons in Syria: "Oh, we went over that. Well, here's a new line in the sand over slaughtering Kurds." They blew by it. We voted on it after being assured repeatedly that we would not go past the \$40-billion deficit, yet what was the deficit, as we found out yesterday weeks after we approved the supplementary spending? It was \$61 billion. We should have had this information long ago, and now we're asked to work an extra day in the House of Commons to examine this money—the \$61 billion in spending, \$21 billion of it blown past—but the Liberals say it's inconvenient for them; we shouldn't be doing it.

I'm happy to work today. I'd rather be back home. I had meetings planned in another city today that I've had to blow off again, but this is important. It's \$21 billion. The Canadian dollar is cratering. It's lost four cents. If anyone around the table—or the three people, maybe four now, watching at home—is heading to the States over Christmas, the dollar has cratered four cents in the last couple of months.

Now we have a financial crisis. We have a finance minister—well, maybe we don't. Maybe it's François-Philippe Champagne or maybe it's not. Who's next up? Is it Randy Boissonnault? How bad is the government that they don't even know, before they fire their finance minister, to have the next one lined up?

• (1215)

Apparently, Mark Carney was lined up. It is twice that he's gone to the altar and then no-showed. How many more times is the government going to plan a wedding for Mark Carney just to have him show up and then leave all the guests waiting and wondering at the church what's going on?

They couldn't even update the required succession planning for who the finance minister would be. Maybe they couldn't put publicly on their website that it was Mark Carney because they had to hide it from Ms. Freeland at the time, but why was Randy Boissonnault on it, the disgraced former ESDC minister?

Ms. Iqra Khalid: I have a point of order, Chair.

The Chair: Yes, Ms. Khalid.

Ms. Iqra Khalid: I believe the debate is specifically on scheduling meetings from tomorrow onwards to January 26. I question the relevance.

The Chair: He is well within his right. This is relevant. It is not repetitive and he's not reading.

Mr. McCauley, you have the floor.

Mr. Kelly McCauley: Thanks.

Again, you have to wonder. The government knew Friday that they were going to fire the former finance minister. I accept that Mr. Forbes wasn't told and wasn't preparing the transition binder, but you'd think they would plan a bit better when we're in a crisis right now, a financial crisis. The dollar is cratering, Trump south of the border is threatening 25% tariffs if we don't get our act together on the border and we have defence spending and other issues.

Mr. Francis Drouin: I have a point of order, Mr. Chair.

Just out of politeness for our witnesses, is Mr. McCauley planning to go on until one o'clock?

The Chair: Mr. Drouin, that is not a point of order.

Mr. Francis Drouin: I know, but let's—

The Chair: This meeting has blown up because of you. Do not attempt to pin it on Mr. McCauley.

Mr. Francis Drouin: It's because of you, buddy. Twenty-four hours, man....

The Chair: Mr. McCauley, you have the floor.

Mr. Kelly McCauley: I am shocked that Mr. Drouin would deprive our witnesses of my Christmas offering to them of—

Mr. Francis Drouin: Free advice.

Mr. Kelly McCauley: Oh, I have lots of free advice, and lots of questions.

Getting back to this for the third time, the government has listed on their website, with the finance minister unavailable, the industry minister, who of course is embroiled in the green slush fund. If Canadians are wondering what that is, it's what has tied up Parliament for I think 10 weeks now. This committee has ordered, Parliament has ordered, that documents regarding the green slush fund, specifically around Minister Champagne and his predecessor, be tabled. The government is blocking that. The minister embroiled in the slush fund is next on the list to deliver the fall economic statement. Of course, he famously refused. I don't blame him, and I find it curious.

Who was next on the list? It was Randy Boissonnault. I have to question the competence. Surely someone would have said, "Who's next on the list after Minister Champagne?" There are lots of people in Finance and in the government. There are lots of paid political staffers and exempt staffers. Surely someone should have said, "Hey, isn't this the same Randy that just got thrown out of cabinet for falsely claiming indigenous status?"

Of course, someone could have said that he was thrown out of cabinet for continuing his business with Mr. Anderson, or perhaps it was one of the other reasons he was thrown out of cabinet. Surely someone should have known, in crisis mode, when they were going through the list, that maybe they should put someone else on the list.

There are even some qualified members at this table who could have read the fall economic statement quite competently. I mean that sincerely. Surely someone—

Mr. Nathaniel Erskine-Smith: Not all of us, though.

Voices: Oh, oh!

Mr. Kelly McCauley: No, I think you could have, sir.

Maybe the other Randy is sitting in Edmonton Centre enjoying his last few months before the election—before he gets thrown out—and is thinking, "Hey, I'm next. I'm back in cabinet." No, Randy, you're not. What happened instead—

Mr. Francis Drouin: Don't measure the curtains.

Mr. Kelly McCauley: I agree with Mr. Drouin, who's saying don't measure the windows for curtains before the election happens, but I can safely state that Edmonton Centre will not be returning Mr. Boissonnault to the House of Commons.

I'm sorry, Randy, if you're watching. There's guessing, there's hoping and then there's reality. That's just the reality, I'm afraid.

What ended up happening was that the Liberal House leader ended up coming in with the fall economic statement, dropping it and then fleeing. We didn't get an attempt to address the fall economic statement.

Getting back to the public accounts, I accept some of Ms. Boudreau's comments, but we have seen a massive increase in the number of public servants. Surely there is a transition plan for the comptroller general's office. Mr. Huppé left, but there are lots of people in the department who are very competent who could have certainly achieved this in time.

Why I have great lack of faith in some of the explanations is that this is the same government, the same department, that famously, a couple of years ago, reopened the public accounts after they'd already been signed off on in order to stuff money back in to show perhaps a better reason.... I think two or three years ago, we ATIPed the information on that. We're still waiting. Some of my ATIPs will actually be eligible for a pension before NDP leader Jagmeet Singh will get his pension. Maybe that's when the government will actually release them.

We have an administration in government that has, for the first time since Confederation, reopened the public accounts, stuffed

money into the previous year and closed the accounts. This year, they have been the latest ever, and we have heard some of the reasons why, like the \$16 billion more being put in for contingent liabilities. I accept that the \$16 billion is fully legit, but I have to wonder why, when the budget came out at the beginning of the new fiscal year, this money wasn't in there. What happened in the short period between then and now, where all of a sudden there's \$16 billion?

• (1220)

That was a question I was asking, because the wording is very specifically about items that are "assessed as likely to result". Basically, what happens with contingent liabilities—lawsuits or other obligations—is that when they mature, they result in a settlement, and that's when they get put on the books.

What happened between the budget coming out and very recently, when they delayed the public accounts to put that in? I would like to ask the witnesses here, but, of course, the Liberals are blocking our ability to ask those questions.

Ms. Iqra Khalid: Call the vote.

Mr. Kelly McCauley: I would certainly like to ask them about that. I would ask them right now, but I don't think they're allowed to take the floor. Perhaps they can sign up to be on the speaking order afterwards.

It's a great concern. We have late public accounts. We had commentary about the pension surplus for the public service.

I have great concern over the surplus for a couple of reasons. For one, I believe the Treasury Board and the government use a false discount rate. We saw some internal documents from the government about pensions explaining that there's an excessively high—in some people's views—discount rate for the funded portion of public service pensions. Their explanation is that they can have a high discount rate because they take higher risk. They get higher returns because they take higher risks, but they take higher risks because the taxpayers are on the hook for any losses. Instead of using a real return bond, as we use for the unfunded portion of the pensions, I think the pre-2005 portion, we use an artificially high number that perhaps hides a lot of the liability this government has on public service pensions.

The C.D. Howe Institute has guesstimated that it's not a surplus but an \$80-billion deficit if you use real return bonds like other pensions do. If you look at the public accounts.... I don't have them; they haven't been printed, I think. Apparently, PSPC takes two weeks to print three books this size. Chrystia Freeland managed to get her new book out on a day's notice, in two days, in two chapters, but the government takes two weeks to print a book like this. We don't actually have it here; it's only in PDF. I'd like to be able to look it up, but I can't. I'll explain what the discount rate is.

Getting back to what I was talking about, my concern is with the pensions. Ms. Boudreau explained that that was one of the delays. My belief is that if the pension surplus is recognized in this fiscal year, which started April 1 of this year, then that money would be recognized this year. It would not go into a previous year. Mr. Cannings brought that up, and my colleague from the Bloc brought up the pension as well. We certainly would like to ask questions but, of course, the government is blocking our ability to look at that.

The government is blocking our ability to look at the whole scandal of the finance minister getting turfed on a Friday but still being told that she had to come back and present the fall economic statement, take the fall for being \$20 billion over and then take on a new role in cabinet, where she has no staff and no power, to make way for Mark Carney. I appreciate Minister LeBlanc stepping up to take his role as well. Perhaps it will make it easier for him to access clam scam two or some other favours for the family, as he has done in the past. It makes you wonder.

The government knew Friday that Minister Freeland was going to leave her role. We're in an economic crisis right now. We're into our sixth quarter in a row where GDP per capita has dropped, which means that the wealth generated per person in Canada is dropping. We're now at the same level we were in 2018, whereas the U.S.'s has gone up by I think 25%. We used to have an almost even GDP per capita in this country. We're now at about \$55,000 U.S., and the U.S. has shot up to \$81,000. Ireland, which people used to flee for economic reasons, as my great-grandparents did, now has a GDP per capita of over \$100,000 U.S., and we're at \$55,000, but I digress.

• (1225)

We are in this economic crisis of a collapsing economy. Unemployment is up to 6.8% or 6.9%. Who knows if it's going to break 7%. It's 10% in Toronto and 8% in Edmonton. Again, that's for six straight quarters.

Former Bank of Canada governor Mr. Poloz stated that we are in a recession. We're not in a technical recession of two straight quarters of declining GDP. He states that we are in a full-blown recession and the numbers show it. The only thing hiding it is the out-of-control immigration growth. Even the government has stated that they let it get out of control and they have to cut it back. They're flooding the country with new people when we don't have housing, hospitals or doctors for them, but it's propping up the economy and the GDP. They're hiding behind that and saying that we have the best economy in the G7.

The Chair: Mr. McCauley, I'm going to dismiss the witnesses very soon. I suspect Madame Sinclair-Desgagné would like to speak before I do that, but would you yield? I'll put you back on the list. I know you're on a roll and I don't want to interrupt you, but I want to be respectful. You can decline, but it's just to—

Mr. Kelly McCauley: I have so much more, but I'd be very happy to allow Ms. Sinclair-Desgagné to step in for a moment.

The Chair: Thank you. I will move you down.

I'll turn to Madame Sinclair-Desgagné, and then I will come back to the witnesses.

• (1230)

[*Translation*]

Ms. Nathalie Sinclair-Desgagné: Thank you for your generosity, Mr. McCauley.

Thank you, Mr. Chair, for pointing out that I wanted to speak.

I think it's a real shame that a motion is tabled at the beginning of the committee meeting, when we're hearing from witnesses and we have an enormous number of questions to ask them.

Mr. Drouin, it's customary for a motion to be tabled at the end of the meeting, at the last turn to speak, to let parties like the Bloc Québécois and the NDP speak and ask questions, rather than encouraging the Conservatives to filibuster.

Once again, we see that those who don't want to see Parliament move forward are on both sides of the House, and that's a real shame, because we have work to do. Some very important witnesses came today, despite the short notice they received. I'm a little disappointed. I'm not particularly interested in the substance of the motion. I think we had much better things to do today by talking to the witnesses.

I'm going to give the floor back to Mr. McCauley, whom we're going to listen to until the end of the committee meeting today. I want, once again, to point out that I think this waste of time is a real shame and could and should have been avoided.

The Chair: Thank you very much.

[*English*]

Ms. Khalid is not in the room. I will go to the next person that is—

Mr. Kelly McCauley: You're coming back to me.

The Chair: No, I'm going to move you down to the bottom.

Well, it's Mr. Jivani, so I will see you instead, Mr. McCauley, since I'm sure Mr. Jivani will be happy to yield his spot to you.

Mr. Kelly McCauley: Thank you.

One thing I want to address, besides how disappointed I am that we're not able to ask witnesses questions on this important stuff, is that the motion blocks the committee from meeting. They claim that under Standing Order 106(4)... For those watching at home—there may be five of you now—the Standing Order 106(4) procedure says that if four members of this committee write to the chair, they can force a meeting, but it doesn't allow meetings to delve into the scandal of the green slush fund or the scandal of the CEBA loan, where—

The Chair: Mr. McCauley, I'm sorry. Just hold your thoughts.

The witnesses are excused. Thank you very much. We will see you all again in the new year. I appreciate you coming in today and I apologize for this needless delay.

Mr. Kelly McCauley: I wanted them here to berate them.

A voice: Merry Christmas.

The Chair: Merry Christmas.

Mr. McCauley, you have the floor.

Mr. Kelly McCauley: As the witnesses leave, I just want to yell at them a bit more. Merry Christmas. I appreciate your attempt to get the public accounts to us before Christmas.

Standing Order 106(4) does not allow meetings about the scandals. All it allows is a meeting to decide whether there will be meetings. Four members from different parties could sign the 106(4) request and we could come to Ottawa to be present at a meeting to discuss some of the scandals, such as the green slush fund and the finance minister getting fired right before the fall economic statement, with a \$60-billion deficit that is causing the dollar to drop, causing uncertainty and, as the papers say, giving a gift to Trump in his fight against us with his tariffs, because it shows us as weak and chaotic. However, members of the government, with their coalition partners in the NDP, could just immediately move to adjourn the meeting, so this is a false outreach the government has put forward. They say, “Oh, you can have a 106(4) meeting anytime in January or February or during a break week”, but it's not really true.

As we saw years ago during other times we've had 106(4) meetings, we could get here and the government and their coalition partners could say they don't want to work on a break week. They do not want the committee looking into their scandals. They do not want a light shone on this disaster of a government.

I reject the argument that we could have a 106(4) meeting anytime. We can't. The reality is that the government could still simply move to adjourn or block any meeting, period, as we saw in the past on ArriveCAN.

It's unfortunate the Auditor General has left, because one of the issues she brought forward in her opinion.... It's not actually in the public accounts itself. You have to look online for her commentary. The public accounts, by the way, which I'm very disappointed in, have gone from an audited opinion to a propaganda piece for the government.

If you read some of it—I'm going to call it what it is—it's a lie. The government talks about the carbon tax being revenue-neutral, but it is not revenue-neutral. To say so is a lie. Here we have a government document signed by the comptroller general, signed by the Receiver General, signed off on and delivered by the Treasury Board and signed by the Auditor General, and it has editorial copy—not the numbers but government talking points. In this case specifically, it is a lie, because the carbon tax is not revenue-neutral. The carbon tax has GST. Alberta alone will be paying, I think, \$100 million in GST just on the carbon tax.

On a straight, revenue-neutral basis, every penny collected from taxpayers would go to taxpayers. It does not. Some is diverted to government operations. I think a couple of years ago, \$100 million

was diverted to government operations. Some is diverted to small and medium enterprises. Therefore, again, it is not revenue-neutral. It is being used a bit as a slush fund.

I have it somewhere in my papers, and I hope to refer to it, but the OECD, in its description of “revenue-neutral”, says that it's taxation money that cannot be used to discriminate or push spending patterns in a certain way, which is exactly the point of the carbon tax. I'm not arguing what the intent of the carbon tax is, which is to drive up prices one way and perhaps force habits another way toward less carbon intensity—that is the whole point of the carbon tax—but the OECD states that such actions mean it is not revenue-neutral. Here we have the OECD basically saying that just the idea of a carbon tax is not revenue-neutral.

• (1235)

Of course, we had the oil carve-out for people from the wonderful province of New Brunswick, like our chair, and from other provinces in Atlantic Canada. The Liberal government cynically did a carve-out there, and told those in Alberta and Saskatchewan suffering through -40°C, “We're going to tax you extra to heat your homes. We're going to tax you more, despite the fact that you have some of the coldest temperatures in the country, but in areas where we're polling very poorly and are getting pressure from our MPs, because they're going to lose the next election, we are going to give out a carbon tax carve-out.” Again, it violates the whole neutrality of a carbon tax, and further violates the definition of the carbon tax as stated by the OECD.

Getting back to the carbon tax itself, I read this: “The federal pollution pricing system is revenue neutral”. This year, they've added a bit of a disclaimer: “over time for the federal government”.

Mr. Francis Drouin: I have a point of order, Mr. Chair.

The Chair: Go ahead, Mr. Drouin.

Mr. Francis Drouin: You'll notice where I'm going. I thought no reading was allowed during filibustering.

Mr. Kelly McCauley: I am quoting from something.

The Chair: You can cite, but just bear in mind that Mr. Drouin is correct. I am not saying you're reading.

Mr. Kelly McCauley: Mr. Chair, I can cite verbatim.

The Chair: Yes, you can cite, as you're doing. Continue.

Mr. Kelly McCauley: Thank you very much.

Before I was interrupted by such silliness, I was saying, "The federal pollution pricing system is revenue neutral over time for the federal government." Of course, in the House of Commons, repeatedly the government has stood up and said that it's revenue-neutral. In previous public accounts, it was revenue-neutral; now it's revenue-neutral but "over time". Perhaps the budget will balance itself over time for the federal government. You can't have an accounting number being stated as a certainty "over time". It's either revenue-neutral or not revenue-neutral. It is not.

I want to continue with other points from the public accounts. I'm happy to paraphrase them if I can't read the public accounts verbatim.

One thing they state is that the government will announce, starting in fiscal 2025, "the share of fuel charge proceeds returned to Indigenous governments"—which is fair, but that's a policy statement—"will increase from 1% to 2%". I have to ask, where is this extra 100% increase for the proceeds coming from? I'm not criticizing the policy decision. They should actually back it up because there are areas where certain indigenous communities maybe require a much higher increase—those more rural and further north than perhaps southern ones. I'm thinking of the Nk'Mip first nation in B.C., which has phenomenal wines and a phenomenal hotel. B.C. is not part of the backstop—that's just an example—but I think they're a lot less affected by the cost of heating than perhaps McLeod Lake up by Fort McMurray.

I wish the government had actually backed that up by saying that they're going to increase them from 1% to 2% based on information or do it based on need, as opposed to saying, "We've increased it. Look how virtuous we are." They should back that up. Again, where's that extra 1% coming from? It's coming from the general pool. Possibly that makes it non-revenue-neutral.

The public accounts further say, "As announced in Budget 2024, the government will return proceeds directly to small- and medium-sized businesses in provinces where the federal fuel charge is in place through the Canada Carbon Rebate for Small Businesses, a new refundable tax credit." If you recall, this was announced several years ago. Where is this money coming from? If it's coming "in the year" or "for the year", as the public accounts state, how can it be revenue-neutral? Where is the money they have collected since 2019? It's several billion dollars. It's not noted in the public accounts. It's not noted, from what I can see, in the fall economic statement either. Is it coming from general revenues?

It does nothing, of course, to address two issues. I wish our witnesses were here so we could ask about this. I wish I could ask our previous witnesses from EDC, which was administering the CEBA, but of course that was blocked by a Liberal guillotine motion. The government is going to return several billion dollars to small and medium enterprises to offset the carbon tax they had to pay, which is wonderful, but why so late? Also, where is the money coming from? What happened to all the companies that paid into it from 2019 to 2024 and have gone bankrupt or are in receivership? Will they be receiving the money?

For the CEBA money, are we going to have assurances that none of the carbon tax rebate will go to the many thousands of companies that have defrauded taxpayers? I think one out of every 11 businesses—9% of the 100,000 and some odd—that received CEBA money was ineligible. That's \$3.5 billion so far that we know of. It's probably a lot more. The AG believes so as well. What assurances will we have that the government is not going to send carbon rebate cheques to companies that owe taxpayers that money? I wish I could ask, but of course we cannot.

● (1240)

When is the SME rollout going to be? Where is that money coming from? Is it solely from small and medium enterprises? Has it been put into a separate pot of money? We don't know.

One funny thing about the payment for the carbon tax rebate is that it used to be on a year-per-year basis so that money collected in a year was paid out in a year. Of course, now it's done quarterly, and with cash accounting, it's recorded when it's paid out. If I get a cheque on April 5, for example, that's five days into the new fiscal year, but it was money collected in the past year. That money collected will be accrued in one year, but the payout will be shown in the next.

I believe the government changed this a couple of years ago when we brought up in this very committee that it wasn't revenue-neutral and that money was being taken by the government to fund other programs within the government. It was right in the public accounts that they admitted it, and lo and behold, what happened in the next year? An offset was done. We asked Finance and the AG, "What money is coming in and what money is going out, to be rebated?" and they said, "Oh, we don't know. It's on a different calendar now." It's collected one year and paid out in another, because, of course, it's paid out quarterly for money that was collected the previous year. Did they do that to hide it? There's Hanlon's razor: Don't attribute to malice that which is more attributable to incompetence. This time I'm really not sure.

As I mentioned, there's the oil heater carve-out for New Brunswick and other provinces. There's a huge carve-out for oil heating in Atlantic Canada. I used to live in Newfoundland, and our house was entirely electric baseboard heaters. When we were looking for housing, a lot of houses had oil heaters attached to them, or even buried.

The government said they were going to do a carve-out and not charge carbon tax on oil heating; therefore, there would be less money collected. It makes sense. It would also make sense that less money would be distributed, because it's revenue-neutral. Anything collected should be returned, but we have a finance document that states there won't be a reduction in rebates, so where's that money coming from?

Are the people in Alberta paying to heat their homes and paying a high carbon tax into general revenue subsidizing the Atlantic provinces? We asked that at the finance committee, and they stated, "No, it's only what is collected." However, we have a statement saying there wouldn't be a reduction. You can't collect less tax and still pay that out, but apparently that's what the government is doing. I wish I could ask them.

Actually, here it is. I apologize. I had it right in front of me the whole time. I am going to read a quote from it. I'm not reading notes. I'm reading a quote from the OECD's "Fundamental principles of taxation". Why would I have this? Well, why wouldn't I? As I mentioned last week, I have a copy of the Royal Bank of Scotland analysis on flow-throughs for pricing for energy costs, because who wouldn't have that study on their laptop?

Anyway, it reads:

A neutral tax will contribute to efficiency by ensuring that optimal allocation of the means of production is achieved. A distortion, and the corresponding dead-weight loss, will occur when changes in price trigger different changes in supply and demand than would occur in the absence of tax. In this sense, neutrality also entails that the tax system raises revenue while minimising discrimination in favour of, or against, any particular economic choice.

That is the exact opposite of the carbon tax: "A distortion, and the corresponding deadweight loss, will occur when changes in price trigger different changes in supply and demand".

I fully accept the carbon tax is meant to change demand. We jacked up the carbon tax, and another increase is coming April 1. We're going to increase it by, I think, another \$15 a tonne. It's going to be another 11¢ a litre. Its intent is to change your choice of habits, or the demand for gasoline and home heating. The fact that taxpayers in Alberta are subsidizing folks in Atlantic Canada for heat pumps means that we are affecting choice and demand, because the demand in New Brunswick for heating oil will drop, and the demand for heat pumps should increase. That's part of the plan, but it violates the definition of revenue-neutral.

• (1245)

Here we have the Government of Canada pushing in public accounts, which is accounting.... You can't have a different opinion on the accounting books. One and one equals two. I have this argument all the time with my associate from Winnipeg North, who I take great joy in teasing. He takes great joy in teasing me back, and we have a fun relationship that way.

Once in the House of Commons, he was going on about cuts to the CBSA, and I pulled out the public accounts from 2016 that showed the Liberal government cut spending to the CBSA. They cut spending in 2017 as well. The member for Winnipeg North then got up and said that it wasn't really right that I was quoting statistics because these things aren't always true, and I thought, "Well, the public accounts don't lie, so someone is lying."

The numbers do not lie. The revenue-neutrality is not true, yet the government puts it into the public accounts. They're lying in the public accounts, misleading parliamentarians in the public accounts and misleading Canadians in the public accounts.

We have a government that reopened the public accounts for the first time in history for political reasons. Apparently, this year they delayed the public accounts until the day before the House rose to hide that the deficit blew past the failed finance minister's projections, her line in the sand.

Public accounts were signed off on December 9, but the original report had the first go-round, I understand, as early as September 30, to the Auditor General. We knew what the deficit was before it was tabled, but why didn't the government release the public accounts? I don't believe the false reason about pensions, because of Public Sector Accounting Board rules. The surplus was realized in the 2024-25 fiscal year, so it would have no bearing on the past year. There would be zero bearing, yet they trotted that out as a reason the public accounts were delayed.

I believe the government delayed the public accounts so that when we asked what the deficit was in November, they would not have to tell the truth, and when we asked in October, they would not have to reveal to Canadians that they blew past their line in the sand. I believe that is why, when we asked last week repeatedly what the deficit was, the government would not release that information.

It's very curious. One of the examples they used was \$16 billion in contingent liabilities. I accept that, but I don't accept what has changed since the budget was released, as they could have forecast this very recently. It's not the only thing that's very different from the budget, which, again, was released not that long ago—just a few months ago—and from what's in the fall economic statement.

I'm sorry if I'm triggering people, but I want to read again from the public accounts of 2023-24. Remember, two years ago, we had the \$40-billion line in the sand and had a commitment to a declining debt-to-GDP ratio. "The accumulated deficit (the difference between total liabilities and total assets), or federal debt, stood at \$1,236.2 billion"—that's \$1.236 trillion—"at March 31, 2024. The accumulated deficit-to-gross domestic product (GDP) ratio was 42.1%, up from 41.1% in the previous year." It's up. "The government remains committed to its fiscal anchor of reducing the federal debt as a share of the economy over the medium term." Again, it is up.

- (1250)

The government states it's committed to its "fiscal anchor". Do you remember how many times the fired deputy prime minister stated they were committed to their fiscal anchor of \$40 billion? That, of course, turned out to be \$61 billion, but they put that in the public accounts.

What else is in the public accounts for this year? Oh, here we go again. The accumulated debt was up from last year. The debt-to-GDP ratio was up from last year too. "The government remains committed to its fiscal anchor of reducing the federal debt". That's the exact same wording as in the 2022-23 public accounts: "the government remains committed to its fiscal anchor of reducing the federal debt". Again, the accumulated debt-to-GDP ratio was up.

Here we have the government in its public accounts admitting that it is higher—it went up—but apparently higher is lower, because when you have a fiscal framework, when you have a debt-to-GDP anchor and when you have a line in the sand, apparently you can lie about it. You can lie to Canadians about it. The accounting numbers don't change, but you can say that somehow down is up and left is right, and that, to the government, wrong is right.

That leads into public debt charges. "Public debt charges were up \$12.3 billion, or 35.2%, largely reflecting an increase in the average effective interest rate on interest-bearing debt, offset in part by lower Consumer Price Index adjustments on Real Return Bonds." If you remember, I talked about real return bonds and the public service pension plan. If real return bonds are dropping, the discount rate should not be so high, but I digress. As the former deputy prime minister once stated, "Pushing...our debt into bonds with a longer maturity ensures that Canada's debt servicing costs [remain low]." She repeated that in the House, yet the government stated that interest payments have gone up. How much have taxpayers lost because the government didn't invest in longer bonds, as they stated they would?

Argentina, despite their economic problems, was able to float a 100-year bond. There are 50-year bonds available, yet despite the government stating several times, both publicly in the previous economic fiscal update before Ms. Freeland was fired and in the House itself...we don't have to worry about debt charges or interest charges because we're buying long-term bonds.

If you recall, a couple years ago, Glen McGregor—I think he was with CTV at the time—asked the PM about the threat of very high servicing costs, and the Prime Minister looked condescendingly at him and said in that special tone of his, "Interest rates are at historic lows, Glen." What happened? They didn't stay at a historic low; they went up, and we saw a 35% increase in interest payments.

I wish we had finance officials here so we could ask how much the out-of-control money printing led to the higher interest rates that led to the higher debt that somehow the government couldn't figure out. If I'm doing out-of-control money printing, I know I'm going to be doing it and I know it's going to cause inflation, you would think I would also know—like insider trading—to push our debt purchasing and bond issuing far into the future to lock in the lowest rate possible, but, of course, we didn't.

Just a couple of years ago, in 2022, the budget came out and... Of course, the budget always forecasts costs four or five years into the future. In 2023-24, looking four years out, the government projected \$152 billion in interest payments. This was not a long time ago. This was not 1990. This was a very short time ago. In the 2022 budget, we started out with \$152 billion in interest payments, which is a hell of a lot.

- (1255)

The fiscal update that just came out—presented by some random Liberal cabinet minister because I guess Randy wasn't available—had \$212.8 billion in interest. Interest on the debt, over four years, has gone up by \$60 billion since the budget produced two years ago. Think about that. This is how incompetent this government is. They were out \$60 billion—basically a 40% higher interest rate to service the debt than just two years ago.

It came up in the supplementary estimates (A) in OGGO. They had \$2 billion for higher interest rates. The supplementary estimates (A) come out shortly after the main estimates, which was shortly after the budget. How could you be out \$2 billion? To be coming to Parliament just a couple months into the year saying you need \$2 billion because a couple of months ago you misforecast what the interest payments were going to be.... Did anyone in this room or any of the five or six people watching think two years ago, "I'm going to be out that much"?

I'm going to work out the exact total. Bear with me for two seconds. They were out 39%. I'm sure the government is going to argue that things have changed and the economy is slowing, but the revenue increase over four years, as projected two years ago in the fiscal update, was 17% and the budget that I'm referring to shows 16%, so they're forecasting basically the same revenue but somehow misforecast it by 40%.

With all the brainiacs we have in finance and all the brainiacs we have at Treasury Board—a massive increase in the number of bodies—somehow they were out by \$60 billion over a four-year period. That's for the interest payments. They were only out \$20 billion on the deficit over a one-year period. That's almost the same in just interest payments. It's \$60 billion. We will collect maybe \$200 billion in GST, so they were out 30% of the value of the GST over four years, but just from two years ago.

This is not forecasting from the turn of the century, or perhaps the Chrétien-Martin era, the Stephen Harper era or even the early Bill Morneau era. This was the now-fired finance minister herself, two years ago, missing interest payments by \$60 billion. That is probably the second-largest line in the budget after OAS. It's greater than what we're paying to provinces for health care support.

I hope people remember this when they're waiting in line for eight, 10 or 12 hours at their hospitals for care. The government, if they planned better, could have been spending money on health care transfers and hiring doctors instead of misforecasting \$60 billion.

Mr. Cannings and Ms. Sinclair-Desgagné were talking about the public service pensions earlier. If I was a public service employee, knowing the same people are nominally in charge of them, I'd be scared silly. It's a good thing that taxpayers are on the hook for public sector pensions, so even though there is a surplus, it doesn't affect public servants one bit. It's the same as if there was a deficit. It would not affect pensions one bit because they're guaranteed by legislation. It's the same with the pre-2005 pensions, which were not funded separately, as post-2005 pensions are. Pre-2005 pensions were just funded out of, basically, general revenue.

- (1300)

If you look at the actuarial statement for the year, it shows the two funds separately. I think the 2005 one is underfunded by \$7 billion, so that should be applied to post-2005, which technically would bring the surplus below the 25%.... If anything, the argument is, why is the government trying to take the \$1.9 billion in surplus, and what are they taking it for? The argument shouldn't be that the surplus should go back to employees, with lower payments. There's one public servant. There's one taxpayer. There are two funds. One is unfunded. One is overfunded. Why don't they count the deficit against the surplus, as any of us would do?

If you have a bank account and a mortgage, you don't say, "I have \$10,000 in the bank; look how rich I am" if you have a mortgage of \$10 million. You count the two of them together—so do companies—but the government counts the two separately. To my colleagues Mr. Cannings and Ms. Sinclair-Desgagné, I think the questioning should not be what they're doing with their surplus, but how they're claiming it as a surplus. The government changed the law in 2019 for the budget. They changed what the surplus would be.

I wish we had officials here to explain why the 2005 unfunded portion is not being counted against the supposed surplus. What do they intend to do with that money, roll it in to reduce the deficit? Was Mark Carney going to step in and say that was Chrystia Freeland's \$61-billion mistake, that we're in surplus and found \$2 billion? I wish we could find out. We could find out next week in meetings or in two or three weeks in meetings, but we won't find out if the Liberals have their way.

I'll get back to the public service pension. I wish we could have a bit more transparency about that fund. As I mentioned, it doesn't actually own stocks and bonds, as a lot of us think it does. When people declare that the fund is up x per cent, it's based a bit on market capitalization and Kentucky windage, not a firm amount. The Auditor General referred to it in her notes in her last public ac-

counts report, from last year. She had concerns about how they were working out the value, the valuations, and it was the same with how the CPP comes up with its funding.

Speaking of the CPP, I wish we had the officials here so we could ask, as I do each year, about how the government works out their lowest net GDP. When the government talks about their net GDP, they count the CPP money as an asset, but they don't count the liabilities—what they owe to grandma and grandpa. That will be me in five years; unfortunately I'm that old. They don't count the obligations, but they count the assets.

When the former and fired finance minister would stand in the House and say that we have the best net debt-to-GDP ratio in the G7, it was true under her formulation, but as the former deputy minister for finance said a couple of years ago, it uses "mental gymnastics" to come up with that number. The Fraser Institute uses these numbers, and the IMF says you can use them, but when you use OECD calculations, we're actually 22nd out of 29. We're the seventh-worst for debt-to-GDP ratio. What brings down our debt-to-GDP ratio is counting CPP.

I posed a question to Mr. Sabia, the deputy minister at the time, and his ADM, and said the only way you can count the CPP as an asset is if you have access to use it. Mr. Sabia started with, "Well, yes", and then he caught himself because he did not want to say the truth, which is that you can only count the CPP asset, the money set aside for seniors.... It's paid for by seniors and companies, not paid for by the government. It's half paid for by taxpayers and half paid for by their companies. They pay into the fund. The only way you can count it for financial or accounting reasons, according to the IMF, is if the government can access the money for operational reasons.

- (1305)

That is the dirty secret about the government stating that its net debt-to-GDP ratio is the lowest in the G7. Yes, the U.S. is a basket case, but you can never count the U.S. out. It doesn't take much for it to flip things around like Bill Clinton did. It actually ran surpluses. It has the ability to gear up. When you look at Germany's numbers, I think it has a lower net debt-to-GDP ratio than us. It just announced \$100 billion in tax cuts. It will be moving further ahead. We can claim we're the lowest only when you count the money for the CPP—I think it's \$700 billion—but you don't count the liability.

Anyone watching at home who is collecting CPP, or perhaps whose parents are collecting CPP, should know this: When the government talks about having the lowest debt-to-GDP ratio, it's because they are counting not what's owed to our seniors, but what is set aside for seniors, knowing that they can only count it, in accounting lingo, if they have access to the CPP for operational reasons.

I don't think the government is going to do that. It would be suicide. I'm not saying the Liberals would, but they are lying to Canadians when they are saying we have the lowest debt-to-GDP ratio. If we compare it to the OECD, apples to apples, we are 22nd out of 29. We are the seventh worst for debt-to-GDP ratio.

I see the chair is motioning me.

• (1310)

The Chair: Mr. McCauley, I'm going to interrupt you. We are out of resources, but I'm going to take 30 seconds.

In the spirit of transparency—Mr. Drouin, this is not out of spite; I'd already signalled this to one other opposition member—I am planning to have meetings in January, over the 7th to the 9th and several over the 20th to the 23rd.

You'll be receiving notices for them. I have endeavoured to work the best I can with the schedule the government has outlined for these documents.

Ms. Iqra Khalid: I have a point of order, Chair.

The Chair: I am sorry this does not line up with your schedule.

Ms. Iqra Khalid: I have a point of order, Chair.

The Chair: This meeting is adjourned.

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