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OFFICIAL REPORT
(HANSARD)

Tuesday, November 23, 2010

—
Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Tuesday, November 23, 2010

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1005)
[English]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC): Mr. Speaker, pursuant to Standing Order 36(8) I have the honour to table, in both official languages, the government's response to three petitions.

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COMMITTEES OF THE HOUSE

FINANCE

Mr. James Rajotte (Edmonton—Leduc, CPC): Mr. Speaker, I have the honour to present, in both official languages, the seventh report of the Standing Committee on Finance entitled "Question of Privilege".

The committee has reason to believe that a potential breach of privilege has occurred and has asked the House to investigate this matter.

PROCEDURE AND HOUSE AFFAIRS

Mr. Joe Preston (Elgin—Middlesex—London, CPC): Mr. Speaker, pursuant to Standing Order 104 and 114, I have the honour to present, in both official languages, the 22nd report of the Standing Committee on Procedure and House Affairs regarding the membership of committees of the House and I should like to move concurrence at this time.

The Speaker: Does the hon. member for Elgin—Middlesex—London have the unanimous consent of the House to propose this motion?

Some hon. members: Agreed.

The Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.
(Motion agreed to)

TAKE NOTE DEBATE

Mr. Kevin Sorenson (Crowfoot, CPC): Mr. Speaker, I move:

That, notwithstanding any Standing Order or usual practice of the House, during the debate pursuant to Standing Order 53.1 later today, no quorum call, request for unanimous consent or dilatory motion be received by the Chair.

The Speaker: Does the House give consent to the hon. member for Crowfoot to move this motion?

Some hon. members: Agreed.

The Speaker: The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.
(Motion agreed to)

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PETITIONS

AFGHANISTAN

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, I have a petition signed by dozens of Canadians to end Canada's involvement in Afghanistan.

In May 2008, Parliament passed a resolution to withdraw Canadian Forces from Afghanistan by July 2011. The Prime Minister, with agreement from the Liberal Party, broke his often repeated promise to honour the parliamentary motion.

Committing 1,000 soldiers to a training mission still presents a danger to our troops and is an unnecessary expense when our country is faced with a \$56 billion deficit. The military mission has cost Canadians more than \$18 billion so far, money that could have been used to improve health care and seniors' pensions right here in Canada.

Polls show that a clear majority of people in Canada do not want Canada's military presence continued after the scheduled removal date of July 2011.

Therefore, the petitioners call upon the Prime Minister to honour the will of Parliament and bring the troops home now.

LUCKY MOOSE BILL

Ms. Olivia Chow (Trinity—Spadina, NDP): Mr. Speaker, it is my honour to present to Parliament a petition signed by many hard-working store owners, their employees, shoppers and ordinary Canadians in support of my private member's bill called the "Lucky Moose bill" to ensure that hard-working store owners are not punished as they try to protect their property.

Points of Order

The petitioners are asking for action either from the Prime Minister or the Minister of Justice to ensure the Criminal Code is amended. The petition includes 10,000 names that were signed online in support of taking action so hard-working store owners will not be punished when they try to protect their property.

G20 SUMMIT

Ms. Olivia Chow (Trinity—Spadina, NDP): Mr. Speaker, my second petition is from many downtown residents, restaurant owners and business owners who want to ensure there is compensation to downtown Toronto businesses for the damages caused by the G20 summit.

They note that there was significant property damage, that 93% of the businesses lost profit and that some workers lost a week of wages because the business had to close or, of those that were open, hardly anyone showed up to shop or eat.

The petitioners are asking the Government of Canada to make allowance for the compensation of local residents and businesses for any loss of profit or property damage caused due to the G20 summit.

• (1010)

STUDENT LOANS

Mr. Bruce Hyer (Thunder Bay—Superior North, NDP): Mr. Speaker, I am very pleased to present a petition to the House of Commons on student loan fairness.

Residents of Canada have a number of problems with the student loan program and there is chronic federal underfunding. They ask that Canada's student loan system be made fairer, clearer and certainly more representative and responsive.

This petition calls upon a federal needs based grant system for all Canadian student loans. It asks for a lowering of the federal student loan interest rate, that a student loan ombudsperson be created and that there be a lifetime limit on loans so that there is a delayed period of at least six months after the completion of full-time studies, including doctoral programs and medical residency.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC): Mr. Speaker, I ask that all questions be allowed to stand.

The Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

POINTS OF ORDER

ROYAL RECOMMENDATION—BILL C-574

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC): Mr. Speaker, I rise today on a point of order regarding Bill C-574, An Act to promote and strengthen the Canadian retirement income system.

Bill C-574 proposes to create a new bill of rights for a retirement income system that would promote the goals of adequacy,

transparency, affordability, equity, flexibility, security and accessibility for all Canadians.

Clause 13 of the bill would require the Minister of Justice to examine every bill and regulation to ascertain whether any of the provisions violate, among other things, an individual's right to accumulate sufficient pension income to provide for a lifestyle in retirement that the individual considers adequate, an individual's right to determine how and when to accumulate pension income, and an individual's entitlement to receive investment advice from an advisor free of conflict of interest.

Section 4.1 of the Department of Justice Act provides that the Minister of Justice must examine every bill and regulation in light of the Canadian Charter of Rights and Freedoms.

Section 3 of the Canadian Bill of Rights states that the Minister of Justice shall examine every bill and regulation to ascertain whether any provisions thereof are inconsistent with this act.

Bill C-574 would impose an additional obligation on the Minister of Justice that is not currently authorized by statute. In particular, the new functions envisioned in clause 13 of the bill would require actuarial, financial and economic expertise well beyond the current mandate and activities of the Minister of Justice and the Department of Justice.

Precedents indicate that imposing new obligations not provided for in statute requires a new royal recommendation. On page 834 of the second edition of the *House of Commons Procedure and Practice* states:

A royal recommendation not only fixes the allowable charge, but also its objects, purposes, conditions and qualifications. For this reason, a royal recommendation is required not only in the case where money is being appropriated, but also in the case where the authorization to spend for a specific purpose is significantly altered.

On October 20, 2006, the Speaker ruled, in the case of Bill C-286, An Act to amend the Witness Protection Program Act, that Bill C-286:

...extends the application of the program...that does not currently exist under the witness protection program. In doing so, the bill proposes to carry out an entirely new function. New functions or activities must be accompanied by a new royal recommendation.

On June 13, 2005, the Speaker ruled on Bill C-280, An Act to amend the Employment Insurance Act, that:

...clause 2 significantly alters the duties of the EI Commission to enable new or different spending of public funds by the commission for a new purpose....

On September 20, 2006, the Speaker ruled in the case of Bill C-257, An Act to amend the Canada Labour Code, that:

...the provisions in Bill C-257 which relate to the designation of investigators by the minister do not constitute an authorization for new spending for a distinct purpose. The functions which are already being performed by inspectors would appear to be reasonably similar to the functions envisaged by Bill C-257.

I submit that this last precedent does not apply to Bill C-574 as the functions set out in clause 13 of the bill would significantly alter the functions of the Minister of Justice and the Department of Justice. That is because the new functions in Bill C-574 would require actuarial, financial and economic expertise well beyond the mandate and current activities of the Minister of Justice and the Department of Justice.

Government Orders

In conclusion, the additional functions for the Minister of Justice and the Department of Justice proposed in clause 13 of Bill C-574 are not currently authorized in statute. The bill, therefore, should be accompanied by a royal recommendation.

•(1015)

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, first of all the presumption here and the references to Bills C-286, C-250 and C-257 all are with respect to the same statement about a new function and beyond the mandate.

However, I would like to submit that the Minister of Justice already has responsibilities in the area that C-574 deals with. To discharge that responsibility, it is clear that the minister would have to get information from resources such as actuaries and other experts in the area.

It is not incumbent on the Minister of Justice himself to have all of those particular levels of expertise within his own department to fully discharge his responsibilities. There is a reliance obviously on the resources of the Government of Canada, available to all ministers.

In this regard, before any minister of justice would opine on any matter related to the retirement income system, it is clear that the retirement income itself is not within the jurisdiction of the Minister of Justice.

However, there is a due diligence and a due care requirement on behalf of the Minister of Justice to ensure that in giving legal opinions that he or she also has the important information with regard to the fundamentals and the dimensions.

This argument about “significantly alters” is a qualitative assessment by the hon. parliamentary secretary, but the argument does not, in my view, sustain the suggestion that a royal recommendation is required, most simply because in this particular case the Minister of Justice, in fact, has a responsibility with regard to opining on Bill C-574 on the Canadian retirement income system and must engage these kinds of resources in the normal course of his work to do his job in a proper fashion with due diligence.

Therefore, I submit that, since the Clerk of the House normally advises a member about the likelihood of a royal recommendation being required on a bill, and the House has extensive resources to make such an assessment, it is clear that the question about extending the mandate beyond what the minister may have has already been considered. It is one of the fundamental positions.

I would submit that the expertise within the Clerk of the House's office has taken that decision and not made that recommendation, and indeed the Chair has not given that notice of a likelihood of a royal recommendation.

•(1020)

Hon. Judy Sgro (York West, Lib.): Mr. Speaker, on the same point, I want to thank the hon. member for his comments on these issues, but Bill C-574 is very much a statement of principle.

As the mover of the motion, I was very careful to ensure that it did not require a royal recommendation. I understand the interpretation of clause 13, but I can say that I reviewed that because I did not want it to be ruled out of order and require a royal recommendation.

It is very much a statement of principle. It does not require actuaries to come forth with an extended report. It is an issue of setting down principles. It is a motherhood issue that establishes the principles of a bill that would protect pensioners, protect Canadians and ensure that all Canadians have the right to have a pension system.

The Speaker: I thank hon. members for their submissions on this point, and I will take the matter under advisement and review the issue before I come back to the House.

GOVERNMENT ORDERS

[*English*]

FIGHTING INTERNET AND WIRELESS SPAM ACT

The House resumed from November 22, consideration of the motion that Bill C-28, An Act to promote the efficiency and adaptability of the Canadian economy by regulating certain activities that discourage reliance on electronic means of carrying out commercial activities, and to amend the Canadian Radio-television and Telecommunications Commission Act, the Competition Act, the Personal Information Protection and Electronic Documents Act and the Telecommunications Act, be read the third time and passed.

Mr. Marc Garneau (Westmount—Ville-Marie, Lib.): Mr. Speaker, it is with great pleasure that I stand today in third reading to speak about Bill C-28. I was involved as a member of the Standing Committee on Industry, Science and Technology on the bill, which deals with a very important matter. It was known as Bill C-27 at the time and has now progressed to being Bill C-28, and it is very encouraging to see that we are now at third reading.

[*Translation*]

First of all, I would like to stress that we must act quickly to resolve the massive problem of unsolicited electronic messages, more commonly known as “spam”.

Let us go back to 2003, when the problem was not nearly as bad as it is now. A report at the time concluded that businesses spent \$27 billion on expenses related to the IT personnel needed to deal with this plague.

[*English*]

Who of us in this chamber have not experienced that maddening moment when we have opened up our emails and discovered that a fairly large number were unsolicited, were trying to interest us in something we were really not interested in, were trying to sell us something? Who of us have not experienced the time it has taken to get rid of these unsolicited emails? Of course many of us have now had to purchase software to try to control so-called spam, and this is adding to our annoyance with the whole thing. Even today, the ingeniousness of some people still manages to circumvent even the best spam software, and we still occasionally receive spam messages even with that best software.

Government Orders

Spam represents, according to the experts, 60% to 80% of all email traffic around the world. Clearly this situation is a major challenge for consumers, businesses, governments and Internet service providers. Yet the issue at hand is not limited to spam and, therefore, legislation must also remedy the use of false or misleading statements that disguise the origins or true intent of the email, the installation of unauthorized programs and the unauthorized collection of personal information or email addresses.

[*Translation*]

Whether spam comes in the form of unsolicited emails, viruses hidden in attachments—which is often the case—phishing, misrepresentations or the use of fraudulent websites, the government must take action to ensure that Canada does not fall behind.

How can we be the only G8 country and one of only four OECD countries that has not introduced legislation on spam? No one can deny the magnitude of this problem that goes beyond the simple annoyance of receiving unsolicited emails.

This practice also has huge costs for users in terms of the cost of receiving emails and text messages, as well as in terms of the users' storage capacities. Furthermore, this interferes with computer systems, which can have consequences on businesses, governments and individuals. When spam floods and completely paralyzes systems, these practices have more serious effects than anyone could imagine on the way society functions.

We often do not realize how vulnerable we are, which is why we must act quickly. In this case, there is no point reminding members that when the Prime Minister prorogued Parliament at the beginning of the year, he ruined our chance to act quickly.

● (1025)

[*English*]

The Liberal Party of Canada has not only always been concerned by this serious problem but has been very proactive on this matter. In fact the Liberal government established an anti-spam task force in May 2004 that held public consultations and round tables with key industry stakeholders. This Liberal initiative led to the 2005 anti-spam action plan for Canada, which was a call to action.

The plan comprised specific recommendations, requiring the implementation of legislative measures that: prohibit the sending of unsolicited commercial electronic messages; prohibit the use of false or misleading statements that disguise the origins or true intent of the email; prohibit the installation of unauthorized programs; and prohibit the unauthorized collection of personal information or email addresses.

Bill C-28 and the initiatives announced by the Conservative government followed through on the recommendations made by the Liberal anti-spam task force of 2005. However, it is worth mentioning that Bill C-27, as originally submitted by the current government, contained a number of flaws. Fortunately, the Standing Committee on Industry, Science and Technology did outstanding work and proposed recommendations that significantly improved the bill. With these amendments and with further changes recently proposed in Bill C-28, we believe the bill is achieving its main objectives.

Bill C-28 introduces legislation to deploy most of our recommendations, and therefore we are pleased to say that the government has finally decided to act on the recommendations brought forth by our task force. This said, care must be taken and we will continue to monitor the legislation closely to ensure that it does not stifle legitimate electronic commerce in Canada. It is important to emphasize that the fight against spam is much more than just legislation.

[*Translation*]

The industry committee also discussed how important it is that the government take responsibility for a cohesive approach once Bill C-28 is passed. What good is this law if the authorities overseeing it cannot take action because they lack resources? What specifications will be given to the various entities that will enforce and implement the law?

The minister must submit a comprehensive enforcement plan outlining the roles of these entities, such as the CRTC, the Competition Bureau and the Office of the Privacy Commissioner of Canada. The fact is that with this many stakeholders, Industry Canada's role as coordinator will be extremely important. We must give this department the proper tools, both from a human resources and an organizational perspective.

In short, it is essential that there be a coordinated approach involving industry partners, affected organizations and concerned stakeholders in order to implement this bill, and it is in this context that the government needs to take action. It needs to provide the mechanisms to ensure that this legislation is enforced effectively. Enforcing this type of law is complex. It needs to be reviewed periodically so that we, as legislators, can cover all eventualities, such as technological advances.

I should also point out that it is becoming essential and urgent to coordinate our legislation with various countries and engage with the international community in order to harmonize measures to achieve agreed-upon objectives. Canada must now take its place and become a leader in this area.

● (1030)

[*English*]

The Liberal task force also recommended that resources be put toward co-ordinated enforcement of the law, since we all know that legislation will only go as far as the capacity and willingness to enforce the law. Hence it is of the utmost importance that the government put appropriate resources into enforcement, in its determination to work with other nations to stamp out spam.

Government Orders

It is also imperative that the government dedicate resources to clearly establish codes of practice. The Liberal Party of Canada will, without fail, be on task to assure that these elements are not forgotten as the process moves forward.

[*Translation*]

I am confident that we are on the right track. The members of the Liberal Party will continue to work to ensure that this bill is in line with the expectations of the people.

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, the research has estimated that spam costs the worldwide economy about \$130 billion. This is not a recent number. This is a number that has been building up over time.

If we take that together with the fact that we are the only G8 country that does not have this legislation, and one of only four OECD countries, it begs the question of where the government's priorities are. When we think of the cost of just spam alone, and if we add all of the other abuses that affect productivity, and certainly therefore the cost to persons, business, and the Government of Canada, we have to question the minister's statement when he says that in developing this particular bill, "we have been able to incorporate the best practices of other countries that have launched similar efforts".

If that is the case, why was Bill C-27, the predecessor to this bill, not based on the good practices of all these other countries? Does it not show that the government in fact was not really serious about making good laws and wise decisions?

Mr. Marc Garneau: Madam Speaker, as I mentioned in my presentation, it was the Liberal Party in 2004 that initiated the process of looking at the very serious problem of spam. As my hon. colleague mentioned, this problem has huge cost implications for the entire planet. It is rather surprising that it has taken five years for this bill, which initially was Bill C-27, to reach third reading.

It is clear as well that Canada has not been ahead of the pack in taking the initiative to bring forward this bill. We have been a laggard on this issue. Canada is the last country in the G8 to bring forward a bill like this one. We are among only four OECD countries that do not yet have legislation on spam. The current government has been in power for almost five years and it has not given the issue of spam, with its huge cost implications, the necessary priority it should have been given.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Madam Speaker, I would like to remind the member that we are not out of the woods yet because there is always the potential for the Prime Minister to prorogue Parliament or call an election and we would be back to square one.

The violations under this bill are not criminal offences. Members are probably aware of the recent case in which Facebook won a judgment against a Canadian spammer for \$1 billion. The spammer declared bankruptcy and that was the end of the problem. The spammer received a lot of publicity in the process.

There are only fines and no criminal offences under this bill. I would therefore like the member's thoughts on what has transpired with the recent Facebook case in light of what is in this bill.

• (1035)

Mr. Marc Garneau: Madam Speaker, I hope I made it clear in my presentation that we definitely are not out of the woods, as the member said. There is an important phase ahead of us, because it is one thing to have legislation but it is another thing to enforce it.

The member made a very good point. Once this legislation is put in place, there are going to be instances where people who are accused of propagating spam are challenged. The CRTC, the Competition Bureau, and the Privacy Commissioner will all be involved. The question is whether they will have the necessary teeth to enforce this piece of legislation so that the amount of spam actually will be reduced.

We are finally getting a piece of legislation, but it is like getting to first base. In time we will only know whether this piece of legislation is just window dressing or whether it will reduce the amount of spam that is literally clogging the Internet today.

Mr. Paul Szabo: Madam Speaker, the issue of enforcement is going to be critical. I am a little concerned because even the Privacy Commissioner does not have the tools to do it now. Even such matters as prevention through public education are not in the Privacy Commissioner's mandate and it has been refused by the Minister of Justice, who is responsible for that particular act, PIPEDA.

My question for the member is a fundamental one which we should probably ask about all the laws that we pass. We make the laws but other jurisdictions are accountable for enforcing them, but they do not have the resources. Have we assessed the resources that would be necessary to enhance the abilities of the federal agencies that will be involved? To what extent would other policing authorities be involved in certain circumstances? What resources have been discussed or made available for them to enforce the laws?

Mr. Marc Garneau: Madam Speaker, to my knowledge, we have identified those bodies within the government that will have a role on the enforcement side, but we have not identified the resources. This is where we, as legislators, are going to have to be extremely vigilant after this bill has passed in watching how it is executed. The execution will be very much related to the first instances where spam propagators are challenged and action is taken. We will then discover if it takes an eternity to get anything done.

As we go along, we will have to ask whether the three bodies, the CRTC, the Competition Bureau and the Privacy Commissioner, have the adequate resources in order to effectively implement what is in Bill C-28.

At this point, I do not believe those resources have been identified. I think those are simply extra duties that are imposed upon those groups. We will have to be extremely vigilant to make sure that this bill not only has teeth, but that the resources are available to put it into effect.

Government Orders

•(1040)

Mr. Bruce Hyer (Thunder Bay—Superior North, NDP): Madam Speaker, it is my pleasure to rise to speak to Bill C-28, the anti-spam bill, which was formerly Bill C-27.

I have often bemoaned the lack of co-operation in the House, but this is one case where members of all partisan stripes seem to agree.

All of us and our constituents have been inundated with unwanted spam at home and at work. Spam represents about 87% of email activity around the world. At best, it is a huge waste of time and energy. It was estimated last year that over 62 trillion, and I am trying to get my head around that number, spam emails were sent out. It is done in a variety of ways. This bill would identify and eliminate some of those ways.

This bill enjoys strong public support. It certainly has the support of the New Democratic Party. This is part of the New Democratic Party's electoral platform to move forward on a number of consumer issues that we want to see implemented as law.

There will be a push to try to weaken this bill. There are some elements in this bill that make it a really strong and good bill for Canadians and Canadian businesses because it affects our economy.

Canada is actually in the top 10 when it comes to generating and receiving spam. Canada is the only G8 country that does not have the kind of legislation that Bill C-28 represents. Once again, we are behind but we can catch up with this bill quite significantly and have one of the better models to deal with this important issue.

Approximately 1 out of 20, or 5%, of the spam in the world comes from Canada. Canada is known as a harbour for some of the big spammers. I believe we stand fourth in the world in terms of spamming, behind Russia and just ahead of Brazil. An Ipsos Reid poll found recently that approximately 130 spam messages are received by Canadians each week. That is troubling because it is up 51% from just the year before. Speaking for myself, both at work and at home I get quite a bit more than 130 spam emails.

It is not just the irritation of removing unwanted messages and solicitations; it is also time consuming. Employers are worried about the time it takes and the cost to their businesses. As a small business owner myself, I know how taxing spam can be on my computer system's efficiency. It puts my computers at risk and lowers my employees' productivity.

Some may argue that businesses have the right to inundate us with these kinds of messages, but really it is a privilege. No one has an absolute right to inundate us with emails, especially when many spammers use malware and other kinds of spyware to gain data on us regarding where we shop online, what our online consumer habits are, et cetera.

Interestingly, the bill provides for windows of opportunity for businesses with existing relationships to make that connection with their customers. One idea is an 18-month extension in terms of a previous existing business relationship. That makes sense. The Bloc moved a motion to extend that grace period on previous business relationships to 24 months. I strongly disagree with extending it to 24 months. Eighteen months is long enough.

Once this law is in place, there will be three regulatory agencies to punish spammers. The CRTC will investigate complaints. The Competition Bureau will slap on fines of up to \$1 million for individuals and \$10 million in all other cases. The Privacy Commissioner will get involved when people's privacy is violated.

•(1045)

The part about the Privacy Commissioner is important because far too often spammers have used headliners that look like many banks' headliners, and then people click on them, and I have almost done it a few times, thinking it is their bank, but it turns out that it is a spammer seeking to collect data and information on them, perhaps to create fraud.

There have been cases where people have lost money, thinking it was their own financial institution or a legitimate financial institution. They provided access to some of their monetary resources and suffered financial losses. This is shameful and should not be happening in a country like Canada.

There is going to be recourse to show those who bombard us with spam and those who have to deal with it that there will be real punishments, that it will be more than just a fine, that it is going to be significant for them to deal with and hopefully it will help to curb this behaviour.

One of the reasons that the bill will be strong is it would have those three regulatory agencies actively involved in maintaining the accountability of the actual bill. Interestingly enough, there was a bit of a debate about whether or not this bill should deal with the telephone solicitation issues. It would not. However, at the same time, it would allow the minister actually some degree of ability and capability, and quite frankly, a bit more strength to work on the do not call list.

It is also important to note that there was another issue in the bill that was defeated. It is important to recognize that, because it is an issue that people are concerned about. In the original manifestations of the bill there was a provision that would have allowed companies to go onto our computers and seek information regarding that computer site. If we had agreed to them being part of our Internet relationship, we would be consenting or allowing them to go onto our computer and access information and documents, and basically surf through our site, at times unknown to us. That issue was taken off the table as well, thank goodness.

There was great Internet discussion and blogging about this offensive piece of legislation. I was happy to see that this was removed as well. It is important because had that provision been there, as well as the other provisions I have mentioned that were taken out, I do not know whether I could have supported this legislation because it would have weakened it so much. It would have become far weaker than even the do not call registry, which is pretty weak. It is very fortunate that we were able to get consensus and push that back.

As well, there were a couple of amendments that were interesting, and I was rather curious as to how they came forward. We will see whether or not, in the Senate, they will be pushed forward again.

Government Orders

One of them came from the Bloc, and that was the extension of the time to actually opt out of an email subscription. The way it works is if I, for example, agree to receive an email and I have a relationship with a company, or if someone is sending me that information, then I could opt out of that later on. I would just send an email that I do not want to continue this relationship. The way the legislation was, in 10 days, I would be taken off the list. The Bloc moved a motion for it to be 30 days. The final part of the bill is now 10 business days.

If we agree to an email through our bank or somewhere else, they will instantly start spamming or sending information. Once we agree, they start flying in. I have Aeroplan points, for example, from Air Canada, and then boy, that thing rings all the time with all kinds of stuff. I have agreed to that relationship and sometimes it is helpful. Sometimes it is irritating, but I make that choice. To suggest that I want that out and that it would take 30 days to get out of that is absolute nonsense, especially with the sophistication of some of today's programs. Ten business days is more than sufficient time within which to end that relationship.

As well, it is important to reinforce the issues of how serious spam is. Spam is used in crime. Spam is also used in an organized way that affects the whole Internet capacity of the system. We just have to look at some of the botnets. This is like a zombie computer where specific programs are written to go in and turn our computers into a generator for spam, or our email address for someone else who controls a whole grid of computers.

• (1050)

I hope to see the bill passed and I hope to not see it watered down in our unelected Senate. One of the interesting results of the American legislation that was passed was the conviction of Robert Alan Soloway who was arrested in the United States. He was one of the world's largest spammers. Among the 35 counts that he was charged with were not only identity theft and fraud, but also money-laundering.

I want to touch on companies too because some of the market they invest in gets lost or hurt because of spamming. Some of the spamming is very particular, very effective and professional-appearing in imaging and induces people to think it is something it is not, such as, for example, the banking industry as I have already mentioned. It costs the banking industry because it loses customers. People then do not want to trust that company because others have abused the site that appeared to be theirs.

That is why we do not want to lose sight of the criminal aspect of this as well. We must move the bill through as quickly as possible. It has taken long enough to get through committee, despite the noble efforts of my colleague, the hon. member for Windsor West, who has worked hard and smart on the bill.

Let us show Canadians that the government can get useful things accomplished for Canadians.

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, earlier there was a discussion in the House about enforcement and making it work, and this is an area of serious concern. The member has now raised the criminal element, which is not part of the bill effectively, except that the spam aspect is only one aspect of the problems we are facing. They include matters such as spyware, malware, computer viruses, phishing, viral attachments, false and

misleading emails, and use of fraudulent websites and harvesting electronic addresses, all of which cause a lot of difficulty to individuals as well as businesses.

My concern, and that of a number of constituents, for a very long time has been on the issue of phishing, particularly with regard to those representing themselves as being a bank, using official logos of banks, and suggesting that an account has been suspended and if people respond to it, it will be taken care of for them, which is of course simply a mechanism to get people drawn into a problem.

The question has to do with international collaboration with other countries because most of this stuff does not happen or does not originate within Canada. The bounds of our legislation only allow us to deal and to monitor those basically in the domestic environment. The question for the member is whether or not this legislation has maybe missed the opportunity to set up a specific body with resources to be able to collaborate with international partners, all the other G8 countries who are there already with good legislation, to find out and track down those who are a big part of the problem in Canada.

Mr. Bruce Hyer: Madam Speaker, those are good points and a thoughtful question by the hon. member.

Most days I consider myself to be a sophisticated business person, a member of Parliament, and a sophisticated scrutineer of my own spam. I must admit that many of these phishing expeditions have raised my hackles, made my blood pressure go up, and raised my concern when what appears to be my bank or my Internet provider lets me know that my account has been compromised, that action needs to be taken, et cetera. So I can only imagine what a senior citizen who is perhaps new to email banking or email access, or another person who has not had a lot of sophisticated experience, experiences when this happens. The hon. member's comments underscore the importance of taking quick action.

I also agree that after this bill, which is a good start but does not go far enough, we need to go further. We need to taken international action. We need to co-operate. One would have thought that \$1.1 billion for the G8 summit would have resulted in meaningful things including this kind of activity where we actually start to show effective co-operation on issues that are important to Canadians.

• (1055)

Mr. Jim Maloway (Elmwood—Transcona, NDP): Madam Speaker, the bill actually gives the agencies power to deal with information with the international counterparts, as the member has mentioned, of the G8 countries. Canada is the only one without such legislation.

When the legislation is in place it will give the power for co-operation with the other countries involved with this type of legislation.

However, I go back to my original point on the last question about the fact that there are no criminal offences under the bill. The penalty is just a fine.

Government Orders

We have already seen an example where Facebook spent a lot of money getting a judgment against a spammer for, I believe it was, \$1 billion. The spammer declared bankruptcy and that was the end of the case.

If there were to be some criminal offences in the bill I would think a spammer might think twice about spamming if the spammer was going to be spending some time in jail as opposed to receiving a fine and the spammer simply declares bankruptcy.

There has been absolutely no effect so far in stopping these people because they simply declare bankruptcy whenever they get caught.

Does the member have any observations about whether criminal offences might have been a positive addition to the bill?

Mr. Bruce Hyer: Madam Speaker, it never ceases to amaze me the attention to detail the hon. member for Elmwood—Transcona has. He is sophisticated and well read on many subjects. I thank him for the additional comments.

I would absolutely agree, as I underscored in my speech, that we need to go further. Criminal sanctions are needed against this kind of activity.

It is clear to me that one of the fastest rising kinds of crime in Canada is not crime caused by poverty, nor crime in the blue collar community. It is white collar crime.

In the ancient Greek city states, if a poor person stole, the person was reprimanded and helped. If a rich person stole, the person was executed. In our modern western societies, and all too often here in Canada, if a poor person steals the person is sent to Stony Mountain to be hardened and abused. If a rich person steals we allow the person to go bankrupt and the person moves on to do it again and again.

Mr. Paul Szabo: Madam Speaker, recently we had a bill that required Internet service providers to report when they found out that there was sexual exploitation of children. This concept of proactive response or feedback leads me to the question of banks.

I received some of these phishing emails and I took them to the banking institution. Its response has been dismissive.

This seems to me that if one is not part of the solution, one is part of the problem.

I am not sure whether or not this is the kind of thing we can deal with in terms of specific jurisdictions but I would think that the issue of public education and a protocol or perhaps a proactive checklist for Canadians on how people can protect themselves, on what they can do to report, makes eminent sense. Prevention is a far better approach to a problem than dealing with the problem after there is one.

• (1100)

Mr. Bruce Hyer: Madam Speaker, once again the hon. member has raised a good point.

There are banks that do not seem to think they have a partnership with the Canadian public. They think it is okay to charge their clients excessive credit card charges, to charge small businesses excessive bank, Visa and MasterCard processing fees, but think that they have

little responsibility to protect their clients, average Canadians, from these kinds of abuses.

Hopefully we will gain a Canadian banking system that is not only profitable but responsible and co-operative with its lenders.

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Madam Speaker, when I was first elected in the summer 2004, spam was a burgeoning issue, but it was something that was focused. Everyone's Internet account was getting inundated with spam and solicitations of a nefarious nature. In 2004 the activity was measured at \$130 billion worldwide. One has to wonder exactly how it goes from zero to \$130 billion in a very short period of time.

The situation has proliferated to the point where it has become oppressive to individuals who have email accounts and certainly for small businesses with accounts. In dealing with spam and unsolicited emails, we are at a point where the system has been clogged. Now 80% of the information traffic to our computers and PDAs constitutes what we know as spam.

That was then and this is now. Not only has the situation been exacerbated by the fact that so many people are trying to get involved in unsolicited emails and are becoming much better at, the system is allowing them to become much faster and in many cases more elusive. We have several platforms by which people can do this.

As imaginative as we can be when it comes to the world as an extension of who we are, since 2004, we have had the proliferation of social media, such as Facebook and Twitter. Also an abundance of texting has taken place. We know it is not only the computer on our desks at home or at the office, it now travels with us all day no matter where we go because it is much more compact.

Back in 2004, about six months after I was elected, an anti-spam task force was established. At that time, experts were gathered because it was a pressing issue. Let us remember, it is not only the domestic issue at which we are looking. Sometimes we extensively deal in a domestic nature in the House with issues such as the economy, social security, pensions and employment insurance. Sometimes these serve as models for the world to follow, such as our Canada pension plan.

Now we are now completely intertwined with the world. As we know, electronic commerce, or e-commerce, knows no boundaries. It surpasses all that CBSA can put out there. It travels around the globe instantaneously. We are able to connect to the world in a way we never thought possible. I am not saying that is a bad thing. It is absolutely wonderful if we are to achieve a common understanding around the globe. However, it becomes problematic when we have to create domestic legislation to follow suit on international agreements. Therein lies the crux of what we are doing.

Other members have pointed out, and I would wholeheartedly agree, that we are behind the eight ball when it comes to this type of legislation. Legislation has been addressed in other G8 nations and it has gone farther than we have. Now we find ourselves in the situation where we are playing catch up with the rest of the world.

However, that is one issue. We still have to do our due diligence within the House, through debate and committee work, so we can create legislation that has teeth and is effective.

Government Orders

The second phase of this follows from the legislation we create in the House, and that is the enforcement of it, which is very important. This is why the myriad of agencies, as mentioned in this debate, have been brought into this in order to enforce it.

• (1105)

I mentioned the international component of this. Being from the east coast, primarily Newfoundland and Labrador, we have dealt with legislation on an international perspective when it comes to our fisheries. As many past politicians from Newfoundland and Labrador have said, “borders are borders, but fish can swim”, and they swim over borders.

Therefore, the international scope of this issue is much like issues of climate change. Many of the models created to govern our resources are created in international forums. For fisheries, it is the North Atlantic Fisheries Organization, NAFO. For climate change, it is the United Nations and other avenues and even the Council of Europe for that matter.

This agreement has taken place through international governance. Now we have to follow with our own domestic legislation. That goes a long way in cluing up and taking our place in the world to deal with this issue.

I have compiled some background information. My compliments to the Library of Parliament for this legislative summary. I want to congratulate Ms. Alysia Davies for compiling this information. She did a fantastic job. She is with the legal and legislative division, Parliamentary Information and Research Service.

There are a few clauses in the bill that deal with the situation at hand.

Following the work of the task force, we had the first go around with Bill C-27. When it made its way through committee, certain changes were brought forward by the committee, as well as the government and the department, which have been incorporated for the most part. That too follows a great debate. Following the prorogation, the bill died on the order paper. Now we are with Bill C-28 and we will do our due diligence yet once again.

As Bill C-27, it was known as the electronic commerce protection act. We now incorporate items that were added to the former ECPA as government amendments during its original passage when it was Bill C-27.

As with the previous bill, the new bill, called “fighting Internet and wireless spam act”, would amend four existing acts that deal with telecommunications regulation, competition and privacy. Among other changes, these amendments designate the Canadian Radio-television and Telecommunications Commission, commonly known as the CRTC, as the main regulator of the fighting Internet and wireless spam act. Also, both the Commissioner of Competition and the Privacy Commissioner will play enforcement roles related to their respective mandates.

There may be some questions. For example, one question earlier in the debate was about the Privacy Commissioner not being mandated to educate the public. That is a very valid point because then it falls within the realm of justice. That certainly needs to be brought out in the House and we need to have a thorough debate as

to exactly who will to educate on what is not right, not legal and what fines may result.

My hon. colleague from Manitoba brought up the idea of prosecution for the sake of criminal charges being laid. Right now we are dealing with just fines, but that too should be addressed. In future, this may be re-addressed in this legislation.

I also want to talk about the four pillars. This is a combination of a process that began with the anti-spam action plan in 2004. That was a private sector task force, chaired by Industry Canada, to examine the issue of unsolicited commercial email, which we now know as spam.

By the end of 2004, spam, which is in many ways the electronic equivalent of junk mail, had grown to encompass 80% of global email traffic. Imagine a mailbox with 80% of its mail being junk mail. Many would say that is already happening, and in some cases I am sure it is.

• (1110)

Nonetheless, 80% is a high number because it is so easy and cheap to put out these emails. Typing something in, either a scam or something close to a scam, and feeding it to the masses electronically is much easier than doing it with physical paper.

The task force on spam led the action plan at a round table of national stakeholders in December 2004. We received feedback through announcements in the *Canada Gazette* and in a dedicated online forum. It issued a report in May 2005. That report recommended, among other measures, legislation specifically aimed at combatting spam, which we are dealing with today. It is a second incarnation of a spam act. The federal government introduced a first attempt back in the 42nd session.

I want to thank two gentlemen from the Senate who did a lot of work prior to this. First is Senator Donald Oliver. Second is former Senator Yoine Goldstein from Montreal, who did a tremendous amount of work on this issue. We owe both former Senator Goldstein and Senator Oliver a debt of gratitude.

The spam act can be seen as a complement to the e-commerce legislation that has gradually been developing in each of the Canadian provinces and territories over the past 10 years.

We owe a debt gratitude to provincial legislation that started back in 1998 under the uniform electronic commerce act created by the Uniform Law Conference of Canada. The provincial and territorial acts have thus far served as the underpinning for burgeoning e-commerce sectors across the country. We also owe a debt of gratitude to many of the respective provincial ministers for helping us create the bill in front of us today. Eventually we will deal with the enforcement aspects of it.

Government Orders

Basically what came from that, the main federal legislation related to e-commerce, was the Personal Information Protection and Electronic Documents Act, or PIPEDA, which governs privacy requirements for private sector organizations and electronic documents within federal jurisdiction and in provinces or territories that have not yet established their own similar legislation. This is typical for many pieces of legislation since the inception of Parliament.

As I mentioned, Canada is the last of the G8 countries to introduce specific anti-spam legislation domestically, and a lot of this came from what was negotiated in international fora. Some existing Criminal Code provisions were identified by the task force as being of possible assistance in prosecuting spam cases. The task force worked on this with the Department of Justice and the Technological Crime Branch of the Royal Canadian Mounted Police in 2004 and 2005.

This is another element of the bill that should be engaged to a greater degree. We are still on the cusp of understanding the influence that spam emails have around the world. In six years we have come a long way in electronic commerce. We have gone from the nuisance of spam email to Facebook and social media, such as Twitter and other forms of apps, iPads, and so forth. Members get the idea. The platforms are evolving, but the people who are behind the criminal aspect of spam, and some not so criminal, are adapting around the platforms that currently exist. Therefore, it is incumbent upon us to try to keep up to date, to ensure people are informed as to what they can and cannot do and to allow the government agencies, at arm's-length, to deal with the enforcement of these issues.

● (1115)

I mentioned the technological crime branch of the Royal Canadian Mounted Police and the requirements to bring a charge under the existing provisions. However, when the task force report was published, these provisions had not been used for this purpose, so questions remain around that.

Other agencies, such as the office of the Privacy Commissioner of Canada and the Competition Bureau, have received complaints from members of the public about spam as well and there was no overarching framework for addressing such complaints. We can see the genesis of this. At the time, the task force was able to tell them to deal with the issue of the Criminal Code and deal the fact that our government agencies are inundated with complaints and that we have to marry the two. The fine situation we have right now was a result of that. That is something we need to address at a future date.

The legislation would provide a clear regulatory scheme, including administrative monetary penalties, or AMPs, with respect to both spam and related threats from unsolicited electronic contact, including, which is the important part, identity theft, phishing, spyware, viruses and botnets. It would also grant an additional right of civil action to businesses and consumers targeted by the perpetrators of such activities. Therein lies another aspect of taking these people to court. Does it hold enough teeth is the expression and this is what I have a few reservations about.

For descriptions and analysis, clause 2, for example, contains its own definition of what we call commercial activity. It is different from the one in PIPEDA, the legislation that served as the paramount legislation for dealing with spam. It does not modify the existing

definition to that act but builds on the PIPEDA wording of “any particular transaction, act or conduct or any regular course of conduct that is of a commercial character”, and adds the qualification “whether or not the person who carries it out does so in the expectation of profit”.

Therefore, we get the incentive for doing this when we talk about unsolicited emails and other nefarious activities that I described earlier, the botnets, the spyware and those sorts of things, because those are the programs that are adapting, for a nefarious nature, to solicit from us money taken under circumstances that consumers would consider to be not right. Therefore, it tries to define that for the sake of profit.

It does reflect an intention to widen the scope of who could be considered responsible under the new law in cases where spamming or other activity occurs, possibly implicating Internet service providers, or ISPs, or even those whose computers are being used for spamming without their awareness or consent. We can see how this has taken place.

A lot of situations have developed since we first started the task force about six years ago that this legislation has to address. A lot of that came out of the committee work on Bill C-27 and now enacted within this. Part of clause 2 acknowledges that.

There are also provisions discussed in further detail, which I will talk about in just a little while, but one of the situations was telemarketers and what we call the DNCL, the do not call list, which members of Parliament receive a lot of calls about. I would say that over the past six years of being here, I have certainly dealt with a lot of that and the bill would address it to an extent.

Eighty per cent of global traffic regarding spamming is an incredible amount of activity. This is what this legislation attempts to address. There are key provisions in clauses 7 to 10 and 13.

One of the situations that subclause 7(6) originally added to the predecessor bill through a government amendment that was before the House of Commons under the industry, science and technology committee specified that the prohibitions on sending a commercial or electronic message do not apply to quotes or estimates for the supply of a product, goods, a service, land or an interest or right in land, if the message was requested by the recipient. Therefore, this bill would not impede on the normal course of e-commerce.

● (1120)

We need to face the fact that those businesses, especially the small and medium size businesses, the SMEs, have been successful through the world of Internet and therefore we want to ensure this legislation will not impede upon their efforts to create business and to solicit in what I would call a way that is consistent with good consumer practice.

Government Orders

Mr. Don Davies (Vancouver Kingsway, NDP): Madam Speaker, Canada is the only G7 country without anti-spam legislation. It was only a matter of time before spammers began to take advantage of our country. Canada ranks fifth worldwide as a source of web-based email spam, trailing only Iran, Nigeria, Kenya and Israel.

The recent Facebook case that has been referred to has placed the spotlight on Canada's ongoing failure to address its spam problem by introducing long overdue anti-spam legislation. That case is only the latest illustration that government inaction has had an impact.

The fact that organizations are forced to use U.S. courts and laws to deal with Canadian spammers points to an inconvenient truth that Canadian anti-spam laws are woefully inadequate and we are rapidly emerging as a haven for spammers eager to exploit our weak legal framework.

I wonder if my colleague would care to expand on the effect that Canada's lack of action legislatively has had on the development of Canada as a haven for spammers who do so much damage to our economy.

Mr. Scott Simms: Madam Speaker, the member raised an extremely valid point. What ends up happening is that we become that international laggard that we do not want to be.

I am not only talking about this. I am talking about copyright as well. Copyright legislation has been passed and is currently in a special committee. This is one of the issues that comes up dramatically in international fora. Right now we are in the process of working on a comprehensive free trade agreement. What is comprehensive? Does that have any attachment to it? Yes, it does. The agreement is with the European Union and it will be one of the most extensive, detailed, intricate free trade agreements that we have with any other entity. The European Union and its 27 nations thereof have well over 800 million people.

The reason I raise that is because it ties into my colleague's point. This is the type of legislation that we need to be out in front on in order to get involved in free trade agreements in earnest. A lot of people will refrain from interacting with us in international fora and, even on a bilateral basis, if we do not have legislation that deals with spam emails and spam activity, or copyright for that matter that we are currently going through. It is almost like we have been catching up over the past while and it is unfortunate that we are in this situation. The government needs to improve that and, as legislators, we need to follow suit.

The member also raised the point that this deals with electronic commerce in general. Boy, is Canada a player. He mentioned that we are fifth in the world when it comes to spam. For a country of 30 million to 35 million people, that is an extensive amount of activity on a per capita basis given that we are fifth in the world. With only a small population, it gives us an idea of just how intertwined we are as nation, our citizens from coast to coast to coast, with not only the Internet, but e-commerce, copyright and free trade. We are incredible exporters but, unfortunately, if we are going to export not only the good stuff but the bad stuff as well, then we need to get our own house in order.

• (1125)

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, my hon. colleague mentioned that we did not go as far as other G8 countries, that we are playing catch-up and that in the vast evolving technology we will be playing catch-up for a lot longer.

My concern is that the bill includes fines but no criminal sanctions. It also does not provide a mechanism for us to even attempt to look at international information-sharing agreements so that there can be some co-operation and collaboration among countries to start to deal with this problem, because so many of these near fraudulent activities, or the process of committing fraud, originate internationally and are beyond the reach of our legislation.

If we are going to be playing catch-up for the foreseeable future, why would the government not consider an approach, such as the one we have in the Income Tax Act called the general anti-avoidance provisions, which basically says that, notwithstanding any other law that we have here or what the act says, if we determine that someone has found a new way to get around the law, he or she will be caught under the law in any event, because it is achieving the same thing that we were trying to deal with? It is trying to deal with it using a proactive approach.

Is the member aware of the government having made any indication whatsoever that it really wants to deal with this problem that carries approximately a \$130 billion price tag around the world?

Mr. Scott Simms: Madam Speaker, I thank my colleague for his comment about the Income Tax Act because I was not aware of that. It is a good point because there is no doubt about it. The way this legislation is set up and with the international context of it, it needs to build in that degree of flexibility with which people can do the right amount of enforcement.

Has the government gone as far as to be a visionary and seek out the people who are up to no good? I do not particularly see it within this legislation. The sanctions being brought forward in this bill do not include the criminal aspect, but that may be an oversight on the government's part. Nonetheless, I hope that in the next little while we will look at a degree of flexibility within our international agreements with which we can use that. The income tax model that he talks about would be a fantastic model.

I do have the reservations that he has about the lack of criminal sanctions in this. The CRTC does have a fair number of teeth in this, but the problem with that is that I do not feel that the CRTC ever did have enough teeth, whether on domestic policy or now dealing with the international context. Nonetheless, it does go further than what it has been and maybe that is a sign of better things ahead.

Mr. Don Davies: Madam Speaker, to put this in some context, Canada is estimated to be the source of nine billion spam messages a day, which is about 5% of the worldwide spam traffic. It has been estimated by Cisco Systems that 200 billion spam messages are sent every day in this world. To put this in perspective for Canadians who may be watching this or following this issue, that is double the volume of spam messages sent last year. Therefore, it is a growing problem.

Government Orders

Part of what this bill would do, which follows the spam task force's recommendation from 2004, is the establishment of a private right of action to facilitate lawsuits against Canadian-based spammers. ECPA, the act under consideration, would create a new right that would allow for such lawsuits with penalties that reach a maximum of \$1 million per day. This private right of action extends beyond just violations of ECPA, as it includes contravention of the new PIPEDA provision and the Competition Act provisions as well.

My friend has already mentioned that he is concerned about the lack of criminal sanctions that are in this bill, but in terms of the private civil rights of actions, I would be interested in hearing his views on whether he thinks that those will be effective in helping to address this serious problem that really irritates and affects millions of Canadians every day.

• (1130)

Mr. Scott Simms: Madam Speaker, I have always thought that monetary sanctions are an effective tool to be used. The problem is a price has to be fixed to that and to be effective, it has to be the right amount that punishes the right people. A fine of \$1 million would be a lot different for one person than it would be for another person. A fine of \$1 million for an individual or a group could have a crippling effect and it would change the individual's or group's behaviour. I will not mention any companies, but for a larger entity, \$1 million is petty cash. We are in a situation of determining what is effective and what is not. We have to come up with numbers that in this situation go further than what has been seen with PIPEDA. Nonetheless, to a certain extent it may not be far enough.

There is the amendment to the act, that is, the provision incorporating the new powers of the CRTC by clause 70, and things such as the definition of electronic message and of sanctions, even though it lacks the criminality charge of it. I do believe this is a step in the right direction.

[*Translation*]

Mr. Serge Cardin (Sherbrooke, BQ): Madam Speaker, I rise here today to speak to Bill C-28, once known as the Fighting Wireless and Internet Spam Act.

I would like to begin by saying that the Bloc Québécois is in favour of the principle of Bill C-28, which was previously known as Bill C-27, but which died on the order paper at prorogation. A number of minor changes have been made, but the overall text, its objectives and key elements remain the same.

New legislation that specifically targets unsolicited commercial electronic messages has been needed and requested by society as a whole for some time now. Governments, Internet service providers, network operators and consumers are all affected by the problem of spam. Preserving the efficiency of legitimate electronic commerce is a vital and pressing issue. Not only are commercial emails sent with the prior and ongoing consent of the recipient important to electronic commerce, but they are also essential to the development of the online economy.

The Bloc Québécois is pleased to see that Bill C-28 takes into account most of the recommendations in the final report of the task force on spam. On the other hand, we are upset that the legislative process has taken four long years. Computer technology is evolving at astonishing speeds, and spammers keep finding new ways to

achieve their goals. Accordingly, consideration of the bill in committee should give many industry stakeholders and consumer protection groups an opportunity to express their views on the proposed Electronic Commerce Protection Act. A number of other points also need to be examined in committee and I will come back to those points later on in my speech.

The task force on spam was struck in 2004 to look into this problem, which is constantly evolving, and to find ways of dealing with it. The task force heard from Internet service providers, electronic marketing experts and government and consumer representatives.

In all, more than 60 stakeholders took part in the discussions, providing input on issues such as legislation and law enforcement, international co-operation, and public education and awareness. In addition to launching an Internet-based consumer awareness campaign entitled "Stop Spam Here" to inform users of steps they can take to limit and control the volume of spam they receive, the task force on spam presented its final report to the Minister of Industry on May 17, 2005.

Entitled "Stopping Spam: Creating a Stronger, Safer Internet", this report calls for new, targeted legislation and more rigorous enforcement to strengthen the legal and regulatory weapons that Canada could use in the global battle against spam.

The report also supports the creation of a focal point within government for coordinating the actions taken to address the spam issue and other related problems like spyware.

Among the report's key recommendations are more vigorous legislation and enforcement and legislation to prohibit spam and protect personal information and privacy, as well as computers, emails and networks.

The proposed legislation is designed to allow individuals and companies to sue spammers and hold any businesses whose products and services are promoted using these means partially responsible for spamming activity.

• (1135)

In addition, new and existing resources of the organizations responsible for the administration and enforcement of anti-spam laws should be strengthened.

The task force recommended creating a centre to coordinate the government's anti-spam initiatives. This focal point would coordinate policy and education campaigns and support law enforcement efforts. It would also receive complaints and compile statistics on spam.

To curb the volume of spam reaching users, the task force developed a series of industry best practices for Internet service providers, network operators and email marketers. Examples include allowing ISPs and other network operators to block email file attachments known to carry viruses and to stop emails with deceptive subject lines.

Government Orders

As well, email marketers would be required to obtain informed consent from recipients to receive emails, provide an opting-out mechanism for further emails and create a complaints system. The report recommends that these groups voluntarily adopt, regularly review and enhance the best practices.

To help change people's online behaviour, the task force created an online public education campaign called "Stop Spam Here". Launched in 2004, the website offers consumers, volunteer organizations and businesses practical tips for protecting their personal information, computers and email addresses. The task force recommended that all partners continue to enhance the site's content.

Since most of the spam reaching Canadians comes from outside the country, international measures to stem spam are vital. Therefore, the task force proposed that the government continue its efforts to harmonize anti-spam policies and to improve cooperation among all countries to enforce anti-spam laws.

Four years later, on April 24, 2009, the Government of Canada finally introduced new legislation to protect electronic commerce, namely, Bill C-27. Inspired primarily by the final report of the task force on spam, Bill C-27 established a framework to protect electronic commerce. To achieve that, the bill would enact the new Electronic Commerce Protection Act, or ECPA. Basically, this act would set limits on the sending of spam.

Spam can be defined as any electronic commercial message sent without the express consent of the recipient. It can be any electronic commercial message, any text, audio, voice or visual message sent by any means of telecommunication, whether by email, cellular phone text messaging or instant messaging. Considering the content of the message, it would be reasonable to conclude its purpose is to encourage participation in a commercial activity, including an electronic message that offers to purchase, sell, barter or lease a product, goods, a service, land or an interest or right in land, or a business, investment or gaming opportunity.

● (1140)

Note that the following types of commercial messages, which appear in clause 7, are not considered to be spam: messages sent by an individual to another individual with whom they have a personal or family relationship; messages sent to a person who is engaged in a commercial activity and consists solely of an inquiry or application related to that activity; messages that are, in whole or in part, an interactive two-way voice communication between individuals; messages sent by means of a facsimile to a telephone account; messages that are a voice recording sent to a telephone account; a message that is of a class, or is sent in circumstances, specified in the regulations.

This means that, under this legislation, sending spam to an electronic address—email, instant messenger, telephone or any other similar account—would be prohibited. The only circumstances under which it would be allowed is when the person to whom the message is sent has consented to receiving it, whether the consent is express or implied

In addition to being in a form that conforms to the prescribed requirements, the message will have to make it possible to identify and contact the sender. Lastly, the message must include an

unsubscribe mechanism, with an email address or hyperlink, so that the recipient can indicate that he or she does not want to receive any further commercial electronic messages from the sender.

The bill would also prohibit altering the transmission data in an electronic message so that it is delivered to destinations other than that specified by the initial sender. In addition, the bill would prohibit installing a computer program on another person's computer and sending an electronic message from that computer without the owner's consent.

There are provisions for administrative recourse. Anyone who contravenes, even indirectly, any of these provisions would be liable to an administrative monetary penalty, or AMP, if the computer used is located in Canada. The maximum AMP is up to \$1 million for individuals and up to \$10 million in all other cases. The Canadian Radio-television and Telecommunications Commission, the CRTC, will be responsible for investigating complaints and, when necessary, imposing the penalties. Furthermore, the CRTC will have the authority to apply for an injunction if it finds that a person is about to or is likely to carry out a violation.

In order to carry out these inquiries, the CRTC would have interesting powers. It could require a person to preserve transmission data, produce a copy of a document that is in their possession or prepare a document based on data, information or documents that are in their possession. It could even conduct a site visit in order to gather such information or, if necessary, to establish whether there was a violation under clauses 6 to 9. Note that it will have to get a warrant from a justice of the peace prior to entering premises.

An individual who refuses or fails to comply with a demand under clauses 15, 17 or 19 will be guilty of an offence and subject to a fine of up to \$10,000 for a first offence and up to \$25,000 for repeat offences. Businesses will be subject to a fine of up to \$100,000 for a first offence and \$250,000 for repeat offences.

There are also private remedies. Bill C-28 provides for the creation of a private right of action, modelled on U.S. legislation, that would enable businesses and individuals to initiate civil proceedings against any person who contravenes clauses 6 to 9 of the new act.

If the court believes that a person has contravened any of these provisions, it may order that person to pay an amount corresponding to either the loss or damage suffered or the expenses incurred. If the applicant is unable to establish these amounts, the court may order the applicant to be paid a maximum amount of \$200 for each contravention, up to a maximum of \$1 million.

Bill C-28 also proposes an extension of the co-operation and information exchange powers for anything that has to do with the Competition Act, the Telecommunications Act or the Personal Information Protection and Electronic Documents Act.

Government Orders

●(1145)

For example, any organization to which part 1 of that act applies may on its own initiative disclose to the CRTC, the Commissioner of Competition or the Privacy Commissioner any information in its possession that it believes relates to a violation of the act. The CRTC, the Commissioner of Competition or the Privacy Commissioner must also consult with each other and may share any information necessary to carry out their activities and responsibilities in accordance with the act.

Over the years, unsolicited commercial electronic messages have turned into a major social and economic problem that undermines the business and personal productivity of Quebecers. Not only does spam impede the use of email for personal communication, but it also threatens the growth of legitimate e-commerce.

The Internet has become an essential tool for commerce and communication in general. According to the government, the online marketplace represents an important segment of the Canadian and Quebec economies. In fact, there was \$62.7 billion in sales in 2007. In 2009, e-commerce reportedly surpassed \$8.75 trillion. But the Internet and e-commerce are also becoming increasingly vulnerable and threatened.

Spam accounts for more than 80% of global electronic traffic, which results in considerable expenses for businesses and consumers. Spam is a real nuisance. It damages computers and networks, contributes to deceptive and fraudulent marketing scams, and invades people's privacy. On a larger scale, spam directly threatens the viability of the Internet as an efficient means of communication, undermines consumer confidence in legitimate e-businesses and hinders electronic transactions. And in the end, everyone loses.

The need for new legislation dealing with unsolicited electronic messages has been urgent for far too long. The Bloc Québécois is pleased to see that Bill C-28 covers most of the recommendations made by the task force on spam. However, we deplore the fact that the legislative process has taken four long years. Computer technology is evolving at astonishing speeds, and spammers keep finding new ways to achieve their goal. In terms of information technology, four years is an eternity.

Consideration of the bill in committee should give many industry stakeholders and consumer protection groups an opportunity to express their views on the relevance of new electronic commerce protection legislation. The committee should also study the exchange of information between the CRTC, the Commissioner of Competition and the Privacy Commissioner. And while we want these exchanges to take place in order to maximize the efficiency of the ECPA, any personal information that is shared must always remain confidential. This is even more critical because this information could be shared with foreign states. The question of vigilance in relation to protecting commercial ties between businesses and consumers will also be studied in committee. And although the ECPA's provisions on this subject may seem to be sufficient, industry evidence must be considered because this legislation cannot slow down the use of the Internet as a catalyst for and facilitator of trade.

●(1150)

[English]

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, each day when we start the business of the House, we say a prayer, and at the end it says that we make good laws and wise decisions. After listening to the assessment of hon. members so far in this debate, I can say that we have missed the boat probably on both counts.

We just dealt with a bill on tax treaties with Greece, Turkey and Colombia. Part of that whole arrangement was to have information-sharing agreements. We have information-sharing agreements with more than 90 countries already around the world. We have relationships, we have tax treaties and we have trade deals with them. I think it is absolutely unconscionable that the bill does not somehow link to these relationships, that we have information-sharing agreements with regard to matters related to the bill before us now on spam.

It is \$130 billion a year in terms of costs around the world for spam and the damage that it does. That is just spam. We are ranked fifth. Yet somehow the government does not seem to get it.

It has been five years since the bill first came to us. It has already been disclosed that we have not gone as far as the other G8 countries. We are the only G8 country that does not even have legislation yet, and one of four OECD countries. One member of the committee said that we are going to be playing catch-up because we did not go as far.

I think the bill is going to be a failure unless the government steps up, considers criminal sanctions, enters into international agreements with our partners in other fora and takes this very seriously because it is costing Canadians as well as the Canadian economy. Therefore, Canada is the worse for it.

I wonder if the member would care to comment on whether or not the bill is doing justice and in fact represents a good law and a wise decision.

[Translation]

Mr. Serge Cardin: Madam Speaker, we support Bill C-28 in principle, even though it contains certain elements that we must come to terms with. As I said, it has taken too long to pass this kind of legislation to protect all of our networks and individuals, while the Internet and computer industry are evolving with lightning speed.

We must always remain ahead of the game, because those who use the Internet and spam to do business and hassle people know how to move quickly. As soon as we find solutions, they find new ways around them.

We need to work together. A great deal of spam is sent to Canada and Quebec. It is therefore important to raise people's awareness about this problem.

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I have to wonder if users are perhaps too tolerant. They should act quickly as soon as they receive spam that invades their computers and their lives. It should be a spontaneous reaction.

Existing legislation and international agreements do not go as far as they should, but there is always room for improvement. That is precisely what the Bloc Québécois wants to do.

• (1155)

[*English*]

Mr. Jim Maloway (Elmwood—Transcona, NDP): Madam Speaker, the member for Mississauga South just referenced the fact that there was no information sharing contemplated by the bill. I just want to remind him that in fact it is in the bill. There are provisions in the bill for sharing of information with foreign authorities on this particular issue.

The bill clearly has administrative penalties of \$1 million for individuals and a maximum of \$10 million for corporations and organizations, but it does not have any provisions for jail sentences. There are no criminal offences in the bill. I think that is a big oversight, because huge corporations normally follow the law and I do not think they are going to be violating the law and paying million-dollar fines. They are just going to stop doing whatever they are doing.

The exposure is for smaller operators such as the gentleman recently who had a \$1 billion lawsuit against him by Facebook. He simply declared bankruptcy. He is not paying any fines. He does not have any money to pay any fines. Because there are no jail-time provisions in the bill at all, small operators are going to continue in the same way they have for many years, putting out spam knowing full well that they are not going to pay the fines anyway. Since there are no jail sentences, they do not have a lot of exposure.

They talk about directors' and officers' liability and piercing the corporate veil. All that is great if that is where the exposure is. If the big companies are doing this and they are worried about paying million-dollar fines, then piercing the corporate veil is an issue that has to be addressed, but I do not think that is the reality out there. The reality is going to be smaller operators who do not give a hoot about million-dollar fines and will only be deterred by jail sentences, which are not in the bill.

Would the member like to comment on that?

[*Translation*]

Mr. Serge Cardin: Madam Speaker, clearly, there are provisions for fines and, the member is right, there is no indication that any jail sentences will be handed down. Clearly, we need to create legislation that includes deterrents to prevent people from committing such crimes. How can we do so at this stage, and more importantly, how do we determine the sentences that should apply? Unfortunately, I did not consider that aspect. I am open to suggestions, however, and perhaps even amendments from the member. We will be able to have a closer look at this, analyze it and perhaps even make some recommendations regarding sentences that could go along with the fines imposed.

[*English*]

Mr. Don Davies (Vancouver Kingsway, NDP): Madam Speaker, the bill contains many new prohibitions, enforcement measures and

changes to the existing law. There are three primary prohibitions: it requires all senders to obtain express consent before sending commercial electronic messages, and to include the contact and unsubscribe information, and it includes provisions designed to counter phishing, spyware and botnets used to send spam.

What is important about the bill is that it also establishes form requirements for those who send commercial electronic messages, including identification of the person sending the message, the person on whose behalf it may be sent, contact information on the sender and an unsubscribe mechanism.

I want to focus my question on that, because an unsubscribe mechanism that allows for an easy opt-out via email or hyperlink, that remains valid for at least 60 days after the message is sent, and that requires the sender to comply very quickly is an important part of the bill.

I wonder if my friend could comment on how important it is that the bill requires spam senders to obtain consent and makes it very easy for the recipient to unsubscribe in dealing with this important problem of spam.

• (1200)

[*Translation*]

Mr. Serge Cardin: Madam Speaker, as I mentioned in my speech, spam is a major problem. What makes it worse is the anonymity behind which people can hide. The system must make it possible to easily identify the source of these emails and the people who are contravening the act and regulations, in order to intervene as quickly as possible. We must raise awareness in the general public, which is inundated by spam, of the importance of acting quickly in order to eliminate as much as possible of this cancer that is invading the lives of businesses and people who use the Internet and the systems themselves. We must eliminate this scourge with the assistance and the co-operation of Canadians, once they have been informed and educated about this problem.

[*English*]

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Madam Speaker, this is an important piece of legislation we are debating here today, if for no other reason than it having been long delayed in finally being dealt with by the House.

I am advised by credible sources that Canada is the only G8 country that does not have legislation governing spam. This legislation deals with more than spam, but the bill's moniker out there on the street is that it is an "anti-spam" bill. So this is what Parliament is attempting to legislate on, and in my view, the bill could have a massive potential impact in the world of electronic commerce.

I am also advised that for a period of time some of the business organizations in our country were uncomfortable with provisions in the initial bill. Some amendments have been made to the initial bill, and I believe those organizations support it now.

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It is incredibly important for us to ensure that if this bill is passed at second reading, which I believe it will be, the committee that studies it has the fullest consultation possible with professionals and businesses in this field to ensure that we deliver the best bill we can without impairing our electronic commerce, while protecting the privacy and other amenities that almost all Canadians would agree with.

The bill itself begins by attempting to prohibit. I say "attempting" because it is all very well for us to pass a law that prohibits or criminalizes or somehow regulates something, but the proof is in the pudding. The bill has to have an impact on the street, and in order to prohibit, there must be reasonable enforcement; and in order for there to be enforcement, there has to be a resourcing of those officials who would police or regulate.

This particular bill embarks on a course that has been followed in other legislation. It would allow the private sector to do some forms of enforcement or to participate in the organization of the regulation or enforcement. That is a positive step, but my point is that we just cannot pass a bill that prohibits and purports to regulate; we must also look to the issue of the means and modalities of enforcement. I note that while there is not a Criminal Code type of prohibition, the bill does have some significant potential financial penalties that could be applied.

But just because I stand here and say the bill has financial penalties, and just because we enact it, does not mean that those financial penalties will be brought to bear. The mechanisms of enforcement that involve quasi judicial and judicial enforcement have to be properly resourced.

I will deal with each of the prohibitions in the bill later in a little more depth, but at this point I just want to list them for the benefit of my own remarks.

The first thing that the bill would prohibit is spam itself. In other words, it would prohibit the sending, without the consent of the recipient, of what I call "junk", what the bill calls something else, and what some people on the street call "spam". Most of us who work on computers and receive emails are familiar with that type of communication.

The bill would prohibit false statements that disguise the origins of the email or the intent of the email. That involves a communication where the sender disguises what the message is about or inserts some piece of information that would entice the receiver to open it up.

• (1205)

Third, the bill would prohibit the installation of unauthorized programs. While I personally have not known myself to be victimized by this, I know it is a huge problem when emails bearing these bad news programs are opened up and somehow they worm their way into a computer's operating system. In some cases it can have dire effects on the computer system.

Fourth, it would prohibit the unauthorized collection of personal information and email addresses. The real core of that particular prohibition is the personal information piece. I will speak more about that later. That is a huge component of this and one which will have

to be managed carefully under this legislation when it is finally put in force.

This series of prohibitions and the other statutory pieces that are proposed arose out of the report of a task force that completed its work about five years ago. I mention that only to indicate that the bill has good grounding in the private sector. The task force brought together industry and government in a way that produced a listing of these problematic issues with the Internet.

While we may have been showing some leadership five years ago, it is clear that we have been really slow to get this legislation enacted. Why it has not been a priority I can only guess, but if anyone wanted to look at the order paper, one would see a list of about 10 or 15 criminal law amendments jamming the legislative calendar when I and most people around the House know that most of those criminal law amendments could have been put into one bill and dealt with together.

However, our Conservative colleagues, and perhaps it was not even our Conservative colleagues, but under the leadership of the Prime Minister or whoever is driving the bus, a decision was made to clutter our parliamentary legislative agenda with all of these separate criminal law amendment bills. Forgive me for making this sidebar reference. I do not want to call all these criminal law amendments spam, but they could have been put into one, two or three bills. It would substantially reduce the number of bills the House and the other place have to deal with.

There are complaints about a log jam and that bills are piling up in the pipeline. I know the Minister of Justice will react to this and he will want to explain why the government chose to put 15 bills through the pipeline instead of two or three. Those bills have cluttered the legislative agenda much in the way that spam clutters our inboxes and our individual computers.

There is always a complaint that there is so much legislation that is not getting through the House. I know that complaint is coming. If it does not come today, it will come tomorrow, next week or at the end of the year. In my view, with respect to all of those bills, the government has to be the author of its own misfortune, if there is misfortune. However, I can report that there is some reasonably judicious, if I can use the term, management of all of those bills. We will certainly do our work.

In any event, regarding this anti-spam legislation, we have failed in an international sense, in my view, to provide appropriate leadership. We are a technologically advanced country. We have a parliamentary House that is sensitive to the issue. We had a task force in place five years ago. There was a report. A bill was created at some point and then it just seemed to languish.

• (1210)

In fairness to the government, we have had a sequence of minority governments and shorter Parliaments. I do accept the will of the Canadian electorate in creating these minority Parliaments, but the downside is that we do not get a good long run at the legislative calendar. It gets cut short by elections. I know my colleagues on the Liberal side will relate to this. It also gets cut short by prorogations, as has happened conspicuously a couple of times around here. In any event, we are muddling along and doing our best.

Government Orders

This particular bill is addressing a huge challenge, as has happened in the legislation of other countries. The Internet is new in human history. We do not really have all of the nouns and adjectives to describe exactly what it is. It is an entire universe of activity, communication, buying and selling, and conveying all manner of data. Without a lot of human experience in this field, the human race is grappling with whether, first of all, this particular field should be regulated.

The answer to that in the beginning was no. Many advocates behind the Internet, as it was originally born, took the view that it should be unrestricted and free, that it should be allowed to develop and flourish as another means of human communication and human endeavour.

It quickly became apparent that people with good motives and people with bad motives began using the Internet and its modalities for their own purposes. In some cases, those purposes were seen to be anti-social, and there is a general consensus on this. For example, there is the perpetuation of some form of criminality, to steal, to defraud, to abuse our children, or to steal from our privacy. Those are just some of the alleged anti-social forms of activity that appear on the Internet.

Ultimately we, as legislators, and the task force five years ago, reached the conclusion that there had to be some restraints. The restraints are described in this bill as prohibitions.

I do not underestimate the vastness of all we are trying to regulate as, just to look at it in this country, we are only a piece of the global Internet. This bill is trying to do that, but I suppose it could try to do it in a way that is sensitive to the capacity of the Internet to do good things. I will speak to that later if I have time.

It seems to me that anyone with the capacity to store electronic data could engage in the business of collecting data on persons and institutions. If one really put one's mind to it, one could come up with quite a good collection of financial and personal data. That by itself would not be good or bad necessarily. It could be used for bad things, or it could be used for good things.

● (1215)

It is not clear to me whether the bill really deals with this, but what if those who collect such data began to artificially assemble in the Internet false persons, non-existent identities of persons or institutions? One could, I am sure, create in the Internet world something that looked like a person, that seemed like a person, that had an identity of a person but that really was not a person, and that false identity, that non-existent but Internet-existent thing could do good things or bad things.

I realize my remarks are a bit on the philosophical side, but the capacity is out there to do this. It could be said that this bill comes close to regulating that, but I am not sure it does and I am not so sure that we have seen all of that develop in the Internet. We see little bits and pieces of it developing here and there, but I am thinking in terms of an Internet bad guy or an Internet good guy with all of this data and using it for good purposes or using it for bad purposes. Of course, beauty is in the eye of the beholder, but I do not think this bill really deals with that.

I want to deal with each of the categories of prohibition.

The first one is spam without consent. That is easy for most of us because most of us have experienced it. I know from remarks made today that in Canada there are nine billion pieces of spam a year. That is a lot of territory. The cost is \$130 billion a year.

It is not because the spam shows up on one's computer that it is costly. The fact is that the communications infrastructure that carries all of this stuff costs money. Whoever is spending money for Internet services is actually bearing the cost of carrying the spam. Are the spammers paying their fair share? They might be. It is not clear. I have not seen that addressed with a great deal of precision. I suppose I could say if the spammers were paying a commercial rate for all of their unwanted spam it might lower the cost burden on those users who do not send out spam and it might lower the cost to everybody. However, I will leave that aside.

Electronic filters that software provides do make a difference. It is a big help to Internet users around the world to have filters to clear out most of the spam.

I do want to point out a problem which is particular to members of Parliament and the way they manage their immigration files.

Many of us in the House have large numbers of immigration files where constituents have brought matters to the MPs. I recently came across a situation of a potential immigrant who was in the queue waiting for his application to be processed. An email was sent to him advising him of the need for a further piece of documentation. He never got that email. As a result, 90 or 100 days later, his file was dropped, closed, terminated, by our immigration department because there was not a response. The thinking is, why did that happen? Clearly, the email was sent to the right address. There is some sense that a filter on the recipient's computer may have blocked it and, regrettably, we do not know how to fix that kind of problem. Filters are usually good, but sometimes they are not.

The enforcement under this bill would be with the CRTC, the Privacy Commissioner and the Competition Bureau. The fines would be between \$1 million and \$10 million. They are administrative monetary penalties and would not be delivered by a judge but by these organizations.

● (1220)

I hope we do find teeth and enforcement. Time will tell. I only raise one caution. We should make sure, in this bill, that we do not restrict political communications or communications from religious groups, and I hope our international treaties will begin to reflect these issues involving the Internet.

Government Orders

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, as the member knows, the bill gives quite a wide variety of enforcement options to the authorities. For example, there is a provision to deal with issues by way of undertakings, and I suspect that is probably how a lot of the issues will be resolved. Fines will be sort of a secondary option, and if the violators undertake to stop doing what they are doing, that probably will end the issue there.

Nevertheless, we do have these fines, as the member pointed out, of \$1 million for an individual and \$10 million for organizations, but the bill stops short of dealing with criminal offences. I just wonder whether there is a role or if there should be provisions here for criminal offences.

As I mentioned before, we had that recent case, and there are probably going to be many more, of Facebook suing a spammer and getting a \$1 billion settlement. At the end of the day, the fellow who was doing the spamming simply declared bankruptcy and basically laughed at the system and got a lot of publicity out of doing so. Clearly if this act were in place, it would have done nothing to stop him, because he has no intention of paying any fines whatsoever, and I am sure he would have no intention of following an undertaking that the CRTC would offer him or demand of him.

I know the member is a lawyer, and I would like to ask him whether he foresees a problem here with not at least having an extra option of jail time for cases where the other options do not seem to work.

Mr. Derek Lee: Mr. Speaker, the hon. member has described a situation involving an impecunious loser. If he had no resources, then the fine was not going to be of much use.

In that situation, that is where criminal law could or should come into play, but the difficulty with criminal law, and even with some of the other enforcement of the fines, the administrative monetary penalties, is that it is quite possible that a lot of this spamming and messaging and a lot of the collection and storage of personal information is going to happen outside of Canada. It is going to be international.

That is why at the end of my remarks I made a fairly brief reference to treaties. We really are not going to be able to get a solid handle on this, in my view, unless we are able to reach outside the country, in conjunction and in collaboration with the other foreign jurisdictions, and that is only going to be done with treaties. With very few exceptions, we cannot impose our criminal law outside the country, so we still have a distance to go.

This is a very timid first step in trying to regulate this type of activity.

• (1225)

Hon. John McKay (Scarborough—Guildwood, Lib.): Mr. Speaker, the hon. member spoke eloquently about this bill and expressed a certain skepticism with respect to the effectiveness of the bill. In his last remarks, he described it as a timid bill, and previously he analogized to the multiplicity of justice bills that are on the floor of the House, clogging up the order paper, many of which are long on title and short on content and could be dealt with in a number of different ways, the most obvious of which is an omnibus bill.

I am noting that this is essentially a three-way debate among the Bloc, the NDP and the Liberals, and the government members are not participating in the debate. This appears to be one more bill by the government where it is, as they say in the west, all hat and no horse.

Would the hon. member comment on the limitations of this bill, but also on the several things that the government could have done had it actually responded effectively to this issue?

Mr. Derek Lee: Mr. Speaker, it is appearing more and more that our Conservative colleagues opposite are really not debaters; they are voters. They come into the House and follow the lead of their House leader and whip.

There surely are in this bill some debatable concerns. One should not pretend that this bill would solve the problems outlined, even prohibiting these various anti-social activities. The bill would never succeed in eradicating those activities. The bill comes across more as a threat to those who might do it, certainly those in Canada, even if we got all of the institutions and players in Canada to be good boy scouts, which I expect will happen. We have a good reputation around the world for this kind of thing once we regulate or prohibit.

I suspect that our friends around the world, even in the United States of America, Europe and everywhere, will not pay any attention to this at all. They will take every opportunity to continue what they are doing for profit or whatever other motive.

At the end of the day, any tangible global initiative to eradicate, reduce and restrict is going to involve treaties. Whether it starts at the UN or some other mechanism, I would encourage it. However, before we even take that step, it is really important for us to get our legislation right in Canada and understand the difference between all the freedoms we have and the privacies that are protected.

I did not get a chance to go into the definition of commercial activity, but it is important to get the definitions right so that individuals remain as free as they can be in this country and, at the same time, restrict the institutional, business and corporate activity that involves spam and unauthorized collections of personal data. It is treaties that will ultimately be the foundation and groundwork of future successful regulation, in my view.

• (1230)

Hon. John McKay: Mr. Speaker, a lot of the justice bills, as I see them frankly, are responses to problems that do not exist or exist in a minimal sort of way, if they exist at all. However they have gained some notoriety for some reason or another, some fact situation, and as my friend and I well know, bad facts make bad law. This bill, however, is in response to a real problem. It is a response, but seems to be a timid response.

Were the hon. member to rewrite the bill in a way in which it should be written, what would be one or two specific suggestions he would make to the government, assuming it is participating in this debate, that would make this bill a useful response?

Government Orders

Mr. Derek Lee: Mr. Speaker, the one thing I would seriously consider doing in the bill is finding a way to ratchet up the response into the Criminal Code. It is not that everything that happens in this bill has to be criminalized, all the bad stuff, but we need to find a way to take an accumulated happening or event, either by size or quality, and allow it to be moved into the Criminal Code. At least we would be able to hammer down pretty seriously on Canadian-based perpetrators of what I call these anti-social activities.

That is what I would have done. I would have provided a step up into the Criminal Code for some of the more egregious breaches of the prohibitions we have here.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, I am very pleased to speak to Bill C-28. I enjoyed the remarks by the member for Scarborough—Rouge River. He made some valid observations in the beginning about the fact that the delays of the government in bringing the bill to fruition were in some way unavoidable because of the election. However, sometimes delays can actually work out to one's benefit.

I note that because of this process involving a previous bill dying and then the government re-forming it as Bill C-28, the fact of the matter is some improvements were actually made along the way.

Coming out of the committee there were some improvements, even one that the government made itself as a result of representations made by presenters to the committee. They resulted in amendments to the bill.

I know governments oftentimes introduce legislation and they themselves bring in a number of amendments at the committee stage, so it is a process to get it right, a process that involves in many cases correcting oversights and making amendments as we progress.

At the end of the day, we may actually have a better bill than we would have, had we gone with the earlier versions.

We have not heard from the government very often during these debates. One of the questions I would ask is: How many actual cases have not been dealt with because of a lack of this type of legislation?

This type of legislation has been in the pipe since 2004. There were two senators involved with bills of their own. As has been pointed out, we are the only country in the G8 that does not have legislation of this type at this point.

Therefore I would be interested in knowing what the experience has been with the other countries in the G8, with their type of legislation, and how many consent orders have been dealt with in their jurisdictions and how many fines have been collected. If in fact they have jail provisions, how many people have actually gone to jail in any of those G8 countries?

However we have not had any representations from any government members about those particular issues. Surely we could learn from the other countries that have this legislation. If in fact there has been an increase in one type of activity over another in one of those G8 countries, I would assume that the government would have been quick enough to respond and would have been able to cover that off in our legislation.

Having looked at the legislation, I see it is quite comprehensive. The NDP members support the legislation over and above the questions that we have about it on the issue of the jail provisions. It is quite a substantial bill and deals with many areas that need to be dealt with.

Another point I would like to make is that this is a relatively new area. The technology has expanded so much. It has only been since 1995 that emails have become a regular occurrence and certainly e-commerce has been on the radar only since 1999.

At the provincial level, 10 years ago we were looking at bringing in e-commerce legislation, and in Manitoba around 10 years ago we brought in Bill 31, which I mentioned before in the House, which was the best e-commerce legislation in the country at the time. It was following the Uniform Law Conference. I believe that all of the provinces in Canada have since followed suit and brought in their own type of legislation to deal with those substantial issues.

● (1235)

However, that was a response to e-commerce in 1999 when it was very new and people were reluctant to purchase things online. We brought in some consumer friendly amendments to that bill. One of the provisions was that anyone in the province of Manitoba who purchased a product or service online and did not receive the product or service, the credit card company would have to back it up and compensate the customer.

The credit card companies had some concerns about that but it was something that we copied from at least four states in the United States that had that type of legislation in 1999. Those were the beginnings of e-commerce legislation. Today, e-commerce has burgeoned and exploded in spite of any type of legislation. I do not think I could point to many thousands of people in Manitoba who would even know we put in that protection for them in that bill.

That was only part of why we brought in the bill in the first place. We were dealing with the whole issue of databases, which is very controversial. It was shortly after the Jane Stewart experience in Ottawa with databases. However, what we were trying to do was come up with a common business identifier so that businesses in the country could deal with the federal tax department through a single business number. By doing that, we had to have a legislative framework in place to begin dealing with, not only within the government but within companies in Manitoba and the federal government, taxation issues, making corporate tax payments, the whole issue of T4 slips, records of employment and all those sorts of business type issues.

The governments of the day were looking at low-hanging fruit, things that they could control. They were looking at their own government to start with, but the view was to expand out to the private sector companies to try to make them more efficient and make the government more efficient. Before we went with the SAP computer system, we had no idea that the Department of Industry was giving a grant to a company that was in arrears with our taxation department and not paying its PST. In fact, that was happening. I am not sure what systems are now being used through federal government departments, whether it is SAP or a different ERP system, but we wanted to ensure we knew what we were doing in our own house.

Government Orders

This was a very controversial type of legislation that we had to deal with. We had to deal with the sharing of databases. We had interjurisdictional issues. We also had to deal with the existing silos within the provincial government where each department was saying something different. For example, finance was saying that it could not do this because of certain reasons and justice was saying something else. In each department there were five or six involved in the legislation. Since each one had its own concerns, we needed to get them together and say that this was the way we were going and that we would need to accommodate to the changing environment.

That is a big problem and it is a big problem with the federal government as well.

● (1240)

We have had to do a lot in this whole area and the federal government was under a lot of pressure. Why did it wait so long when seven of the eight G8 countries have had legislation dealing with spam for a number of years?

At the end of the day, it is time to pass this legislation and get it through. Some debate will continue about whether we went far enough. There are some provisions that I will get to later but there are so many provisions to this legislation that it is impossible to deal adequately with them in a 20 minute time period. However, a lot of provisions in the legislation may provide some sort of upset or cost to our nation or to the businesses in the country. We will only know over time whether that will be the case.

I know that in dealing with legislation, governments try to the best job it can to have an open process by having witnesses come before committee to give expert testimony. Provincially, we have a system where we allow almost anybody to come and make a 10 minute presentation on a bill.

Having said that, we would have a similar bill to this where we would do a round of consultations over the course of a year and then we would have the hearings and the press coverage. Still, at the end of the day, a year down the road after we had passed the legislation and had the regulations in force, people in the affected business communities would come forward and say that they knew nothing about the legislation and that it was a total mystery to them. They would accuse the government of bringing in the legislation and causing them a lot of problems without having proper consultation, when in fact we could prove that we did a lot of consultation.

In the spite of the fact that we have done all this work and that it has taken so much time, I still anticipate that we will have some problems at the end of the day with people or companies saying that they did not know about it, even after all of the speeches and the consulting that has been done.

Some adjustments may be necessary. For example, small businesses are very concerned about the relationship they will have or will continue to have with their previous clients. The new laws put some restrictions on how they can deal with their clientele. Before the do not call list came into effect, it was routine for a business to contact its customers, in-house, over the phone or through the mail, regarding other products. However, they cannot do that anymore because it is not allowed.

The way the system works now is that customers need to give their agreement for the business to approach them. This will cause a lot of stress for businesses in the country. Every time the government comes out with a new set of regulations, businesses that are doing what businesses do best, which is conduct business, will need to retool their operations and re-educate their employees on what is involved. There is no end to the questions being asked about whether companies can contact previous clients and under what conditions they can be contacted.

We introduced the do not call registry but the government found that the system did not work so well. I think it is working a little better now. However, in the initial periods, some people who were put on the do not call list found that they were receiving more calls after they were on the list than they were before being put on the list. People were accessing the do not call list.

● (1245)

This bill would deal with the do not call list. As a result of the much improved wording in the bill, the government has the option to phase out the do not call list over a period of time. When that time comes, the government can simply invoke the provision of the act that allows it to eliminate the do not call list. The do not call provisions are covered under this bill.

The bill has a lot of good things with respect to the definitions and the wording. With the volume of clauses and changes in wording that we are dealing with, it is impossible to get into all of the minutia in a 20 minute presentation.

A lot of good improvements have been made to the bill. Three or four years ago, people were not aware of some of the technical terms and technology issues, so it is possible that this legislation will be outdated before it comes into effect.

I have mentioned the issue of fines a few times but I want to deal with it again. I want to look at the case involving Facebook. The fellow who had a \$1 billion judgment against him by Facebook for spamming, basically turned it into a media extravaganza for himself. He was on all the national television networks as a result of it. He laughed at Facebook. Facebook spent a huge amount of money on lawyers and chasing him down to get this \$1 billion settlement and he just declared bankruptcy. If we are dealing with the likes of that fellow and other people like him, how in the world will we be able to deal with them by passing this type of legislation? Let us take a look at what is being contemplated in this bill in terms of enforcement.

I do not have any complaints about it. It is a good idea to look at consent orders. However, we can always be suspicious of regulators who deal with consent orders because they may show favouritism to their friends or may not fine people who should be fined. People who co-operate and people the regulators like will get a consent order and a cease and desist order but no fine. People not in their favour may get fined.

Government Orders

Nevertheless, let us assume for a moment that consent orders are a good idea and will solve a lot of problems. If the consent order does not work, the backup is a \$1 million maximum penalty for individuals and \$10 million for corporations. That is not bad but I do not know of any corporation that can afford a \$10 million fine that will be guilty of spamming in the first place. These big companies have lawyers. They know the law. They will not be spamming in the first place.

Who we will have spamming are offshore people, people who are hard to catch, people who do not have any assets or people who hide their assets. A consent order will not stop them. Fines will not stop them. It seems to me that only a jail sentence will put the skids on some of these people—

● (1250)

The Deputy Speaker: Order, please. We will now move on to questions and comments with the hon. member for Vancouver Kingsway.

Mr. Don Davies (Vancouver Kingsway, NDP): Mr. Speaker, it is very difficult to hold senders of spam accountable for their mass mailings. We all know that the barrier to entry is very low. Spammers are numerous and the volume of unsolicited mail has become astronomically high in the country. We have already heard the figure of some two billion spam messages a day in Canada alone.

The cost of spam should not be underestimated in lost productivity and fraud. Those costs are borne by the public and by Internet service providers, which have been forced to add extra capacity to cope with that deluge. A recent study from California demonstrated how spammers profited from their activities by shifting the costs traditionally borne by marketers to the recipients of spam, which are namely Internet providers and Internet users.

My hon. colleague has already commented on the need to have tough sanctions to deal with this, which I think is quite positive in many respects. However, there is an absence in the bill of any criminal sanction. Could he tell us what his feelings are with respect to having criminal sanctions added to the bill so we can ensure we can deal with this problem?

With civil penalties, the people have to be found. Many are companies that are set up in houses or in the cyber world. We may have no real ability to track them down. We may be unable to get at their assets. In fact, they may have no assets. Civil action against entities like that simply will not work.

Could the member comment further on the need for criminal sanctions as a real means of getting at this problem?

Mr. Jim Maloway: Mr. Speaker, I also wish the bill would be sufficient in the form it is right now. As I said, I look at the consent orders and think they should solve a lot of the problems. I think a lot of people would be reasonable. The fines are good as well. I do not have any problem with the \$1 million for individuals and \$10 million for companies. However, I do not see how that would solve the issue of somebody declaring bankruptcy and not paying the fines.

Some sort of criminal offence and jail time should be in the bill to stop people like that from spamming. In future, we may have to revisit the bill and add that in.

I want to mention the private right of action. This is another important part of the bill because it creates a private right of action for individuals who have been affected by contraventions of Bill C-28. A person who alleges that he or she is affected by an act or omission that breaches the key provisions of the act might apply to a court for an order of compensation. This is another outlet for people who think an issue is not being dealt with by the government. There would be a private right of action. It is important for those who are watching today to know that.

● (1255)

Mr. Don Davies: Mr. Speaker, I want to focus on spam and its use in crime. Spam can be used to spread computer viruses, Trojan horses or other malicious software. The objective may be identity theft or even worse, for instance, advance-fee fraud and other kinds of commercial fraud transactions.

Some spam attempts to capitalize on human greed, while other attempts use the victim's inexperience with computer technology to trick them, for example, phishing.

In May 2007 one of the world's most prolific spammers, Robert Soloway, was arrested by U.S. authorities. He was described as one of the top ten spammers in the world. He was charged with 35 criminal counts, including mail fraud, wire fraud, email fraud, aggravated identity theft and money laundering.

We also have to take this issue seriously, not only in terms of the irritation and costs that are borne by consumers and Internet providers in our country in extra overhead, transaction costs and damage to computer and community channels, but we have to recognize that this has an important criminal element as well.

Could my hon. colleague talk about the need to control spam and the effect it may have in terms of being a tool to deal with fraud and other crimes in our country?

Mr. Jim Maloway: Mr. Speaker, as I mentioned, because of the lack of government speakers on this bill, we have been unable to determine what the government's thought process was in developing it and whether it consulted with the other seven of the G8 countries to hear what their experiences were with similar legislation and whether it solved a lot of the problems. Hopefully, the government is building on the positive experiences of those other countries.

Let us look at the example of the do not call list. That was very well-intentioned legislation. However, it backfired right away. People on the do not call list were getting more calls than they had been before.

Government Orders

The government has dealt with that issue in this bill. We will be able to phase out the do not call list in favour of the bill. We have brought in very good wording in a lot of the sections do deal with expanding areas in technology. I see a lot of very good parts of the bill, which is why I, my colleague and the NDP support the bill. However, we do have some cautions, and we have mentioned them many times now, about the lack of criminal sanctions in the bill. We perhaps should have looked at that, but time will tell.

As to how many cases we have missed in the past because of a lack of this type of legislation, we do not know. I would have expected the government to explain that to us through its speakers to the bill had there been any. We would have liked to have been alerted to the fact that one of the reasons the government brought in the legislation was to deal with a number of issues in Canada. However, we never heard any examples of missed opportunities. If we have not had any missed opportunities, if we have not had any bad experiences, then what is the need for the legislation?

There should have been more background information and more updates from the government. I am familiar with some ministers in provincial governments who routinely give opposition briefings, and that is very important. Yet I know under the Conservatives in Manitoba, some ministers would give briefings and some would not. However, the ministers who gave briefings were rewarded for it because the members of opposition had a better understanding of the provisions of a bill. They could make suggestions for improvements to it and it was a less confrontational approach. However, other ministers have a very bad attitude. They do not want to help the opposition at all. They do not want to share any information. At the end of the day, they pay the price for not co-operating.

I am not sure just how many ministers in the Conservative government provide briefings on bills to members of the House. If they are not doing it right now, they should consider it. If they are doing it, that is really good. However, they could at least have informed us about some of the reasons for coming in with this bill.

We do not have a lot of problem with the bill. Barring another prorogation of the House by the Prime Minister by the end of the year or a quick election, hopefully this legislation will be in place. When we see what sort of regulations are promulgated by the government, then we will have a better idea of where the government is headed with it. At the end of the day, only time will tell whether this was a good move. If it was not, there is always the opportunity for a future government to bring in amendments to the bill if we find there were some areas that we missed.

• (1300)

Mr. Anthony Rota (Nipissing—Timiskaming, Lib.): Mr. Speaker, it is a pleasure to speak to Bill C-28, the fighting Internet and wireless spam act, better known as FISA. It is designed to curb the flow of spam, unwanted installations of unauthorized and sometimes malicious software and the unauthorized collection of personal information. In other words, it aims at stopping spam emails. With spam emails, we do not always give prior consent and that is what makes them so obnoxious.

I have been listening to a lot of the speeches and going through the bill and it really is a dry topic. It is something that, unless one is really into the technical side of things, does not excite people until it

hits our computers or our homes. That is when we really feel the impact that spam has on individuals.

I want to do a bit of a history. In 2004-05 the Liberal government of the day established an anti-spam task force and recommendations for actions were put forward. The Liberal recommendations called for the government to introduce legislation to prohibit four things: first, the sending of spam without prior consent of recipients; second, the use of false or misleading statements that disguise the origins or true intent of the email; third, the installation of unauthorized programs; and fourth, the unauthorized collection of personal information or email addresses.

I would like the members to remember these four points because they will be showing up again and it is important that we finally get there. Of all the G8 countries, Canada is the only one that does not have legislation in place yet. When we look at something like this, we have to ask why Canada has really lagged behind.

Had the government continued under a Liberal government back in 2005, we would have had legislation. However, unfortunately the NDP leader decided that in 2005, it was time to stop supporting the Liberal government of the day. I think history will look back and see where progressive thought really slowed down, if not stopped, for a number of years. It will not be pretty when people look back and see what was lost. Whether it was legislation on spam, child care or first nations rights, it will not be viewed positively.

Let us get back to Bill C-28. It was originally introduced by the Conservative government as Bill C-27, which died in prorogation. Prorogation normally is not something we speak of positively. I look at prorogation and it really was something Canadians did not want, it was something Parliament did not really want and it caused a lot of problems. However, one thing it caused was the death of Bill C-27.

Prior to the prorogation, many flaws were exposed in the bill and when it came back, the good thing was that many changes were made. Bill C-28 was introduced after the return from prorogation, with the changes to correct many flaws identified. I am pleased to see the Conservative government decided to act on the recommendations of our Liberal task force and the recommendations of the industry, science and technology committee.

Legislation in a fast moving area such as technology must be monitored closely to ensure it does not stifle legitimate electronic commerce in Canada, while accomplishing its intended purpose.

The real test of Bill C-28 will be in its implementation. How diligently will it be reinforced? What resources will be allotted? How serious is the government in protecting Canadian citizens? Those are the questions we will have to look at and really look to see how strong the legislation will be.

One of the things that the legislation calls for is periodic review of the legislation. I talked about how fast electronic media changes and how fast technology changes. That is why the legislation in particular has to be reviewed on a regular basis so it keeps up with what goes on.

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• (1305)

In its main provisions, Bill C-28 introduces a new regulatory scheme and monetary penalties for spam and related threats such as identity theft, phishing, spyware, viruses and botnets, and it extends the rights of civil action of their victims. I know a lot of us have heard these terms, but I thought I would take the time to go through them because they are not always well understood and I want to clarify them.

I went on the Internet itself, to Wikipedia, and got some definitions of the individual terms, because I know there are people listening at home wondering, "This is wonderful, but what exactly does it mean and what effect does it have on me?" We all know about spam, which I will define at the end, but spam is just one part of it.

We hear about identity theft. Identity theft is a form of fraud or cheating of another person's identity in which someone pretends to be someone else by assuming that person's identity, typically in order to access resources or obtain credit and other benefits in that person's name. The victim of identity theft can suffer adverse consequences if he or she is held accountable for the perpetrator's actions. Organizations or individuals that are duped or defrauded by identity theft can also suffer adverse consequences and losses, and to that extent, they are also victims.

Again, identity theft is one of the points that this legislation takes on. We look at the fraud in it. Someone spoke earlier and asked about the Criminal Code. This identifies it, and fraud is covered under the Criminal Code.

The other term that comes up quite often is phishing, not fishing with an "f", but phishing with a "ph". Phishing is the criminally fraudulent process of attempting to acquire sensitive information such as usernames, passwords and credit card details by masquerading as a trustworthy entity in an electronic communication. Communications purporting to be from popular social websites, auction sites, online payment processors or IT administrators are commonly used to lure the unsuspecting public.

Phishing is typically carried out by email or instant messaging and often directs users to enter details to a fake website that looks and feels almost identical to a legitimate one. When we go somewhere on the web and see something saying it is a certain company, we want to make sure that it is real, that it is what it says it is.

Phishing basically sets up a fake facade that people think they can trust. People input information and then the information is harvested and used to hurt individuals. Whether it is taking their money or identity or causing problems for those individuals, we can see where the problem would come.

The one we hear about often is spam. That seems to be the generic one that covers everything. Spam is the use of electronic messaging systems to send unsolicited bulk messaging indiscriminately.

While the most widely recognized form of spam is email spam, the term is also applied to similar abuses in other media, including instant messaging spam, Usenet newsgroup spam, web research engine spam, spam in blogs, wikispam, online classified ad spam,

mobile phone messaging spam, Internet forum spam, and junk fax transmissions.

People who have faxes in their offices have had junk fax transmissions come to them. It uses up trees by using paper, it uses up resources by using ink, and it uses up copies that the individual receiving it has to pay for. Sometimes when these transmissions are received in large number, it becomes an expense that hurts.

Social networking spam is something that people are aware of, as well as television advertising and file-sharing network spam.

We have all heard the word "spyware". Not many people really realize what spyware is. It is a type of malware that can be installed on computers and collects little bits of information at a time, without the user's knowledge. The key is "without the user's knowledge". Users do not know that this spyware is in their computers and it constantly transmits little bits of information. The presence of spyware is typically hidden from the user and it can be difficult to detect.

• (1310)

Typically, spyware is secretly installed on the user's personal computer, and while the term "spyware" suggests software that secretly monitors the user's computing, the functions of spyware extend well beyond simple monitoring. Spyware programs can collect various types of personal information such as Internet surfing habits and sites that have been visited, but it can also interfere with the user's control of the computer in other ways, such as installing additional software and redirecting web browser activity.

Spyware is known to change computer settings, resulting in slow connection speeds, different home pages, or loss of Internet functionality and other programs.

We have all come across that, where we are working on something and it seems that everything is going along really well, and suddenly everything stops. What happened? There is a piece of spyware that went in there and changed things around. There is a frustration and a cost to the individual.

If someone sitting at home, likely retired, working on a computer, has a fixed income and suddenly he or she has to expend dollars to get the computer running again, there is a direct effect there.

There may be those who ask how that affects them. We have all had the frustration. We have had to bring someone in to fix the problem, if he or she can fix the problem. When the individual gets it running again, that individual has money out of pocket. On a limited income, if one is retired, it really hurts individuals directly.

Computer viruses are something that we hear of a lot. A computer virus is a computer program that can copy itself and infect a computer. A true virus can spread from one computer to another when its host is taken to a target computer, for instance because a user sent it over a network or the Internet or carried it on a removable medium such as a floppy disk, CD, DVD or USB drive.

We see a lot more of that now where we have people coming in with USB drives, collecting the information and then going to another computer. It is a perfect way to spread viruses.

Government Orders

I have a 13-year-old daughter who works on her computer. She brings her homework back. She will input the information and take it to school. She might be bringing back something from the school or someone else might be bringing it to the school. So we can see where a virus can cause a lot of problems for many people.

Viruses can increase their chances of spreading to other computers by infecting files on a network file system or a file system that is accessed by other computers.

One that we do not hear much about is botnets. That is covered under this legislation. A botnet is a collection of software agents or robots that run autonomously and automatically. The term is most commonly associated with IRC bots.

The best way to describe IRC bots is when we go to a website or even an email and think we are interacting with another individual but we are not. With an IRC bot, we are basically interacting with another machine. We think that person is there responding to us. We can see the problems that could cause: someone going to one site, getting answers, building up a trust, and then suddenly finding out it is a machine on the other side.

The other thing that happens with the IRC bots is that one can access a number of people, all interacting with this one machine, so the individual is not duping people, a machine is, and the spread can cause a lot more damage because it is so pervasive.

As well, it does spread some malicious software and it can also refer to a network of computers using distributed computing software.

Anyone who has used a computer can relate to the kind of frustration that this malware can cause in some of these unwanted infiltrations into one's computer.

It is not only frustration. As I mentioned earlier, there can be a real financial loss to the individual who is using that computer and connecting and who will be affected by some of these issues.

Let us take a look at Bill C-28 again, now that we know what some of the definitions are.

● (1315)

Bill C-28 contains four main thrusts. It prohibits the transmission of commercial messages, basically spam, without express consent. The only conditions under which express consent is not required are those where family or prior recent business relationships exist. Messages requesting consent have to provide the names of the sender and the client on whose behalf the message is being sent, contact information for both, and a way to unsubscribe.

Quotes and estimates that are requested are not covered by this, nor are emails or follow-ups on business previously transacted.

There is one loophole or one barrier in this legislation that I would like to talk about. That is in regard to people who are in sales, such as financial advisers, real estate agents, or stockbrokers. What often happens is that they will do business with someone, and at some point, using real estate as an example, the person they are doing business with will say, "My brother, John, is looking for a house. Give him a call or get hold of him. I am sure you can help him out.

You have done a great job for me, and John, who is my relative, could use your help".

This legislation unfortunately does not allow the real estate agent to send an email to that person. He has to get express consent from the individual to whom he will be sending that email.

I was talking about how this legislation has to be reviewed on a regular basis. I think this is one of the areas we are going to have to look at and ask if it really allows business and e-commerce to continue and to flourish. We can see the barriers that are set up and the problems it would cause to people who earn a living in the sales field.

As we see this going on, I think it is important that we monitor some of the effects of this legislation. Maybe in about a year or so we should review it, see what is going on, and see what the unintended effects of this legislation will be.

The bill attempts to curtail phishing, with a prohibition on false or misleading information on the source of an email. The bill also prohibits the installation of programs to operate another's computer or the dissemination of messages on a computer without the individual's consent, and there is the option to withdraw the consent.

As we can see, it goes back to malware, the spam that we spoke about earlier and how this bill will block that.

The bill includes provisions that halt the collection of personal information, by amending PIPEDA, the Personal Information Protection and Electronic Documents Act, to include a ban on collecting or using electronic addresses obtained through a computer program designed for their collection, as I mentioned earlier, the phishing program.

So this legislation does come into play, and there are additional provisions that specify that a tougher regime under FISA take precedence over the existing Personal Information Protection and Electronic Documents Act and all the legislation that could apply.

The bill's provisions extend not only to those who violate it, but also to the agents or directors of the corporations who aid, authorize or acquiesce to the violations. The bill follows the money. That is the key right here, because when we look at a lot of this, the infractions and the invasion, it comes right back to money. It follows the money, stripping protection for those who hide behind a corporate shield.

When we look at some of the fines that are out there, the fines could go as high as \$1 million for individuals and \$10 million for corporations. The bill aims to accomplish ending the practice of spamming.

Will this bill end it completely? I think when there is something illegal going on, it just keeps going and going. What this does is minimize it and at least offer some protection to Canadians when it comes to spamming, phishing and the rest of the electronic malware that exists around the world and on the Internet.

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• (1320)

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, the authorities intend to deal with violators as much as possible by way of undertakings, to have people voluntarily quit doing what they are doing. That may solve a lot of the problems but then our backup is the fines. I say the fines are high enough at \$1 million and \$10 million.

The question comes down to the fact that violations are not criminal offences. We can talk all we want about vicarious liability of directors and officers of corporations, but in the recent Facebook case, the spammer was ordered to pay \$1 billion, but the gentleman simply laughed at the system and declared bankruptcy. So, what good is a fine of \$1 million? What good is it for the authorities to go after the guy and ask him for an undertaking to cease and desist and stop what he is doing? If that does not work and fines do not work, what is going to work? This is a well-known case that got national coverage in the last few weeks.

The bill would do absolutely nothing to deal with this issue. If we already have an example before the bill is even passed, then how many more of these little guys are going to do what that gentleman succeeded in doing?

Mr. Anthony Rota: Mr. Speaker, the hon. member for Elmwood—Transcona talks about criminalizing people, putting people in jail because they have done something. If they are taking part in a fraudulent act, the Criminal Code will cover it. If they are trying to defraud someone of money, this is an instrument in catching those individuals and pressing the criminal charges that apply. They are not getting off scot-free.

Let us take a look at sending out spam. What is the intent of this legislation? The intent is to stop spam. The individual the member referred to sent out millions of spams. I do not know what the number is but it was a huge number and it was very annoying. What is the intent of this legislation and how would this do it? It would cause him first to declare bankruptcy. He would be shut down. Second, he would stop spamming. When we look at it, for most people declaring bankruptcy is a bit of an inconvenience, if not a complete embarrassment. It would cause someone to stop.

If someone is a repeat offender and causes problems over and over and keeps spamming, bankruptcy can only be declared so many times and suddenly the person has a problem coming up with money. I am not sure what we are going to get as we cannot get blood from a stone. The intent of the legislation is not to criminalize someone unless it goes to the next step and there is fraud committed. The intent is to stop the spamming from continuing and that is what the bill would accomplish.

• (1325)

Hon. Dan McTeague (Pickering—Scarborough East, Lib.): Mr. Speaker, my colleague from Nipissing—Timiskaming is an esteemed member of the industry committee. He piloted through committee substantive changes to the original version the government had for this bill, such that with amendments, it has become very palatable to all of us here. However, we all recognize there is still work to be done. The hon. member quite rightly has pointed out there may be areas within the legislation as it exists which will fall short not just of being able to curb the presence of spam in all of its

various characterizations, but also to stop it from appearing on our computers, which is in essence why I introduced the bill originally in 2003.

Has any thought been given to ultra enforcement? How do we get around the problem which will no doubt occur of enforcement in other nations from where a lot of spam now emanates? More important, how does this legislation envisage the next step which is coordination among other nations?

Mr. Anthony Rota: Mr. Speaker, the member made a good point.

In 2003 we started working on this while the Liberal government was in power. Now in 2010, after five years of Conservative rule, we are finally getting around to enacting it. A lot of progressive legislation has fallen by the wayside and we are trying to get some of it back. This is a small step in the right direction.

Internationally, Canada no longer has the same esteem it had prior to the 2006 election when the Conservatives took over. That we know. We have heard it. I travel to Europe and other places. People have asked me what has happened to Canada. They say that Canada used to be an open country where people discussed things and came to an agreement, but suddenly it has become difficult to deal with Canada. I am speaking of countries in Europe, South America, all around the world. They are wondering what is going on.

One thing about Bill C-28 is that we would have to co-operate with other countries. We would have to talk to other countries and negotiate with other countries. We do not want another Camp Mirage situation to happen with this legislation.

It is important that the Conservatives start opening up when dealing with other people. They cannot just dig in their heels and say it is their way or the highway. It may sound good to some people, but not to most people, that here in Canada there is a government that can dig in its heels and do whatever it wants. The government has to be open. It is not about black and white. There are different shades of grey and the government has to negotiate to come to an agreement that works.

That is one of the keys of this legislation. It has to do with individuals in the government negotiating with other governments so that we can come to agreements and settlements that work so that the people of Canada can be protected from spam and other malware in the Internet.

Mr. Don Davies (Vancouver Kingsway, NDP): Mr. Speaker, all Canadians know that the Internet is an extremely important public resource. It has acquired profound importance to Canadians not only as a news gathering tool and a communications tool but as a form of commerce. When we talk about spam, we are talking not just about an irritant, but about something that has a grave and critical potential to harm Canadians in many different ways.

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Some of the overhead costs of electronic spam include bandwidth and developing and acquiring spam tools or taking over and acquiring a host or zombie. The transaction costs for each additional recipient once a method of spamming is constructed can be immense.

Could my hon. colleague elaborate on the critical importance of the Internet to Canadians and why this piece of legislation is important? In his opinion, how could it be improved?

• (1330)

Mr. Anthony Rota: Mr. Speaker, the member for Vancouver Kingsway raised an excellent point.

Spam and a lot of the malware can make up 60% of the email transactions that take place.

I come from northern Ontario which is very limited on bandwidth. Some of the smaller communities have to download through a telephone cable. It is not universal high-speed yet. I was talking to someone not too long ago who lives about 100 kilometres from Ottawa who is still on dial-up.

This large volume of malware, spyware and spam slows everything down. Sixty per cent is wasted. If we could get rid of a lot of the spam, open up that bandwidth and put stuff through that people want to receive, our overhead would be much lower.

E-commerce is very important for isolated communities. We have to encourage it so that everybody has access to the same items and so that a business can be run from anywhere in the country, not only in major centres. Getting rid of a lot of spam and opening up the bandwidth would allow everyone to compete equally. It is an important resource. It is a public resource. It is an essential resource.

[*Translation*]

Hon. Dan McTeague (Pickering—Scarborough East, Lib.): Mr. Speaker, I am honoured to speak to this bill.

The impetus for this bill dates back to 2003, when I introduced the first bill to combat emails containing commercial electronic information.

The fact that there have been changes of government and four Parliaments since then is obviously a problem. But the situation continues to get worse, and it cannot be minimized by arguments that we will hurt industry if we pass a bill to protect consumers and ensure that industry can function. We recognize the importance of sending commercial information through electronic media.

[*English*]

I reflect on the several years and how long it may take for a bill to make its way through Parliament and to address an issue, which I think for most Canadians is obvious. We have heard my good colleague from Nipissing—Timiskaming talking about the fact that many parts of his riding in northern Ontario and places outside of the beaten track of larger urban areas still are without significant access to the Internet, even though we all recognize in this Parliament, and Canadians recognize, the importance of commercial information through electronic media.

I was here 17 years ago as a member of Parliament and recall the then minister of industry having a BlackBerry. It was a new,

revolutionary idea, but of course it had not really taken off at that time. One wonders how we could function as a nation today, recognizing the great advances that have been made in many respects with Canadian technology, Canadian prowess and Canadian utilization, were it not for these kinds of developments, which have caught on in Canada and around the world. It seems to me that we would certainly be somewhere well behind the rest of the world.

Therefore the legislation, albeit rather late, is timely in the sense that it does address a domestic problem, but as I indicated in my question for the previous member from our party, who sits on the industry committee and has sat on the industry committee, I am most concerned about the ability to reflect upon what this legislation will do as much as what it will not do.

I do not want to create false expectations for the Canadian public that suddenly tomorrow, or when the legislation is passed and accepted in the other house, there will be in fact a cessation of spam, malware, spyware, botnets and other programs that are added on, nor will this stop those who exercise beyond our jurisdiction, beyond our geography, from continuing to engage in something that is now more than just a nuisance, as it was in the early 2000s when I introduced the first spam bill.

It is important for us to recognize the work that has been done over the years.

I also want to give specific recommendations and a commendation, not just to the committee that passed this very recently, but also of course to my own party, which in 2004 and 2005, in order to address this issue, set up a task force, the Liberal task force on spam. Of course, it recommended that we come forward as quickly as possible with legislation that would prohibit the sending of unintended, unwarranted, unsolicited emails and information without the prior consent of recipients.

At the time it also recommended the prohibition of the use of false and misleading statements that suppress, ignore, set aside, or disguise the true intent of the email, not to mention of course its origins. This was a very serious point, where people would open up information and it was in fact nothing short of a commercial nuisance disguised in a fraud.

The Liberal task force on electronic emails also called for the prohibition of the installation of unauthorized programs. My colleague who spoke previously talked at great length about what those programs look like, the kind of information that is often inserted, unbeknownst to the recipient, on his or her computer. It also, of course, talked about the prohibition of the unauthorized collection of personal information or email addresses, the aggregation of which would be to see constant emails sent to us ad infinitum.

Government Orders

These were very important recommendations that were made and they formed literally the basis of what the government has now brought forward and with which we agree. We agree with it because it also does take into consideration the balancing of ensuring that privacy questions are also paramount. The committee took great pains to ensure that personal information and the laws that support PIPEDA are in fact in this piece of legislation, and that it reflect very carefully, endorse, and inform Canadians as to just how the legislation proposes not only to ensure the optimal protection of privacy, but also the steps in terms of coordination of how the legislation is to be enforced.

● (1335)

I go back to the Liberal Party task force recommendation because it is very telling.

As Bill C-28 looks to be implemented, it provides fines for violations of any one of these particular acts of up to \$1 million for individuals and \$10 million for business. It also establishes rules for warrants of information during investigations.

It is extremely important to understand that there has to be a coordinated and collaborative attempt to ensure that there are rules of engagement in terms of enforcement. We cannot just walk in and seize someone's computer.

The legislation, through the Department of Justice I presume, has met a number of very stiff and significant tests: privacy, the way in which the legislation is enforced; and, as the bill calls for the injunctions of spam on activity while under investigation, it does provide the ability to force a cease and desist.

Bill C-28, as we know, establishes something new, but it is something that was also discussed some years ago, and that is the private right of action. We have seen this in other areas where, if enforcement is not adequate and an individual or business feels there is something where they have been targeted, they have that as a recourse.

I think that is fundamentally important to distinguishing this bill from its previous characterizations and incarnations. It gives a significant step forward for individuals to take up these matters when there may be the possibility of a lack of interest as a result of a number of circumstances.

Of course, it also allows those individuals who have been aggrieved, who have been the target, whose businesses or affairs have been trampled on, affected, or impeded, to seek damages from those who are involved in the perpetration of spam. I think that is important.

We all understand the significance and importance of this kind of legislation. What cannot be misunderstood and certainly cannot be gainsaid is the significance and importance of ensuring that we have legislation that does not have unintended consequences. That is why legislation like this must, I emphasize, be reviewed periodically and more frequently. As technology evolves, so does the ability to make legislation that is relevant.

While we have constructed a piece of legislation that would have been good in 2003 with some modifications here and there, it may not be relevant to the overall concern that I think consumers have,

and that is the prospect that they are going to continue to get unwarranted and unsolicited spam emanating from jurisdictions outside of Canada.

As my good colleague from Nipissing—Timiskaming has emphasized, and it cannot go unnoticed, we have to do a better job at working with other nations. We must ensure that individuals do not use jurisdictions with the least amount of enforcement in order to continue to harass, sully and act with relative impunity in assaulting and taking up so much space on the Internet.

It is one thing for northern and rural parts of this country to still be on dial-up or DSL. It is quite another thing to have 60% to 80% of all electronic traffic in this country originating from spammers. Quite apart from the sinister side of what that means in terms of malware, spyware, botnet, and as that has been described by my previous colleague in considerable detail I will not go over it again, it seems to me we have to ensure that the legislation is pragmatic and can evolve with time.

It is not clear to me that this legislation will do that. While I support it and believe it is a step in the right direction, let us understand that this is really only a first step. This is a first step towards understanding that Parliament has to be continuously vigilant in ensuring legislation meets the expectations of an economy that more increasingly depends, in this digital age, on the ability to receive and transmit information, and to use the Internet and electronic means not only to convey private information but indeed as a means by which our economic infrastructure becomes more increasingly dependent.

This brings me to the question of enforcement. I understand that there are other significant pieces of legislation that we have before us now in this House. There are a number of committees embarking on the issue of copyright. However, this legislation will require constant review by those in business, by those in the know, to recognize areas where the legislation should be modified from time to time. It will also be incumbent on future industry committees every year or so to have a periodic look to see where we are going, where the bill has had an impact, what it is failing and what it is addressing.

● (1340)

One of the areas that I think we have not discussed sufficiently about this bill, but which we are going to require, will be the unintended consequences this would have on domestic business.

Here I talk of legislation that is meant to do the right thing for business and the right thing for consumers.

[*Translation*]

At the same time, we have to recognize the impact it will have on small and medium-sized businesses that, for some reason, are unaware of this bill's real impact and of the fact that the bill provides for penalties. As well, these businesses may not be aware that some transactions they conduct, not for fraudulent reasons but for legitimate business reasons, may violate the legislation.

Government Orders

I am worried about the sudden impact it will have on our small and medium-sized businesses. This is not something this bill is merely silent on. We will have to use the federal government's communications resources to ensure that businesses do not run afoul of the law because they are unaware that, in the future, it will prohibit them from sending messages and notices to promote their business.

[English]

Let us be very clear on this point. We want to make sure that small business, as well, is aware of the impact of this legislation. It is great that we have finally come to the point where we have legislation that actually has a very positive impact on assuring Canadians that we are finally getting on the ball to address spam. However, we certainly do not want to negatively or adversely impact those who, through no fault of their own, do not have a real understanding of this legislation, business in particular.

People may be out there actually trying to make a living as opposed to hearing what we are saying here in Parliament, but those individuals should be contacted. Organizations that work with small and medium-sized enterprises in this country should at least be aware of what is in store should the law be broken unintentionally.

There has to be some deference given. We understand there is a civil sanction. This is where the hon. member for Nipissing—Timiskaming got it right. Criminalizing may have the horrific outcome of putting someone in a very difficult position. People who engage in advertising and unintentionally send electronic emails to prospective or perhaps even existing clients without the clients' consent could find themselves afoul of the law. It is a very fine balancing act that will not be resolved by criminalization.

Quite frankly, that would be the worst road we could go down and we should be very careful. If we do not have in place a strong communication strategy to ensure small business has the opportunity, we may hurt the very people we are trying to protect.

I look forward to hearing comments in the next few days as to where this legislation will go. It is a hybrid of what Parliament can do if parties decide to set aside their partisan differences and focus on some very important pieces of legislation.

It also requires us now to take this legislation, should it be passed in the next several weeks, to other committees. I would hope the trade committee of the House also takes on the responsibility of ensuring that there is co-operation and coordination between other jurisdictions. We have talked a bit about those, but if we receive spam originating from, say, Sao Tome, a very famous place off the continent of Africa that tends to be a channel or switch for a lot of information, we may not have the jurisdiction or wherewithal to stop it, prevent it or provide assurances to Canadians that they will not continue to be harassed.

It seems to me that when this bill was first introduced some years ago, there were individuals as close as Detroit. There was one individual I will not mention who was responsible for a significant amount of the junk we used to receive in our emails. It took us a considerable amount of time to work with our American friends to shut down the practice. The practice was not just about harassment. The practice itself was also about mismanaging and directing

computers to open up programs and direct us to other addresses or simply to shut down or break down our computers that were otherwise intended for very innocent reasons.

It is also important to understand that the legislation itself has as its intentions all of the elements that have been brought forward to us in the more recent times, but we must be careful that we do not involve a debate that suggests this bill will be the be all and end all. I know some believe that Parliament is capable of doing far more and that this legislation may be the silver bullet. However, it is not. We have to be very realistic about what we believe this would accomplish.

My own sense is that, if the House of Commons were to be properly disposed, it would also want to allocate within a period of time an understanding of how much money will be spent on enforcement and what agencies would be responsible for collecting information on an ongoing basis to determine whether this legislation has in fact been properly impacted. We need appropriate benchmarks over the next year or so to demonstrate what the effectiveness and efficiency of this bill is.

● (1345)

I am talking about down the road. We have got to one point, but we have a long road ahead of us, and this is not going to end anytime soon. Canadians will continue to look upon parliamentarians and government to be able to correct problems they cannot themselves fix.

The last thing, as I have suggested, is that we do not want legislation that leads us in the direction of creating more problems than we are resolving. That is of course a real prospect and a concern that I have in looking at the legislation, because the legislation itself does not provide all of the guarantees.

I have looked at other concerns that have been raised in Bill C-28. There are some very hard penalties that come with this piece of legislation. It will be interesting to see whether those penalties in fact can be borne by those who unintentionally make an error. I think there has to be some kind of judicial discretion given in these circumstances so we are not looking to make a particular example of an individual.

That brings us to legislation as it relates to the do-not-call list. With that list, in many respects some are walking away with a literal slap on the wrist or, worse, being given an opportunity to send money to a particular academic organization in order to sort of make amends.

I think we have to provide an effective balance, a balance that takes into consideration the seriousness of the damage done to others, while giving people a private right of action but not going to the point where we are simply trying to make one example as a means of scaring off everyone else.

The law must be applied fairly, consistently and evenly, and above all it must be applied pragmatically in order to ensure that we are aware and can stay on top of all the new nuanced ways in which people will try to get around the legislation to harm our economy and, above all, really bother our consumers.

Government Orders

• (1350)

Mr. Don Davies (Vancouver Kingsway, NDP): Mr. Speaker, I want to congratulate the government on bringing this legislation forward, because I think it has done something that is a positive step towards dealing with what is a critical issue.

I think the legislation has a lot of good points to it. We have heard some very astute comments made in this House by people who have read the bill very carefully. We know where improvements can be made.

First of all, we know that the electronic commerce protection act will accomplish little if there is no real commitment to enforcement.

In this act the CRTC has been given a wide range of investigatory powers, including the power to compel ISPs to preserve transmission data. Once it concludes its investigation, it can pursue a settlement or bring a notice of violation. Penalties can run as high as \$10 million.

There are smaller roles for the Privacy Commissioner and the Competition Bureau, as well, to facilitate anti-spam law suits.

Again, I think these are positive steps that the government has brought in and that the previous Liberal government did not. I am just wondering if my hon. colleague can comment on what he thinks about the enforcement mechanisms in this bill, particularly addressing two issues. One, should there be a criminal sanction to this bill, which is presently lacking; and two, does he have any suggestions for how we can get at people and organizations located outside Canada that issue spam?

Hon. Dan McTeague: Mr. Speaker, I tried to address that in some of my comments.

No, I am not one who believes there ought to be criminalization unless there are very egregious examples where someone has done this and done this repeatedly.

It also suggests to me that if the purpose, particularly as it relates to commercial interests, is that someone is trying to make more money, then the best way to hit them is in the pocketbook. If people are doing this to destroy or become involved in the destruction of someone else's property, I can assure the hon. member that there are already provisions in the Criminal Code, as the hon. member knows. That is, of course, a form of vandalism or theft of intellectual property, and that can be dealt with criminally.

From a strict commercial point of view, the sanctions in terms of monetary penalties are the way to go. They have to be serious, particularly when there are egregious examples.

The member has asked a question on international enforcement. I call upon Parliament to begin the process of understanding the various forms of international treaties that exist and to improve on those to ensure that there is no jurisdiction left open for international spammers that affect our businesses.

Mr. Anthony Rota (Nipissing—Timiskaming, Lib.): Mr. Speaker, I want to thank the member for Pickering—Scarborough East for all the work he has done over the years, again, going back to 2003, really being on the forefront of this issue.

My question is going to relate a bit to what the previous member asked.

The member for Pickering—Scarborough East talked about unintended consequences on domestic business.

The NDP seems to be leaning toward basically criminalizing individuals, arresting them and charging them with a criminal offence. Someone running a business, especially a small business person who really does not have a lot of resources, could be charged up to \$1 million. If the business were incorporated, it could be charged up to \$10 million. I say "up to". I would trust the courts would have the judgment to implement the right amount.

One of the areas that I look back on is the number of laws that have come down much too harshly, to the point where it becomes ridiculous and the laws do not get enforced.

Would the member talk to us about reasonable punishment and reasonable punitive action, so that the law could be enforced, so that we would get the results we want and so that people who just send emails are not criminals?

• (1355)

Hon. Dan McTeague: Mr. Speaker, I mean no disrespect to my colleagues in the NDP who call for criminalization, but it sounds a whole lot as if they have taken the Conservative-Reform agenda, the hang 'em high approach to just about everything.

It is an interesting comparison, but it bears some discussion.

There is a very specific reason why, and the hon. member has alluded to this. There are often small businesses that make mistakes. They may be mistakes that may be repeated. They may be desperate. There are a number of reasons why these things may and can occur. There has to be a modicum of judicial discretion given in those circumstances that does not have a sort of one-size-fits-all approach, to take a howitzer to a very small business.

I can tell the hon. member that I have worked on a number of pieces of legislation where I thought we would use the heavy hand, where we would come at them with everything we had. The reality is that would do nothing to stop the problem, let alone doing undue damage to people who rightfully and unintentionally may have crossed a particular line.

It also speaks to the idea of criminalizing Canadians while, at the same time, allowing international spammers to continue unmolested and beyond the reach of our domestic legislation.

It is for that reason that I think we have to be very careful on how we approach this. I think the sanctions that were envisaged by the industry committee and adopted by all parties including the NDP, on the civil side, did in fact meet the test.

We want to look before we leap. We want to ensure we protect Canadians from Canadian spammers. However, we also have to recognize that some people will make a mistake, and when they do make that mistake, I think it is totally unfair that we should throw the book at them with a criminal sanction. I think we should hit them monetarily because after all that is perhaps the reason that they are in fact engaging in this practice. We should hit them where it hurts, in the pocketbook.

Statements by Members

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, I think we all agree that most of the actions against perpetrators would be dealt with through undertakings and agreements to cease and desist, and we would not even get to the basis of fines.

The fact of the matter is, though, that the roll-out of the bill is something that concerns me, the effects on small business and its customers. There are going to be road bumps that we have to deal with on that issue.

I just want to ask the member whether he thinks the government is prepared for a proper roll-out of this bill so that we do not create confusion in the public over what the provisions are.

Hon. Dan McTeague: Mr. Speaker, the member for Elmwood—Transcona raises some very important points. I am not convinced that there is a program going forward that would ensure we are able to follow up.

I am also of course reminding the hon. member that I do not believe in the criminal sanction, because I simply believe that it would not have the intended consequence we want.

More important, to prove criminality is a lot harder than going the civil route. Anybody who has practised the law would tell us that if we are trying to arrest the problem, particularly as it relates to a monetary, marketing, economic or financial transaction, it would be far better to go that route, save and except in the most egregious of circumstances. I can say that with this legislation we would have to start looking—

The Deputy Speaker: Order, please. I have to stop the hon. member there so we can start statements by members.

STATEMENTS BY MEMBERS

[*English*]

GENOME CANADA

Mr. Mike Lake (Edmonton—Mill Woods—Beaumont, CPC): Mr. Speaker, this year, one of our country's true success stories celebrates an important milestone.

For 10 years, Genome Canada has invested in large scale projects enabling Canadian scientists to make groundbreaking discoveries.

Yesterday, I had the pleasure of representing the Minister of Industry at “Genomics on the Hill”, a one of a kind science fair that gave parliamentarians the opportunity to see first-hand some of the most innovative genomics research projects taking place across this country.

There were 12 research projects highlighted at this event, including the autism genome project, which, of course, is of personal interest to me and my family. World-renowned Canadian researchers, like Dr. Stephen Scherer, are working on decoding the genetic basis of autism and providing critical knowledge, diagnostic tests and eventually treatments assisting tens of thousands of families in Canada and worldwide.

I am proud of Canada's investment of over \$915 million in Genome Canada. The return on our investment is not only

demonstrable to Canadians, but priceless for countless Canadian families.

* * *

● (1400)

HUMAN RIGHTS

Hon. Joseph Volpe (Eglinton—Lawrence, Lib.): Mr. Speaker, some Canadian university campuses have become hotbeds of anti-Israel activity with the resulting intimidation of Jewish students.

Anti-Semitism cannot be tolerated, especially under the cloak of freedom of speech. Yet, last week the York Federation of Students hosted an on-campus event with George Galloway, a recognized promoter of the vilification of Israel and a supporter of a terrorist organization.

One of my constituents, Rabbi Aaron Hoch, protested. York officials responded by sending the rabbi a legal notice to cease and desist or face litigation. What a dreadful way to deal with those who oppose hatred.

Ironically, two weeks ago, the International Ottawa Conference on Combating Anti-Semitism, which I attended, passed the Ottawa protocol. This protocol calls on governments to work with universities to combat anti-Semitism with the same vigour they apply to other forms of hate.

Will the Prime Minister commit today to signing the Ottawa protocol and aid Rabbi Hoch in his fight against hatred on campus?

* * *

[*Translation*]

CANADIAN MUSEUMS ASSOCIATION

Mr. Roger Pomerleau (Drummond, BQ): Mr. Speaker, I would like to acknowledge the presence today of representatives of the Canadian Museums Association who are here as part of their second annual day on Parliament Hill.

They are here today to raise awareness among all hon. members of the association's financial needs. The Canadian Museums Association is calling for a program that would have the federal government match private sector donations dollar for dollar.

There are more than 2,500 museums in Canada, including nearly 700 in Quebec. They employ more than 24,000 people for a total payroll of roughly \$650 million. Tourist visits to museums contribute an estimated \$17 billion to Canada's economy. What museums contribute to our economy is not insignificant. We must help them.

* * *

[*English*]

LITTERLESS LUNCH CHALLENGE

Mr. Fin Donnelly (New Westminster—Coquitlam, NDP): Mr. Speaker, did you know that a school-aged child generates approximately 67 pounds of lunch waste every year? That is almost 20,000 pounds of waste for just one elementary school.

Statements by Members

That is why in October, during waste reduction week, I held a “Litterless Lunch Challenge” in my riding of New Westminster—Coquitlam and Port Moody. Over 50 classes in 5 schools participated, including Baker Drive, Parkland, Lord Baden-Powell, Maillard, Ranch Park and Moody Middle.

The winner of the 2010 Litterless Lunch Challenge is Ms. Sherle's grade four class at Parkland Elementary in Coquitlam who achieved a score of 93%. I congratulate Ms. Sherle and her class.

I also thank all the students, teachers and parents for setting an example of environmental stewardship. We can just imagine what a difference it would make if every school in Canada went litter free.

* * *

DAVID LAM

Mrs. Alice Wong (Richmond, CPC): Mr. Speaker, I rise today to honour the memory of the 25th Lieutenant-Governor of British Columbia, the Hon. David Lam, who died Monday at the age of 87.

David Lam was an inspiration for all Canadians. His intelligence, generosity, passion for life and love for his community are a few of his many qualities that will be missed.

David Lam encouraged the integration of immigrant Canadians into Canadian life, myself being one. He was a bridge for many new Canadians and he preached and practised the understanding of Canadian values.

He was a humble person but very strong in his ways. Although his service to the province of British Columbia in the capacity of Lieutenant-Governor granted him the official title of “honourable”, it is also a title he rightly deserved for his service to mankind.

I feel privileged to have known him and his late wife, Dorothy. Our country is all the richer for the years that they lived among us and for the many lives they touched.

* * *

● (1405)

[Translation]

TERRY FOX MUSEUM

Ms. Kirsty Duncan (Etobicoke North, Lib.): Mr. Speaker, 30 years ago, an average young man became a hero when he began the Marathon of Hope, a cross-country run to raise money for cancer research. He hoped to raise one dollar from each Canadian for research.

[English]

After 5,300 kilometres, Terry Fox announced that he would postpone the rest of the run, saying, “I'm gonna do my very best. I'll fight. I promise I won't give up”.

Since Terry's death, \$550 million have been raised and the annual run takes place in countries such as Afghanistan and Saudi Arabia.

There is a new dream, a dream to build a museum in Terry's honour in Vancouver, and the tremendous strides made in cancer research, a place for the world to come to contemplate and to inspire hope.

Will everyone help build the dream?

* * *

NATIONAL HOLODOMOR AWARENESS WEEK

Mr. James Bezan (Selkirk—Interlake, CPC): Mr. Speaker, under the leadership of this Prime Minister, a Conservative private member's bill to redress the internment of Canadian Ukrainians during World War II was put into action, and the Prime Minister championed my bill to recognize the Holodomor, the forced Ukrainian famine of 1932-33, as genocide.

The Prime Minister's official trip to Ukraine last month further demonstrates the close relationship that we enjoy between our two countries.

The Prime Minister paid tribute to the millions of Ukrainians who died during the Holodomor by placing a symbolic jar of grain on behalf of all Canadians at a monument by the National Holodomor Memorial Museum in Kyiv.

He acknowledged the enormity of the event and the millions who perished under Stalin's Soviet regime and demonstrated our hope that such an atrocity never occur again.

I was proud to witness our Prime Minister standing in solidarity with Ukrainians in Lviv and declaring Holodomor an act of genocide.

This week marks National Holodomor Awareness Week. I ask everyone to learn more about Holodomor so that atrocities such as this never occur again. I encourage all members to join in honouring the survivors and remembering the victims of this genocide.

Vichnaya Pam'yat.

* * *

[Translation]

LAVAL UNIVERSITY'S ROUGE ET OR

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, on Saturday, the Laval University Rouge et Or captured the Uteck Cup on their home field with a dramatic last-minute 13 to 11 victory over the University of Western Ontario Mustangs.

The game, which was played with the chill of winter in the air, came down to the final play, with the Mustangs' failed attempt at a field goal. I would like to highlight the performance of Christopher Milo, who scored four field goals and added a rouge, notching all of the points for his team and thereby earning the title of game MVP. As a result of this win, the Quebec university football dynasty will make its sixth appearance at the Vanier Cup, which determines the Canadian champion.

The win is even more gratifying for the Rouge et Or since the final match for the prestigious championship trophy will also be played on its home field at Laval University's PEPS Stadium.

Statements by Members

The Bloc Québécois wishes the Rouge et Or and coach Glen Constantin the best of luck and a glorious victory on Saturday.

* * *

BLOC QUÉBÉCOIS

Mr. Daniel Petit (Charlesbourg—Haute-Saint-Charles, CPC): Mr. Speaker, it will surprise no one to hear that the FTQ, a union, has been financially supporting the Bloc Québécois for over a decade. The Bloc Québécois and the FTQ are allies. Everyone knows that.

Up until March 6, 2009, the senior director of the FTQ was Jocelyn Dupuis. It has been widely reported in the media that Mr. Dupuis allegedly has ties to organized crime in Quebec. What we did not know is that this same Jocelyn Dupuis made financial contributions directly to the riding association of the leader of the Bloc Québécois, in Laurier—Sainte-Marie.

The question is simple: does the leader of the Bloc Québécois know where this money came from? Quebeckers deserve to know.

* * *

[English]

RELIGIOUS FREEDOM

Hon. Judy Sgro (York West, Lib.): Mr. Speaker, between 1979 and 2003, Saddam Hussein ruled over the people of Iraq through the use of fear, intimidation and terror. While Saddam Hussein seemed to enjoy inflicting atrocities upon the whole of the Iraqi people, he had a special affinity for persecuting Iraqi Christians, like those living in Nineveh.

In the time following Saddam Hussein's conviction as a war criminal, the people of Iraq have gained much. However, despite this progress, there is still much to do in this emerging democracy.

Discrimination against Iraqi Christians continues to prevent children from attending classes and their parents from fully engaging in society. To put it another way, Iraq's shameful history of human rights suppression has still not ended and this can be clearly seen as a result of the recent killings.

I again call upon the government to use every diplomatic tool to ensure the basic ideals of religious freedom and tolerance are respected and protected for all Iraqis.

Iraqi Christians deserve our support and our protection. I believe that by speaking out and through constructive engagement, we can help make this a reality.

* * *

● (1410)

NATIONAL DEFENCE

Hon. Laurie Hawn (Edmonton Centre, CPC): Mr. Speaker, our Conservative government strongly supports the 80,000 Canadian families who work in Canada's world-class aerospace industry.

The F-35 purchase will help these families and new families by providing thousands of potential new jobs and billions of dollars in economic benefits.

However, if the Liberal leader has his way, these jobs and benefits will be gone. Individual companies and industry organizations in Canada's aerospace industry are urging members of the House to put jobs and growth ahead of politics by voting against the Liberal leader's plan to cancel this important program.

The F-35 is a win-win for the Canadian Forces and the Canadian economy. The air force will be replacing an aircraft that has reached the end of its lifespan and Canada's aerospace industry will benefit from opportunities that will create highly skilled and well-paying jobs for Canadians for years to come.

It is time for the Liberal leader to put Canadian Forces and Canadian jobs ahead of politics and support a program that is good for Canada.

We are still paying for Jean Chrétien's horror movie about the Sea King replacement. We cannot afford to go there again.

* * *

FINANCE

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, Ontarians remember only too well when Mike Harris' minister of education said that he would create a crisis in education so that the Conservatives could then implement their right-wing agenda in schools.

Now the federal finance minister has taken a page out of the same play book and is bringing what he learned from Mike Harris straight to Parliament Hill. First, he has made sure that the financial cupboard is bare by creating the biggest deficit in Canadian history and now he is telling Canadians that it would be irresponsible to spend money on them.

He has had no problem finding new money for his pet projects: \$16 billion in untendered fighter jet contracts; \$13 billion to build prisons for unreported crimes; and \$6 billion for additional corporate tax cuts.

However, for hard-working Canadians and cash-strapped municipalities, the finance minister says that there is nothing left.

That is simply not good enough. The innocent victims of this recession who have lost their jobs, lost their EI and lost their retirement savings cannot tighten their belts any further.

I would invite the finance minister to come to Hamilton and talk to the locked out workers of Local 1005, to seniors whose pensions cannot keep up with the HST, to homeowners whose basements are flooded by broken water mains and to students who are drowning in debt. It is time to put their priorities first. It is time to remember whose money he has been spending.

* * *

[Translation]

NATIONAL DEFENCE

Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC): Mr. Speaker, today Parliament will vote on the Liberal opposition motion calling on the government to cancel the purchase of the 65 F-35 fighter jets.

The F-35 program is good for the Canadian Forces and the economy. The forces will be able to replace jets that have reached the end of their lifespan, and the purchase of the F-35s will give Canadian aerospace companies privileged access to billions of dollars in contracts for work on thousands of jets in the global F-35 supply chain, which is much more than if we limited the operations of these companies to Canadian aircraft only.

If it were up to the Liberals, they would cancel the F-35 program and jeopardize tens of thousands of jobs in our aerospace industry. The industry and the workers must not be subject to the Liberals' political games.

Our Conservative government strongly supports the 80,000 Canadians and Quebecers and their families who work in Canada's aerospace industry.

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MONTREAL ALOUETTES

Mr. Daniel Paillé (Hochelaga, BQ): Mr. Speaker, the Montreal Alouettes advanced to the Grey Cup by literally crushing the Toronto Argonauts 48 to 17. The one-sided game took place on Sunday at the Olympic stadium in the magnificent riding of Hochelaga.

Thanks to spectacular team play, the Alouettes handily dominated their opponent. The support of 58,000 fans was also a factor.

This is the Alouettes' third consecutive trip to the Grey Cup, which they won in 2009. This year's championship game is a rematch, as Marc Trestman's team will again face the Saskatchewan Roughriders.

The Bloc Québécois hopes that the Montreal Alouettes will return victorious from Edmonton next Sunday and parade before their fans with the precious cup in hand. As in other matters, Montreal knows how to beat Toronto.

* * *

[English]

CANADIAN MUSEUMS DAY

Mr. Andrew Kania (Brampton West, Lib.): Mr. Speaker, Monday is Canadian Museums Day, a day to draw awareness to the importance of Canada's museums and public art galleries to the Canadian cultural landscape.

Canada's museums and public art galleries preserve our rich history, help shape the Canadian identity and educate visitors about the importance of tolerance and understanding in our society.

Besides representing the very souls of our vibrant communities, Canada's 2,500 museums, which include everything from art galleries to science centres to zoos, are key to the economy. This sector employs 24,000 Canadians and contributes \$17 billion in tourism revenue.

On Canadian Museums Day, I encourage all Canadians to consider the role that culture plays in their communities and to become more active supporters of heritage so that the Canadian story can continue to live on through the generations.

Oral Questions

• (1415)

TAXATION

Mr. Richard Harris (Cariboo—Prince George, CPC): Mr. Speaker, the Liberal-NDP-Bloc coalition continues to make reckless and uncostered spending promises, reckless spending promises like a 45-day work year.

Who would pay for reckless Liberal spending? Hard-working Canadian taxpayers, that is who. Canadian families would be forced to send more and more of their money to fund Liberal schemes and bloated government. It is no wonder the Liberal leader calls himself a tax and spend Liberal and publicly demands that federal taxes must go up.

Our Conservative government believes in lower taxes that help create jobs and economic growth. That is why we lowered the family tax bill by over \$3,000 under our Conservative government. That is why we helped create over 430,000 new jobs since last July.

While Liberals talk about massive new spending and higher taxes, we are looking out for Canadian families by getting back to balance and lowering taxes.

ORAL QUESTIONS

[English]

PENSIONS

Hon. Michael Ignatieff (Leader of the Opposition, Lib.): Mr. Speaker, the Conservative MP for Saskatoon—Humboldt admitted recently that the government was spending like it was Christmas, and he is certainly right: billions on prisons, billions on single-source stealth fighters and \$300 million to clean up the mess it made on Camp Mirage. However, when it comes to the Nortel pensioners, disabled pensioners whose benefits will run out at Christmas, the government starts behaving like Scrooge.

How does the government explain its reckless spending and its heartless choices to disabled pensioners?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, we have considerable concern for the employees of Nortel. The Leader of the Opposition should understand that what is happening is due to a court settlement that occurred under legislation in place at the time of the Nortel bankruptcy.

[Translation]

Hon. Michael Ignatieff (Leader of the Opposition, Lib.): Mr. Speaker, that answer will mystify the people who are struggling.

I have spoken about these pensioners many times. They do not understand the government's priorities: single-source stealth fighters, prisons, millions of dollars to clean up their messes. There are solutions to the Nortel pensioners' problem.

Why does the government show so little compassion and judgment on this issue?

Oral Questions

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, let us be clear. We have a lot of compassion for the pensioners in this situation, but the reality is that the outcome was decided in a court-approved settlement agreement. That was signed in accordance with the bankruptcy legislation in effect at the time.

* * *

[English]

PUBLIC WORKS AND GOVERNMENT SERVICES

Hon. Michael Ignatieff (Leader of the Opposition, Lib.): Mr. Speaker, let me raise another issue. In sworn testimony before a House of Commons committee, explosive allegations were made about how the contract was awarded for the renovation of the West Block.

For a year now, we have been trying to get to the bottom of this sorry affair and now there are lurid allegations about the minister and his cashmere coat. Why is the minister still in his job? When will the Prime Minister tell Canadians the truth about this affair?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the facts are very well known in this case. Officials have testified there is absolutely no political interference in the contracts. In fact, the individual the leader of the Liberal Party is quoting is an individual who lost the contract.

As for the minister's coat, the minister had an \$800 coat stolen. He reported that to the police.

[Translation]

Hon. Denis Coderre (Bourassa, Lib.): Mr. Speaker, let us talk about the facts. This morning, Paul Sauvé said under oath that he was asked to pay \$300,000 to have access to a system organized by the Conservatives that Quebecers did not have access to.

Gilles Varin asked for \$25,000 and asked that the rest be divided between other contacts directly related to his renovation contract, as a kickback.

Senator Pierre-Claude Nolin, his assistant, Hubert Pichet, and Bernard Côté, when he was the assistant to former minister Fortier, were linked to the contract being awarded.

His current political minister is aware of this.

Why is this minister still a member of the government?

• (1420)

[English]

Hon. Rona Ambrose (Minister of Public Works and Government Services and Minister for Status of Women, CPC): Mr. Speaker, public servants are responsible for and manage the entire process relating to this contract. They were clear that in their opinion there was no political interference in this contract.

What Mr. Sauvé did say today at committee was that the only MP he had met with in the past number of years was the member for Bourassa. I wonder when those meetings took place. What was the nature of those business meetings?

Hon. Denis Coderre (Bourassa, Lib.): That was a good try, Mr. Speaker.

[Translation]

This morning, Paul Sauvé said under oath that each contract required a 3% kickback and that fundraising events for Conservatives in Quebec had to be organized as a thank you.

Gilles Prud'homme, president of the Conservative association in Bourassa, who has ties to the construction industry, asked him to do fundraising for his party.

The Minister of Natural Resources talked about contracts with Joseph Broccolini for 40 minutes at this cocktail party.

Paul Sauvé talked about contracts at the cocktail party with the minister's assistant, Marc Vallières, who reported back to the minister.

Why is this minister still a member of the government?

[English]

Hon. Rona Ambrose (Minister of Public Works and Government Services and Minister for Status of Women, CPC): Mr. Speaker, when it comes to the acquisition related to Broccolini and Multivesco, let me be clear that a fairness monitor oversaw the entire process for these acquisitions and she tabled those reports, which are available online. I encourage the hon. member to read them. In her summary, the fairness monitor said that decisions were made objectively, free from personal favouritism or political interference and they encompassed the elements of openness, competitiveness, transparency and compliance.

* * *

[Translation]

THE ENVIRONMENT

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, a new UN study estimates that greenhouse gas emissions must be reduced to 44 billion tonnes a year by 2020 if we want to limit the rise in the earth's temperature to two degrees. A larger rise in temperature would have disastrous, irreversible consequences for the entire planet.

Will the Prime Minister adopt this new target in the fight against climate change, a target that will be put forward at the Cancun summit?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, for some time now, our government has been trying to get a mandatory agreement with all the world's major emitters to reduce greenhouse gas emissions.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Prime Minister's only target in the fight against climate change is to not meet any targets, and it has to be said that he is doing a very good job at that. The Conservative government would rather lobby secretly for big oil in Alberta.

Will the Prime Minister finally admit that the fight against climate change is not his priority and never will be, regardless of how climate change will affect the environment?

Oral Questions

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, on the contrary, on the issue of climate change, we are trying to get an agreement with all the world's major emitters to reduce greenhouse gases. I am surprised that the Bloc leader and the Bloc do not support an agreement that will include countries like China, which is now the world's largest emitter.

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Speaker, a state-of-the-art Canadian Coast Guard scientific research vessel has been leased to Esso and BP for oil exploration purposes. It is surprising to see the most important ship conducting research into climate change in the Arctic being leased to companies that are responsible for global warming.

Could the government explain this decision to us today?

[English]

Hon. Gail Shea (Minister of Fisheries and Oceans, CPC): Mr. Speaker, the Canadian Coast Guard provides the platform for marine research not just for DFO but other government departments as well as other science-based organizations. In this case, the Canadian Coast Guard provided cost recovered service to ArcticNet, which is a network of scientific centres of expertise.

ArcticNet works with various partners, including first nations, Inuit and industry, and everybody benefits from the co-operation on science as we maximize the return for investments. In this case, ArcticNet—

• (1425)

The Speaker: The hon. member for Rosemont—La Petite-Patrie.

[Translation]

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Speaker, the North American carbon exchanges are collapsing. According to Carolyn Quick, spokeswoman for the Montreal Exchange, there are very few transactions and the “favourable regulatory environment” still does not exist in Canada.

Does the Minister of the Environment realize that his refusal to implement firm targets and regulations regarding greenhouse gas emissions is jeopardizing the viability of the Montreal climate exchange?

Hon. John Baird (Leader of the Government in the House of Commons and Minister of the Environment, CPC): Mr. Speaker, the important thing is global action against climate change. It is absolutely essential for countries like Canada and the United States to work with countries like China and India to reduce greenhouse gases. That is precisely the purpose of the Copenhagen accord and we will continue to work toward that with our allies.

* * *

[English]

FOREIGN AFFAIRS

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, all members of the House condemn the shelling of populated areas by North Korea. I am sure all members of the House would call on both sides to ensure there is no further escalation.

Could the Prime Minister assure us that there are strenuous diplomatic efforts on the part of Canada to avoid the escalation?

[Translation]

Can the Prime Minister assure us that we are making strenuous diplomatic efforts in Korea?

[English]

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, let me make it very clear that Canada condemns, without reservation, the artillery attack by North Korea on the South Korean island of Yeonpyeong. On behalf of all Canadians, I want to express our condolences to the families of those killed as a result of this aggressive action.

Canada remains firm in its support of South Korea. We urge North Korea to refrain from further reckless and belligerent provocations and to abide by the Korean armistice agreement. I would point out that in response to these types of behaviour, Canada recently applied tough new sanctions to the North Korean regime.

[Translation]

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, I thank the Prime Minister for his answer.

The Conservatives continue to refuse to hold a debate and a vote on extending the military mission in Afghanistan. The Liberal Party is not interested either. NATO is already talking about a mission beyond 2014. The government has already extended the deployment of our troops twice.

Does the government finally have an exit strategy for Afghanistan, or will our soldiers stay there indefinitely?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I attended NATO meetings with the Minister of National Defence and the Minister of Foreign Affairs. It is clear that our allies are trying to transfer responsibility for security to Afghan authorities by the end of 2014. I think that our allies share Canada's outlook and are trying to transfer this responsibility to the Afghans.

[English]

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, the Prime Minister says that we have to stay there until we get the job done, but he will not be precise about what the job is or how we are going to get it done. There are questions such as the following. What is the government's definition of success? What are the criteria that are to be used to measure progress? Where is the exit strategy?

We have been asking these questions for years now. Maybe if there had been some answers to these questions some time back, we would not be looking at an extension of our military mission, leaving our soldiers in a war zone for three more years.

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I would urge the leader of the NDP to take a look at the quarterly reports that the government publishes on the Afghan mission. There are various metrics of success. One of those important metrics that we concentrated on at NATO was the training of Afghan military forces and police. That work is proceeding and progress is being made.

Oral Questions

As for an exit strategy, of course, Canada's combat mission will end next year.

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• (1430)

PUBLIC WORKS AND GOVERNMENT SERVICES

Mrs. Bonnie Crombie (Mississauga—Streetsville, Lib.): Mr. Speaker, a Conservative minister attempted to extort a \$5,400 designer coat from a contractor. A Conservative riding association president demanded a fundraiser in exchange for a public works contract. A Conservative Senate staffer promised a public works contract in exchange for money. A Conservative lobbyist has been doling out cash around the party.

When will the Prime Minister hand the minister his designer coat and show him the door?

Hon. John Baird (Leader of the Government in the House of Commons and Minister of the Environment, CPC): Mr. Speaker, let us look at the facts here.

The minister's coat was stolen from a restaurant in the city of Montreal. The minister did not buy the coat at Holt Renfrew. He bought it in Thetford Mines. The coat is not worth \$5,400. It is worth less than \$800.

Maybe the Liberal Party could stop always blaming the victims of crime.

Mrs. Bonnie Crombie (Mississauga—Streetsville, Lib.): Mr. Speaker, the minister first said he did not discuss contracts at the cocktail fundraiser. Now we know he spent some 40 minutes negotiating with a construction contractor who later received \$650 million in contracts from public works.

The fact is that the Conservative operatives are running a kickback scheme. They give out contracts, they get kickbacks, and they had the minister's help.

Does the Prime Minister condone this corruption? If not, why has the minister not been fired from cabinet, or is that treatment reserved exclusively for cabinet ministers who are women?

Hon. John Baird (Leader of the Government in the House of Commons and Minister of the Environment, CPC): Mr. Speaker, that is quite unbelievable. I would have expected that from other members of her party, but not from the hon. member.

Let us look at the facts. Senior officials from the Department of Public Works appeared before committee. They said that all of the proper processes were followed and that there was no political interference with respect to any of these government contracts. That is the high ethical standards set by this government.

With respect to big money in politics, it was this government and the Prime Minister that finally once and for all eliminated the influence of big money in politics.

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G8 AND G20 SUMMITS

Hon. Geoff Regan (Halifax West, Lib.): Mr. Speaker, the Conservatives continue to stonewall attempts to obtain spending records of the Ontario Provincial Police during the G8 and G20

summits. Every other department or agency has released its figures, except Julian Fantino's OPP. What we are seeing is peek-a-boo disclosure from a peek-a-boo Conservative candidate taking his lead from a peek-a-boo Prime Minister.

What are the Conservatives hiding for Julian Fantino? How could it possibly be worse than a \$9,000 power cord, glow sticks and a fake lake?

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, as the parliamentary secretary already stated, this agreement was signed in March 2010 by Ontario minister Rick Bartolucci, who is someone the member opposite should recognize as a fellow Liberal.

However, what we still do not know is what Tony Genco is hiding from Canadians and why his friends at Downsview Park are refusing to release information on his expenses.

Many Canadians would agree with me that it is rather hypocritical of the federal Liberals to stand in this place and spout party rhetoric while Tony Genco's expense reports remain a secret.

Hon. Geoff Regan (Halifax West, Lib.): Mr. Speaker, it has been six weeks since the government operations committee first requested the OPP spending records. That was on October 7. The committee waited a month and got nothing. Last week the committee asked that the documents be delivered by this morning. They were not. Today the committee had no choice but to order the OPP to deliver the documents.

Why is the Prime Minister protecting his candidate in Vaughan? What does he have to hide?

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, the member should be asking his Liberal colleagues in Toronto why they signed the agreement indicating that they would have those expenses by December 1.

We still do not know who this Tony Genco is hiding from Canadians and why his friends at Downsview Park are refusing to release information on his expenses. Tony Genco's expense reports remain a secret.

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[*Translation*]

NATIONAL DEFENCE

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, this government does not hesitate to spread misinformation to try to justify why the largest military contract in Canadian history will not be subject to the industrial and regional benefits policy. The government is making promises of possible spinoffs to the tune of \$12 billion for the Canadian industry, while the Pentagon is talking about spinoffs of only \$3.9 billion.

How can we believe the Prime Minister when he tells us that Quebec will get its share of the economic spinoffs when, from the beginning, he has been exaggerating the impact they will have?

Oral Questions

•(1435)

[English]

Hon. Peter MacKay (Minister of National Defence, CPC): Mr. Speaker, we have maintained all along that this particular contract, a process which began under the previous government, will bring great benefits not only to the Canadian air force but, of course, to the Canadian aerospace industry. They are very supportive.

In fact, looking at the aerospace industry's recent release on the subject matter, the industry is predicting to compete for the production of 3,000 to 5,000 aircraft. This represents more than \$12 billion in opportunities on the partners fleet only, excluding those related to sustainment and foreign military sales. This is from the Canadian aerospace industry, which I think would please the hon. member.

[Translation]

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, the current government, the previous government and the Pentagon do not agree on the extent of the impact the economic spinoffs from the F-35s will have on Canada. The current government is talking about spinoffs of \$12 billion while the Americans and the previous government predicted much more modest spinoffs.

Does this uncertainty not prove that the government should require a minimum level of economic spinoffs for the Quebec aerospace industry?

[English]

Hon. Peter MacKay (Minister of National Defence, CPC): Mr. Speaker, when the competition occurred some time ago, there clearly were estimates at that time. We are talking about seven years ago. The U.S. state department's report goes back to June 2003. As usual, the members opposite are behind the times when it comes to this particular matter.

They supported it at one time. I know the Liberal Party did. I think the member opposite supports the aerospace industry, which stands to gain up to \$12 billion in benefits with respect to these contracts. I thought the member, who comes from Quebec, wanted the Quebec aerospace industry to benefit from contracts like this.

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*[Translation]***QUEBEC CITY ARENA**

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, a new arena is a significant development tool for Quebec City. Without an arena, the city's economic growth is at risk of being compromised. Mayor Labeaume has said that he needs a firm commitment from the federal government by December 31 concerning the Quebec City arena. There are fewer than 40 days remaining until this deadline.

I am calling on the Prime Minister. Will he tell the truth to Mayor Labeaume and the people of Quebec, more than 60,000 of whom participated in the Blue March?

Hon. Josée Verner (Minister of Intergovernmental Affairs, President of the Queen's Privy Council for Canada and Minister for La Francophonie, CPC): Mr. Speaker, the government's position on this issue is very clear. We believe that this project

should be funded primarily by the private sector. If the government were to contribute to this kind of project, it would do so in a fair and affordable manner throughout the country.

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, the Conservative government has been dragging its feet on the arena issue for months. The City of Quebec has promised \$50 million, the Government of Quebec has promised \$180 million and the private sector has raised at least \$13 million through the J'ai ma place program. All that is missing is the federal contribution. For weeks now, Mayor Labeaume has been asking for a meeting with the Prime Minister. It seems as though the minister responsible for Quebec is unable to deliver the goods.

When will the Prime Minister meet with the Quebec City mayor?

Hon. Josée Verner (Minister of Intergovernmental Affairs, President of the Queen's Privy Council for Canada and Minister for La Francophonie, CPC): Mr. Speaker, is there actually anyone in the Quebec region who thinks that the Bloc Québécois will make this project happen with its Bloc dollars? That is impossible. These people have been in the House for 20 years and have yet to do anything concrete in the Quebec region. The only major investments made by Bloc Québécois members over the past 20 years have been in their private pension plans.

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*[English]***NATIONAL DEFENCE**

Hon. Dominic LeBlanc (Beauséjour, Lib.): Mr. Speaker, recently released Pentagon documents make a mockery of the Conservative claim of surrounding economic benefits for the F-35 purchase. While the government falsely speaks of \$12 billion in benefits, the Pentagon estimates them to be less than one-third of that.

Why will the government not stop inflating the benefits and lowballing the costs, and have an open, competitive process to replace the CF-18s exactly as it told the Americans it would do in that same document?

•(1440)

Hon. Peter MacKay (Minister of National Defence, CPC): Mr. Speaker, I answered this question not three minutes ago. The documents the member is talking about, the U.S. Department of Justice report, is seven years old. As usual, the Liberal Party is behind the times when it comes to military matters. The report, written three years before this government signed the industrial participation plans, promises even more work now for Canadian companies. With respect to the F-35, given the current sales projections, the success the Canadian industry has already demonstrated, I am confident, and members on this side of the House are confident, that these estimates for the industrial aerospace industry will in fact reach \$12 billion. The member should support the—

The Speaker: Order. The hon. member for Beauséjour.

Oral Questions

[Translation]

Hon. Dominic LeBlanc (Beauséjour, Lib.): Mr. Speaker, the Conservatives talk incessantly about the supposed \$12 billion in economic spinoffs. And yet we learned today that the Pentagon estimates that the spinoffs for Canada will be less than one-third of that amount. In addition, apparently the Conservative government had formally informed the United States that there would be a tendering process to determine whether the F-35 is the best aircraft for Canada.

Why are the Conservatives refusing to go that route, which would be more responsible and more advantageous for our Canadian industry?

[English]

Hon. Peter MacKay (Minister of National Defence, CPC): Mr. Speaker, I just said that the report was seven years old. That is almost as long as it has taken the member's moustache to fill in.

The Canadian aerospace industry association said on November 16 that it has the ability to compete and produce 3,000 to 5,000 aircraft. This represents \$12 billion in aerospace industry contracts.

The aerospace industry association in a recent press release urged members of Parliament to support the future of the aerospace industry's 150,000 direct jobs and reject the Liberal motion before the House for a vote today.

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PENSIONS

Ms. Yasmin Ratansi (Don Valley East, Lib.): Mr. Speaker, seniors are facing a tough choice between putting food on the table and paying their bills. Gina and her husband are one of those couples. They live in Vaughan. They have worked hard to put a roof over their heads, but they fear they will lose their home as their Canada pension plan benefits are not sufficient to make ends meet.

How can the Prime Minister waste \$1.2 billion of taxpayer money on fake lakes and unneeded advertising, yet he cannot find the money to reform the CPP?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, we are all committed to ensuring adequate pension retirement income for Canadians. As we know, the federal government is responsible for only about 10% of the pension plans in Canada. We have had very constructive, progressive discussions with our provincial and territorial partners. I look forward to continuing them when we meet again as finance ministers in Alberta in about a month.

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SMALL BUSINESS

Ms. Yasmin Ratansi (Don Valley East, Lib.): Mr. Speaker, small- and medium-size business owners in Vaughan are having a hard time accessing credit. The CFIB states that SMEs employ 53% of all working individuals. Mr. Ken Singh, a small manufacturer in Vaughan, wants to hire six new people. He wants to know why the Prime Minister is borrowing money to give unaffordable corporate tax cuts to large corporations, but is doing nothing for SMEs that are the actual engines of growth.

Hon. Rob Moore (Minister of State (Small Business and Tourism), CPC): Mr. Speaker, no government has done more to help small business in Canada than this government. Small businesses have asked us to cut taxes and cut red tape and that is exactly what the government has done. We have lowered the small business tax rate. We have reduced red tape on small businesses. We will continue to do the strong work that small businesses have called on us to do.

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FOREIGN AFFAIRS

Ms. Lois Brown (Newmarket—Aurora, CPC): Mr. Speaker, Canadians are horrified to hear of the case of Ms. Ashtiani, an Iranian woman who was sentenced to death by stoning without a fair trial. Canadians were also shocked to learn of Iran's candidacy for the executive board of new UN women, a body meant to promote the advancement of women's rights worldwide.

Could the Minister of Foreign Affairs please tell the House what Canada is doing to address women's rights in Iran?

Hon. Lawrence Cannon (Minister of Foreign Affairs, CPC): Mr. Speaker, on behalf of the Government of Canada and, indeed, all members of the House hopefully, we condemn strongly the discriminatory treatment of women by the Iranian authorities. Canada is deeply concerned by the case of Ms. Ashtiani and other women who have suffered egregious violations of their human rights. We also remember, with sorrow and outrage, the treatment of Canadian citizen Zahra Kazemi.

Canada opposed Iran's membership to the executive board of new UN women and its candidacy was rightfully defeated. Our government stands firmly with the people of Iran against human rights abuses—

● (1445)

The Speaker: The hon. member for Skeena—Bulkley Valley.

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[Translation]

FISHERIES AND OCEANS

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, the government has invested \$30 million to retrofit the Amundsen icebreaker in order to conduct climate change research. However, it is currently being leased to oil companies to drill in the Arctic. As usual, this government says one thing and does another.

Why promote drilling and the destruction of the Arctic with a vessel that is supposed to protect it?

[English]

Hon. Gail Shea (Minister of Fisheries and Oceans, CPC): Mr. Speaker, this contract was with ArcticNet. ArcticNet is a network of scientific centres of expertise and it contracts with different partners. One of those partners is industry because science is also important to industry.

Oral Questions

In this case, ArcticNet and industry were studying environmental impacts associated with industrial activities. That is very important. Everybody benefits from more science because it allows all of us to make more informed decisions for future generations.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, Canadians are shocked to learn that Canada's best climate change research vessel was leased to Esso and BP to help them look for offshore oil in the Arctic. This is the same BP that spilled 800 million litres of oil into the Gulf of Mexico. The *Amundsen* was refitted, at a cost of \$30 million to taxpayers, to research climate change, not to look for oil for some of the biggest polluters on the planet.

Why are the Conservatives using this ship, meant to be fighting climate change, to throw out the welcome mat for risky Arctic drilling?

Hon. Gail Shea (Minister of Fisheries and Oceans, CPC): Mr. Speaker, for several months during the summertime this ship becomes the platform for marine research, for DFO, for other government departments as well as other science-based organizations. Science is very important to all the decisions we make, not just this government but NGOs and private industry as well.

We all benefit from the science that happens. In this case what happened was an examination of the environment to better understand impacts associated with industrial activities.

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[Translation]

PUBLIC WORKS AND GOVERNMENT SERVICES

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Mr. Speaker, Paul Sauvé has confirmed that he paid Conservative activist Gilles Varin \$118,000. He said he is convinced that without the help of that unregistered lobbyist, he would not have won the West Block contract. To thank the Conservative government, he even organized a cocktail fundraiser that was attended by the former minister of public works and the Conservatives' Quebec lieutenant.

Will the government admit that the evidence given by contractor Paul Sauvé confirms that, when it comes to contracts, all a contractor needs to do is pay a lobbyist in order to play and win?

Hon. John Baird (Leader of the Government in the House of Commons and Minister of the Environment, CPC): Mr. Speaker, what the member is saying is again false. Here are the facts. Mr. Varin was not a member of the Conservative Party, is not a Conservative Party advisor and is not a Conservative activist. He has no history with the Conservative Party.

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Mr. Speaker, Paul Sauvé is not the only one who profited from the system. The two Broccolini brothers won two contracts worth \$600 million after attending the cocktail fundraiser with the former public works minister. According to Paul Sauvé, the two Broccolini brothers, who were trying to get more contracts and more details on an important invitation to tender, monopolized the minister during the entire event.

Will the government admit that the Broccolini brothers' actions paid off, since they won both of the contracts they wanted?

● (1450)

[English]

Hon. Rona Ambrose (Minister of Public Works and Government Services and Minister for Status of Women, CPC): Mr. Speaker, as I pointed out before, when it comes to the Broccolini and Multivesco acquisitions that the government made, a fairness monitor oversaw the entire process of these acquisitions and tabled reports, which are available online. I encourage the member to read them.

The fairness monitor said that the process unfolded in an objective way, free from personal favouritism and political interference and encompassed the elements of openness, competitiveness, transparency and compliance.

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[Translation]

INFRASTRUCTURE

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, it is becoming increasingly clear that the government's arbitrary deadline will have a negative impact on our municipalities, particularly municipalities in Quebec.

The government knows that over 1,000 projects are threatened by this irresponsible policy.

Instead of putting thousands of jobs at risk, why does the government not just extend the deadline?

[English]

Hon. Chuck Strahl (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, as the member knows, this government is known for being fair and reasonable. That is how we are being on this case as well. We have been talking to all the provinces. We have been talking to the municipalities. They have been giving us the data on the status of their infrastructure projects.

What we do know so far is that it has helped to create about 420,000 or 430,000 net new jobs through the economic action plan. We are going to be working with them to be fair and reasonable. We have already done that by helping to re-scope some projects to ensure they can be done on time.

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, the minister should listen to Premier Dalton McGuinty who said recently, "it just wouldn't make sense to walk away from projects that are four walls without a roof", and he is right.

The government's hollow promise to be fair and reasonable provides no comfort at all to tens of thousands of workers in the construction trade. Is the minister forgetting that jobs are at stake? When will he put down the gun he is holding to the head of municipalities and issue a blanket extension of the deadline? It makes sense.

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Hon. Chuck Strahl (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, I am delighted today with this question because I hear the hon. member saying that there are tens of thousands of jobs being created by these projects. I remember last week when he said that there were not any jobs being created. He was kind of Mr. Humbug. Clearly the Federation of Canadian Municipalities says that hundreds of thousands of jobs have been created.

We are working closely with the FCM and with the Government of Quebec. We are working with the proponents of these projects to see how we can work with them to adjust them. We always say that we will be fair and reasonable, and that is what we are doing.

* * *

GOVERNMENT PRIORITIES

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, after encouraging Edmonton's bid on Expo 2017 as recently as three weeks ago, the government now pulls the rug out from under Alberta's capital. That same government, for a one-day G8 meeting, gave tens of millions to a Conservative cabinet minister's Ontario riding: \$16.7 million for an arena, \$100,000 for a gazebo, \$200,000 for a welcome sign, \$300,000 for a toilet and \$400,000 for a steamboat refit.

Why the open government wallets for Ontario ridings, but austerity for Edmonton?

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, yesterday I spoke to the mayor of Edmonton, Mr. Mandel, and Sheila Weatherill of the bid committee to let them know that our government would not go forward with Edmonton Expo 2017 because this project was too large, too expensive and it was too large of a financial risk for Canadian taxpayers.

We think it is the responsible thing to do, and I am glad we are not alone. Here is what was said by the Taxpayers Federation. It said, "Citizens of Edmonton and the province of Alberta should be thanking the federal government for showing leadership in saying no to this dangerous project".

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, that is what the federation says about the Conservative spending.

Edmonton's expo on clean energy was supported by municipalities across the country, with the resulting benefits to all provinces from the influx of 5.3 million tourists and badly needed jobs. Clearly the government can find the money for pet projects in target ridings.

This decision is not about money. It is about politics. Why are Conservatives taking Edmonton for granted? What exactly did the regional minister do to secure federal support?

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, this Conservative government has delivered more projects to Edmonton and Alberta than any government in Canadian history. This government has done the responsible thing.

When it comes to large international projects such as Expo 2017, we did the right thing. We examined this project. We gave it the

respect it was due. We looked at all of the costs associated with it. The reality is this is too expensive of a project. They were asking for over \$700 million from the federal government. It would have cost well over \$1 billion. This is a financial risk that taxpayers of Edmonton and Alberta do not want us to take.

* * *

● (1455)

PUBLIC SAFETY

Mr. Phil McColeman (Brant, CPC): Mr. Speaker, yesterday the public safety committee heard pleas from the convicted criminals to keep Canada's pardon system as is. Like so many times before, the Liberal public safety critic showed that he put the rights of criminals before the rights of victims.

The member for Ajax—Pickering was quick to advocate on behalf of convicted criminals and suggested our pardon reforms would be endangering public safety.

Our Conservative government believes in getting tough on crime. Could the Minister of Public Safety speak to this issue?

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, our Conservative government will always put the rights of victims and the public safety first. Unlike the Liberal public safety critic, we believe investments that keep dangerous criminals behind bars make Canada a safer place to live and raise a family and we believe the rights of criminals should not come first in our criminal justice system.

We call upon the opposition to finally listen to victims, support the bill, a bill that would deny child sex offenders the right to ever receive a pardon.

* * *

FERRY SERVICES

Hon. Lawrence MacAulay (Cardigan, Lib.): Mr. Speaker, my question is for the Minister of Transport, Infrastructure and Communities.

It is my understanding that the Minister of Transport has received the controversial public service review on the Wood Islands Caribou ferry service.

Will the minister confirm in the House today that he will provide a contract of no less than five years to ensure the people of Pictou County, Nova Scotia and eastern Prince Edward Island will have the same level of service as they have had for the last six years?

Hon. Chuck Strahl (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, we have been having those discussions as he knows both with the ministers from Prince Edward Island as well as the tourism folks that were in town the other week. We had a good meeting with them.

Other discussions are taking place with Nova Scotia as well to talk about what the future of the Wood Islands ferry may look like. I know it is an important part of the transportation system in Prince Edward Island and discussions are taking place on what form that might take.

The ferry operators are involved as well. This is an important issue to the Government of Canada and we will be making a decision in due course.

* * *

[*Translation*]

FORILLON PARK

Mr. Raynald Blais (Gaspésie—Îles-de-la-Madeleine, BQ): Mr. Speaker, 2010 marks the sad anniversary of the expropriation of several hundred family homes in the Gaspé to make way for Forillon Park. Now, 40 years later, the families whose land was expropriated are still waiting for an official apology from the federal government. They also want the passport that allows them free access to the site to be extended to five generations, specifically in order to access the three cemeteries in the park where their ancestors are buried.

Will the minister responsible for Parks Canada do as the displaced Forillon families have asked?

Hon. John Baird (Leader of the Government in the House of Commons and Minister of the Environment, CPC): Mr. Speaker, I am always willing to work with my colleagues in the House of Commons on issues that matter to their constituents. I was willing to meet with the Bloc Québécois member regarding this very important issue.

* * *

[*English*]

MINING INDUSTRY

Ms. Niki Ashton (Churchill, NDP): Mr. Speaker, on October 4 the federal government announced it was giving a \$1 billion loan to Vale. That is billion with a *b*.

Last week we found out that it will be stripping more than 600 jobs from the Thompson operation. The government has made Vale Canada's number one corporate welfare bum. Yet, the industry minister is refusing to have a real meeting with Thompson and the province where people are losing their jobs.

Why is the government not dealing with Vale, and why is it not working with the community and the province to save the jobs in Thompson and Manitoba? Why is it standing up for Vale and not for Canadians?

Hon. Lawrence Cannon (Minister of Foreign Affairs, CPC): Mr. Speaker, the hon. member should actually expand the story a little bit.

This unfortunate situation in her constituency was part of a more general announcement made by Vale of a \$10 billion multi-year investment in Canada, in various provinces, in various projects, I am sure creating many hundreds of jobs in those locations.

The situation in Thompson is different. There is no question about it. I have had the opportunity to brief the hon. member through my

Oral Questions

staff on the situation. I have spoken with the Manitoba government about the situation—

● (1500)

The Speaker: Order. The hon. member for Haliburton—Kawartha Lakes—Brock.

* * *

FOREIGN AFFAIRS

Mr. Barry Devolin (Haliburton—Kawartha Lakes—Brock, CPC): Mr. Speaker, I have a question for the Minister of Foreign Affairs.

Earlier in question period, the Prime Minister delivered condolences to the families of two South Korean soldiers who were killed earlier today in an unprovoked attack by North Korean forces on South Korea.

I know that last month the minister announced new measures against the North Korean regime. I am wondering if the Minister of Foreign Affairs could share with this House what Canada's position is regarding North Korea and what new measures may be brought forward.

[*Translation*]

Hon. Lawrence Cannon (Minister of Foreign Affairs, CPC): Mr. Speaker, I thank my hon. colleague for his question. Canada strongly condemns the artillery attack carried out by North Korea on the South Korean island of Yeonpyeong, which killed two South Korean sailors.

On behalf of all Canadians, I would like to offer my sincere condolences to the families of those who were killed or injured in this unprovoked attack.

On behalf of Canada, I wish to reiterate our firm support to the Republic of Korea. We urge North Korea to refrain from taking further aggressive actions and to abide by the Korean Armistice Agreement.

* * *

[*English*]

FERRY SERVICES

Hon. Lawrence MacAulay (Cardigan, Lib.): Mr. Speaker, it is important that the government realize how vital this ferry service is to eastern Prince Edward Island and Pictou County in Nova Scotia.

A review of the service has been done, and it is now time for the government to come forward and create some stability and put in place a long-term contract that will maintain the service at its present level.

Will the Minister of Transport confirm today that he is prepared to act now and provide the much needed long-term contract for eastern Prince Edward Island and Pictou County, Nova Scotia?

Hon. Chuck Strahl (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, I know the member has asked this question every year for about 10 or 12 years now. Even in government, he asked the question. It is an important question, I grant that.

Points of Order

We are examining the usage of the ferry. The use of the ferry has dropped some 20% to 25% over the last number of years. It is still an important part of the transportation system between Pictou County and Prince Edward Island. That is why we have engaged the provincial governments, the tourism agencies and others to analyze what is going on there.

We will be making a decision shortly.

* * *

[Translation]

RIGHTS & DEMOCRACY

Ms. Johanne Deschamps (Laurentides—Labelle, BQ): Mr. Speaker, the board of Rights & Democracy is accountable to Parliament for its management. As parliamentarians, we have the right to know what is going on in that organization. Yet the board of Rights & Democracy still has not released the Deloitte & Touche audit report. Talk about a lack of transparency.

Will the Minister of Foreign Affairs continue to put up with such questionable conduct?

Hon. Lawrence Cannon (Minister of Foreign Affairs, CPC): Mr. Speaker, I will remind the House very briefly that this is an arm's-length organization funded by the government. However, I see that instead of taking action, the opposition has decided to ask questions. At the first opportunity, my parliamentary assistant will ask the board of Rights & Democracy to come and table the report. We will do the job the opposition does not want to do.

* * *

[English]

PRESENCE IN GALLERY

The Speaker: I would like to draw to the attention of hon. members the presence in the gallery of the Hon. Jackson Lafferty, Minister of Justice, Minister of Education, Culture and Employment and Minister Responsible for the Homeless for the Northwest Territories.

Some hon. members: Hear, hear!

The Speaker: I would also like to draw to the attention of hon. members the presence in the gallery of the recipients of the 2011 National Aboriginal Achievement Awards: Teyotsihstokwathe Dakota Brant; Corrine Hunt; Joseph F. Dion; Annie Panguit Peterloosie; Margo L. Greenwood; Ronald Edward Sparrow; Roger Jones; Jean LaRose; Audrey Poitras; Cindy Blackstock; Frederick G. Sasakamoose; and Dr. Duncan Cree.

Some hon. members: Hear, hear!

The Speaker: I invite all hon. members to meet the recipients at a reception in Room 216-N that will be following forthwith.

* * *

• (1505)

POINTS OF ORDER

ORAL QUESTIONS

Mr. David McGuinty (Ottawa South, Lib.): Mr. Speaker, I rise on a point of order arising out of question period.

I would like to raise two matters that emanated from question period, in answers provided by the Minister of National Defence and the Minister of Public Safety. In so doing, I seek the unanimous consent of the House to table two sets of documents this afternoon for the information of Canadians.

The first has to do with an answer given by the Minister of Public Safety about the expenses by one Tony Genco, a Liberal candidate in the riding of Vaughan. The minister again today falsely declared in the House that these expenses were not a matter of public record.

I am seeking unanimous consent to table the expenses of one Mr. Tony Genco, which have been online since 2005, when he became the chief executive officer of the corporation referred to by the minister: all expenses from April 1, 2006 to March 31, 2007; April 1, 2007 to March 31, 2008; April 2008 to March 2009; April 2009 to March 10, 2010; and April and May 2010. All of his expenses have been online, expenses related to travel, meetings, conferences, absolutely everything. There has been proactive disclosure. It has been there for years.

While seeking that unanimous consent, I would ask the minister to consider tabling forthwith the details about how \$100 million was spent by the Conservative candidate when he headed up the OPP.

The second unanimous consent request deals with perhaps a more—

The Speaker: Order. Perhaps we could deal with the first request.

Is there unanimous consent that the member table these expense documents?

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: On clarification, the hon. Minister of Public Safety.

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, I understand that this is a matter where Mr. Genco has denied the information on a request. This information has been denied as a result of an inquiry in terms of this specific information. It should be released in the appropriate way and not through the back door here. I have not seen this information, and I would have to review it before I could give my consent.

The Speaker: I take it there is no consent for the tabling of this document.

Is the hon. member for Ottawa South requesting consent for something else?

Mr. David McGuinty: Yes, Mr. Speaker. Perhaps just before the second request for unanimous consent the minister could take up the question of expenses with Mr. Fantino.

The second unanimous consent request deals with comments made by the Minister of National Defence. I would ask if the House could allow the tabling of the detailed documents around the Movember fundraising campaign for prostate cancer.

During an answer given by the Minister of National Defence, he perhaps was not aware that his unfortunate and flippant remark about the member for Beauséjour's moustache is, in fact, an insult to 115,000 Canadian men who this month are growing moustaches, raising \$13 million, now leading the world in a fundraising initiative launched by the Australians.

I seek unanimous consent to table, in French and English, the detailed descriptions about the Movember fundraising campaign for men's prostate cancer research.

The Speaker: Does the House give consent to the hon. member for Ottawa South to table this document?

Some hon. members: Agreed.

Some hon. members: No.

Hon. Peter MacKay (Minister of National Defence, CPC): Mr. Speaker, I would certainly be in favour of such a motion. I think the hon. member would be the first to acknowledge that the remark was made in jest and good humour. The hon. member for Beauséjour certainly took it in that spirit and I do not think any offence was taken. I am simply jealous that I cannot grow a moustache the way he can, but I would be pleased to contribute to his efforts to do so by contributing to the campaign.

• (1510)

Mr. Peter Stoffer: Mr. Speaker, on a point of order, I can only imagine the Conservatives and Liberals bandying around the two candidates in Vaughan. I want to tell the House, the people of Canada and the good people of Vaughan that if they want to end the nonsense between the Conservatives and Liberals, they should vote NDP in the next election.

The Speaker: I think the hon. member for Sackville—Eastern Shore knows that is not a point of order.

Mr. Mark Holland (Ajax—Pickering, Lib.): Mr. Speaker, during question period in a question posed by the member for Brant, there were a number of assertions made, and I think that when questions are posed in the House they should have some modicum of truth.

In committee yesterday, we heard from an aboriginal gentleman who was a victim of the residential schools program and was victimized by his mother. We heard his tragic story about how difficult his life was and how he had to struggle being a victim. We heard, unfortunately, that his life led to a life of crime but that for the last six years he had turned it around. He said that, given an opportunity, he would not have a bill pass that would see him shut out from an opportunity of having employment.

The member for Brant expressed that the individual and some of the other gentlemen who were there today should be given another chance. His question today, saying that these gentlemen should not be given a chance, inferred that somehow I care less about my children or my community and its safety than he does. It is offensive and it does a tremendous disrespect to the House and to the debate that is before us.

We pose questions and they are answered, as the minister is doing. The same minister before committee admitted in answers to my questions that there were deep flaws with this bill, things that needed

Privilege

to be looked at and worked on. He asked for us to bring forward amendments to address those problems.

Yet, here they are in the House attacking me personally, trying to portray me as someone who does not care about the safety of my community. It is dishonest, disrespectful and below the level that should be expected in the House.

Mr. Phil McColeman (Brant, CPC): Mr. Speaker, since being elected to the House some two years ago and a bit, I will take no lessons from the member for Ajax—Pickering when it comes to presenting issues to Parliament that are not based on any factual evidence. I will take no lessons from that member.

The Speaker: I know hon. members will all try to be civil in their questions and responses in the House. I urge that on all hon. members.

The Chair has notice of a question of privilege from the hon. member for Outremont.

[*Translation*]

I recognize the hon. member for Outremont, who is presenting a question of privilege.

* * *

PRIVILEGE

SEVENTH REPORT OF THE STANDING COMMITTEE ON FINANCE

Mr. Thomas Mulcair (Outremont, NDP): Mr. Speaker, you are right to point out that in keeping with our customs, I sent a written notice to the Speaker earlier today. I am pleased to be able to present my question of privilege, which is a rarity considering all the experience you have.

I am rising regarding the seventh report of the Standing Committee on Finance.

[*English*]

As you know, Mr. Speaker, the finding of a prima facie case of privilege cannot be made by a committee chairperson or by the committee report itself but only by you.

[*Translation*]

And so, the best thing to do is read the report, which is quite short. It says:

On Thursday, November 18, 2010, the draft report of the House of Commons Standing Committee on Finance in respect of the Committee's pre-budget consultations for 2010 was distributed by the Clerk of the Committee to all Committee members. The distribution occurred electronically.

I would like to add something here. On the front page of the report, the following statement is made to all of the members:

Please bring a copy of this document to the meeting. This report remains CONFIDENTIAL until it is tabled in the House of Commons. Any disclosure of the contents of a report prior to presentation in the House may be judged a breach of parliamentary privilege.

And the report continues:

On Thursday, November 18, 2010, the Member for Saskatoon-Rosetown-Biggar was informed that Mr. Russell Ulyatt, parliamentary assistant to the Member, had transmitted the Committee's confidential draft report to three lobbyists: Mr. Clarke Cross, Senior Consultant, Tactix; Mr. Tim Egan, President and Chief Executive Officer, Canadian Gas Association; and Ms. Lynne Hamilton, Vice President, Public Affairs, GCI Group.

Privilege

In light of this matter, the Committee has reason to believe that a potential breach of privilege has occurred and, on Monday, November 22, 2010, the Committee unanimously adopted the following motion:

That the Committee report to the House of Commons the potential breach of privilege resulting from the release of the confidential draft report of the House of Commons Standing Committee on Finance in respect of its pre-budget consultations for 2010, entitled "Canada's Continuing Economic Recovery: What People, Businesses and Communities Need", prior to its presentation to the House.

Your Committee feels it is their duty to place these matters before the House at this time since a question of privilege may be involved and to give the House an opportunity to reflect on these matters.

I hasten to say that, to her credit, the member in question apologized yesterday. I want to tell her that while the committee accepts her apology, it is important to understand that this is not an individual issue, but an institutional issue that directly affects our ability to do our work as parliamentarians unimpeded.

I would like to point out that the report in question is the only committee report mentioned specifically in the Standing Orders of the House.

• (1515)

[*English*]

The prebudget report is one of only a few specific committee reports mentioned specially in the Standing Orders, and in fact Standing Order 83.1, which I will read. It is quite brief:

Commencing on the first sitting day in September of each year, the Standing Committee on Finance shall be authorized to consider and make reports upon proposals regarding the budgetary policy of the government. Any report or reports thereon may be made no later than the tenth sitting day before the last normal sitting day in December, as set forth in Standing Order 28(2).

[*Translation*]

Clearly, this is a report of an institutional nature. We are therefore not bringing this matter before you lightly. We understand the full consequences of what we are talking about today.

The report we were to have considered yesterday—obviously we focused on this instead—includes suggestions by the four political parties and a comprehensive analysis of our country's budgetary and economic situation. We work hard to do justice to the mandate given to us by the House, and I believe that all the members generally carry out that mandate to the best of their ability. But we are faced with a truly unique situation here. We are being told that despite the cover page warning that the report is official and confidential, people can turn around and give it to lobbyists.

A lot of questions still remain. The member explained that she fired the person who worked for her, but that is a little too easy. Who hired that person? What were his instructions? Is this something that happens all the time? Who are these lobbyists? Have they ever contributed to the Conservative Party? Are they well known? Is there a revolving door? This is a fundamental issue that affects our democratic parliamentary institutions.

In our opinion, this requires us to pay particular attention to what we are discussing today, otherwise the public will never know if someone had access to privileged information. For example, if the party in power and the three opposition parties arrive at a unanimous position on an important subject, if someone has several weeks' notice of this position, and if it could be inferred that this would possibly be the government's economic position, those persons, the

clients, the lobbyists are being given a distinct advantage. That covers the external aspect.

As for the internal aspect of our work and the impediment this incident could represent to our privilege of working freely as parliamentarians, there is another simpler but equally important consideration. A great deal of barbs are flung about by all—one is called a socialist, another a separatist, and so forth. If the committee, in carrying out its work, were to adopt the position of the Bloc, the NDP, or another party, and if someone were to discover something that they would not have discovered otherwise, they might put a slant on it. This could have the following result: individual reports would be tabled—which has only happened once—rather than a committee report arrived at by parliamentarians working together, as the public wants and as our institutions require.

For all these reasons, we believe that this was a breach of confidentiality involving the office of the member in question. This raises fundamental questions that cannot be dismissed. Making public confidential information about the advice given by members of the House of Commons in one of its committees to the Minister of Finance in view of drafting Canada's budget is very serious.

Consequently, I ask you to rule that this is a *prima facie* question of privilege and to allow this matter to be referred to the Standing Committee on Procedure and House Affairs.

I want to conclude by asking that you allow us to do our work. You often tell us that you cannot see what happens inside committees. I believe that the committee did everything it could. I know that this type of report is exceedingly uncommon. This is my fourth year in the House and the first time I have seen this. We request that you see fit to allow us to refer this matter.

• (1520)

[*English*]

We therefore move that the matters referred to in the seventh report of the Standing Committee on Finance, tabled in this House on November 23, 2010, be referred to the Standing Committee on Procedure and House Affairs.

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC): Mr. Speaker, I am rising on the same point of privilege.

To my hon. colleague from Outremont I would argue very vociferously that there is clearly no *prima facie* case for privilege in this case.

If I am given the opportunity to review the facts, I would point out that upon learning of the leak of the information of the draft report of the finance committee, the member for Saskatoon—Rosetown—Biggar took immediate and very proactive action. The employment of the person who made the leak occur was terminated. The member for Saskatoon—Rosetown—Biggar then informed the clerk of the finance committee and in fact took what I believe to be unprecedented action by personally contacting every single member of the finance committee, informing them of the leak and offering her apologies at that time.

In recent years, the usual practice of this House has been that when there are leaks of information from either in camera meetings or the situation that we have before us today, when apologies are rendered, they are accepted and the House then moves on. There has been no need for a breach of privilege, no finding of a breach of privilege.

I would point out that all opposition parties, from time to time, have had some of their own members in a situation similar to this. I recall very vividly that the member for Vancouver South, on two occasions, violated confidentiality provisions by talking of in camera discussions from his committee to members of the media. Members of the New Democratic party have also breached confidentiality agreements, and when those unfortunate occurrences have taken place, the members in question who have breached confidentiality matters have risen in this place and delivered what I consider to be very heartfelt apologies. Those apologies, every time, have been accepted. There has been no privilege required, no breach of privilege found in the House, and committees have moved on.

I would suggest that was the appropriate course of action to take in those cases. It is certainly an appropriate course of action to take in this case.

Mr. Speaker, I would also say that despite the arguments by my colleague from Outremont, I would suggest to you and to the members of this place that the member from Saskatoon—Rosetown—Biggar has acted in an honourable, responsible and respectful manner to this House, and rather than a breach of privilege, she should be applauded for her proactive stance on this matter.

• (1525)

[Translation]

Mr. Daniel Paillé (Hochelaga, BQ): Mr. Speaker, I am the vice-chair of the Standing Committee on Finance and I would like to begin by saying that the chair of the committee, the hon. member for Edmonton—Leduc, handled this matter properly yesterday when we discussed this particularly important issue.

The hon. member for Outremont has basically repeated the same discussion we had yesterday. However, with all due respect for the members of this House, I would like to clarify a number of aspects and actions, and remind the House of the facts.

Last Thursday, an employee of the hon. member for Saskatoon—Rosetown—Biggar, in a premeditated act, pushed all the right buttons to post the document in question on the Internet. It is important to note that this was no accident and the information did not slip out in a conversation in an elevator or in the bathroom.

Thus, three well-known lobbyists were given access to the document. They were basically given preferential treatment, since the document in question had not yet even been discussed in committee. In fact, we still have not discussed it, since we thought it would be better to resolve the issue here in the House before discussing it in committee. The document is over 100 pages long and was worked on by public servants and parliamentary officials. In it, the four parties' positions are very clearly stated. So these lobbyists received all of this information before the members of this House did.

Privilege

Before we had a chance to address this item in committee, roughly 100 hours had passed between Thursday around 5 p.m. and yesterday around 4 p.m. During that time, the document was out in cyberspace. Some 100 hours went by before the chair of the committee could contact the three lobbyists in question to ask them to stop circulating the document, if it was indeed circulating, to destroy the document and to provide supporting evidence that the document had been destroyed. Circulation for 100 hours on the web, on the Internet, is a lot, especially since we have no control over the web. In my opinion, significant harm has been caused to the hon. members of the House since this document was a draft of a report that was to be tabled here.

I will close by citing page 1073 of the *House of Commons Procedure and Practice*:

Committee reports must be presented to the House before they can be released to the public. Even when a report is concurred in at a public meeting, the report itself is considered confidential until it has actually been presented to the House. In addition, any disclosure of the contents of a report prior to presentation, either by members or non-members, may be judged to be a breach of privilege.

It is often much easier to ask for forgiveness than to ask for permission and that is deplorable. Consider how long it took for the hon. member to apologize to the House last evening, and that was the thing to do. We hope nothing like this will happen again in our committee or in the House.

• (1530)

[English]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I have some submissions. I generally accept the facts that have been presented. However, I would like to state at the outset that this should not be taken personally by any member because this is a matter of importance to all hon. members.

I received a phone call from the member for Saskatoon—Rosetown—Biggar on Friday at about 4:30 when I was at the airport. I was advised that a copy of the draft report from the finance committee was sent by one of her staffers, Russell Uilyatt, and that it was sent to three lobbyists. This information has been confirmed by others. A Google search and other sources of information would indicate that these three parties to whom the draft report was sent via email all have notable ties to the Conservative Party of Canada.

I asked the member what she had done and, contrary to what the parliamentary secretary to the government house leader just told the House what action she took, she told me that the first thing she did was to go to the chief government whip. The member did not mention that.

The chief government whip is a Privy Councillor. Over and above his responsibilities as a member of Parliament, he also has a responsibility as Privy Councillor to abide by, to protect and to defend the laws of Canada and the rules of Parliament.

It has been confirmed to me by two different parties, and I guess these will have to stand as allegations, that the whip's response to the member for Saskatoon—Rosetown—Biggar was that the matter should be left with the committee and that she should not to take any further action. This is significant.

Privilege

The member for Saskatoon—Rosetown—Biggar may in fact find herself to be a victim of detrimental reliance. She is a member of a caucus and the whip tends to tell its members what to do. However, the member, also as a member of Parliament, has responsibilities and those responsibilities are laid out in O'Brien-Bosc and in our standing orders.

I want to start by giving a reference out of O'Brien-Bosc, second edition, 2009, from chapter 3 under "Privilege versus Contempt" on page 82. I will not read all of it, but for the information of hon. members because this has come up before and we need to understand, it states:

It is important to distinguish between a "breach of privilege" and "contempt of Parliament". Any disregard of or attack on the rights, powers and immunities of the House and its Members, either by an outside person or body, or by a Member of the House, is referred to as a "breach of privilege" and is punishable by the House. There are, however, other affronts against the dignity and authority of Parliament which may not fall within one of the specifically defined privileges. Thus, the House also claims the right to punish, as a contempt, any action which, though not a breach of a specific privilege, tends to obstruct or impede the House in the performance of its functions; obstructs or impedes any Member or officer of the House in the discharge of their duties; or is an offence against the authority or dignity of the House, such as disobedience of its legitimate commands or libels upon itself, its Members, or its officers. As the authors of *Odgers' Senate Practice* (Australia) state: "The rationale of the power to punish contempts, whether contempt of court or contempt of the Houses, is that the courts and the two Houses should be able to protect themselves from acts which directly or indirectly impede them in the performance of their functions". In that sense, all breaches of privilege are contempts of the House, but not all contempts are necessarily breaches of privilege.

The House of Commons enjoys very wide latitude in maintaining its dignity and authority through the exercise of its contempt power. In other words, the House may consider any misconduct to be contempt and may deal with it accordingly. Instances of contempt in one Parliament may even be punished by another Parliament. This area of parliamentary law is therefore extremely fluid and most valuable for the Commons to be able to meet novel situations.

● (1535)

The rest of the section goes on to list the kinds of things that would constitute contempts or privileges. Coincidentally, the very last item says:

divulging or publishing the content of any report or evidence of a select committee before it has been reported to the House.

That is exactly what we are talking about.

As a further reference, I would refer to a situation that occurred in the House during the tenure of Speaker Parent. There was an incident involving, I believe, officials of either the justice department or of the Journals Branch who assist members of Parliament in the drafting of private member's bills. Inadvertently, cross conversations went on between those officials and the clerks at the table. This came forward as an issue of a breach of privilege because of the confidentiality requirement with regard to draft private members' bills. They cannot be disclosed and, just as our draft report of the finance committee says, they are confidential. It must be respected. It is the right of the member to have that respected.

Mr. Speaker, you may recall what happened there. There was a long debate in the House and at the very end, before the time for government orders had expired, a motion was moved by the Bloc House leader, after consultation with House leaders, that the matter be referred to procedure and House affairs. It required unanimous consent. The motion was posed by Speaker Parent and when the Speaker asked if there was unanimous consent, a member had walked into the chamber and said "no". The Speaker then said,

"There is no consent", and then said, "It being 5:30...". I remember very precisely because at that moment I rose in the chamber, as a pretty young member of Parliament, on point of order.

My point of order was that the only member of Parliament who had said no had just walked into the chamber, had not heard the debate, had not participated in any fashion in the debate and was not aware that there was all party consent for that motion. As a consequence, my point of order was that the question be re-put. The Speaker suspended the House, allowed the House leaders to convene again and after they took the member out in the back room and roughed him up a little bit, they came back, moved the point again and the matter was carried and referred to the procedure and House affairs committee.

The importance of this particular example during my tenure is that it was the Speaker who was at risk in terms of the contempt or the breach of privilege because it is the persons who report to the Speaker who had been involved in that breach by that cross communication. We have a parallel here where the member for Saskatoon—Rosetown—Biggar did not herself disclose this confidential document to any other persons. She has declared that and I trust her. The people who work for her, however, did and they sent it to certain people who have been characterized as being strong supporters of the Conservative Party. Is this a culture in the offices of the Conservative member? Is this what is being told? We do not know and in fact we do not have all of the information.

However, the intentional conveyance of confidential documents affects every member of the committee. It exposes members to pressures and undue influence as they finalize their report and it also prejudices the freedom of all the participants. It means that now that the report is out in the hands of at least three lobby firms and who knows who else, they will now know which party supported or recommended certain aspects of the presentations of the 451 submissions and 155 witnesses who we heard.

● (1540)

Now, because we are at the drafting stage, these members could be prejudiced or pressured into taking another position. It puts us at risk. It interferes with our freedom to make good laws and wise decisions, which is part of our prayer each day.

Just to give an idea, this is just one of the emails that came back. It has to do with Lynne Hamilton, the vice-president of public affairs of GCI Group. The email went from the staff member to Ms. Hamilton. The simple response was "I heart you". I assume this refers to "I love you".

That was the reaction. This was important. This was valuable. This was something that we are going to have a good time with.

Interestingly enough, the wording of the transmission of the report to Ms. Hamilton by Mr. Ulliyatt, was:

Thought you may want a peek at this in its infancy.

That was the message, which was signed "Russell".

Privilege

Those are most of the facts, but there are some points that have not been mentioned. One, as I indicated, is that the Parliamentary Secretary to the Leader of the Government in the House of Commons maybe conveniently, I do not know, left out the fact that the first person to find out about this was the Chief Government Whip. I would have expected the Chief Government Whip to know to protect and to defend the rights and privileges of parliamentarians, and he did not. That is an issue to be dealt with.

The member for Saskatoon—Rosetown—Biggar had a conversation with the member for Kings—Hants. He has advised me, and I think he may want to rise to confirm, that his sage advice to the member was to contact each of the lobbyists and tell them that this was by mistake, that it is confidential and they should destroy everything, recover whatever copies have gone out and mitigate the damage.

That was not done. As a matter of fact, it was not until yesterday's finance committee meeting, and I hope I am not divulging confidences as that was an in camera meeting, so maybe I should just say that I am aware that the chair of the committee had to call each of those lobbyists last night while the committee was not meeting. We had suspended, and that is what he was doing.

There was no attempt by the Chief Government Whip nor the hon. member to mitigate the potential damage. Not all members were contacted, as well. I had phoned several times but only got voicemail, so I do understand that some members may not have been able to get through.

I think those are the substantive issues. I would certainly support the motion by the sponsor of this question of privilege.

I would like to raise one last point. Should this go to the procedure and House affairs committee, I am sure it will be well taken care of. Even if it is viewed that it should not go to that committee, I believe there is another issue that the House must deal with. We, as a Parliament, have not had an opportunity to discuss possible amendments to the Standing Orders for a variety of reasons, such as prorogation of the first session so that 60 sitting days never occurred, an election, and things like that.

We have a situation where when things happen at committee, we have a delegated authority to do certain things. We cannot sanction people. We cannot deal with it. It has to come to the House. The only way we can do that is to report to the House.

If we have a situation where a member's conduct is way out of line and needs to be dealt with, but the structure has a balance of members in it who have the ability to frustrate the issuance of a report, there will never be a reckoning of a member's conduct or speech or whatever matter may come forward that is disrespectful to the committee, to parliamentarians and to Parliament as a whole.

● (1545)

The second one has to do with leaked reports. We could not do it unless we had a report. In certain circumstances, whether in a majority Parliament and even in minority Parliaments where the opposition parties are co-operating, it can frustrate the reporting of any matter to this House. There is not a mechanism where an important matter that is in the best interests of parliamentarians and

of Parliament can get on the table and be dealt with to mitigate the damage.

I understand that the chair of the procedure and House affairs committee is aware that these have been problems in committees in the past, but they have not been discussed in this House. I would like to write a letter to him and suggest that we might do this. This matter may be the watershed point at which we need a protocol, a checklist, or a Standing Order amendment so that when things happen in this place that should not happen, and all hon. members agree, we should have a very swift disposition. We should have this matter go through a protocol which ensures that if someone has given bad information, or information which frustrates the rights and privileges of members, it be dealt with immediately. It is something on which we cannot wait.

I am aware of situations, and one situation would certainly be the Mulroney-Schreiber hearings, where it was months before certain things could be dealt with. We do not have the delegated authority in committee to sanction or to deal with these things. It would only be the House, and in fact the Speaker on the recommendation of the House, or the committee that it is referred to.

Having said that, Mr. Speaker, it is a very serious matter. I would sincerely hope that you would look at the details and consider this matter to be meritorious of being referred to the Standing Committee on Procedure and House Affairs.

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, I would like to add a couple of points.

I did speak to the hon. member for Saskatoon—Rosetown—Biggar on Friday. It was said by the deputy House leader earlier that the hon. member has taken every action she could take upon being made aware of this. She did take some action. She fired the individual. She did contact all hon. members of the committee. What she did not do was contact the lobbyists themselves. I believe that having this material out there for over four days before the lobbyists were ultimately contacted and asked not to distribute the information, not to do anything with the information, was a mistake.

I understand that the whip of the Conservative Party was notified at the time of the incident, which was last Thursday, and in fact there was no action taken to contact those lobbyists. I think that is regrettable.

The three lobbyists include Clarke Cross, a senior consultant at TACTIX. His CV indicates that he previously worked as a Conservative staffer to the member for Vegreville—Wainwright and the member for Nanaimo—Alberni. Lynne Hamilton, according to her biography, worked with Conservative governments federally, provincially and municipally. In fact she used to work in the premier's office for Mike Harris. Timothy Egan is the president and CEO of the Canadian Gas Association. According to Elections Canada's website, Timothy M. Egan has donated over \$1,500 to the Conservatives since the summer of 2008, including a donation of over \$300 to the finance minister's 2008 election campaign.

Privilege

The government knew of this leak last Thursday and it allowed this report to circulate within Conservative cyberspace for over four days, until yesterday when action was taken. There ought to have been action taken on Thursday immediately to contact these lobbyists and to ask them not to use the information, not to distribute the information.

It is regrettable that that action was not taken. I do think that this issue merits investigation at the procedure and House affairs committee.

• (1550)

Mr. Massimo Pacetti (Saint-Léonard—Saint-Michel, Lib.): Mr. Speaker, I rise as vice-chairman of the finance committee. Before ruling, I think you should consider not only parliamentary tradition and some of the jurisprudence that you may refer to, because I think some of the members who are not to repeat what they have said, have spoken about how things have changed. We all use BlackBerrys, emails and other technology. In fact, the member for Hochelaga and the member for Kings—Hants just spoke about the fact that in the technological world we live in, information being out there for 100 hours, or four days, compromises our parliamentary privilege.

I just want to make sure that you consider the fact that this document was out there in cyberspace for four days, for 100 hours, or however one wants to interpret it. It is going to affect my parliamentary privilege in addressing the report. I have had experiences where there were leaks while I chaired this committee. We were in prebudget consultation mode. Reporters were trying to get copies of the reports. It has always been a challenge. We have tried working with hard copies. However, if we are going to allow members of Parliament to continue using technology, you are going to have to consider that in your ruling, and I would like you to strongly consider a proper mechanism that we can work with in the future.

There is one other item I would like to put on the record. I understand the parliamentary secretary stated that the member for Saskatoon—Rosetown—Biggar contacted all members. However, I am the vice-chairman of the committee and I was not contacted personally on this matter. I only found out about it on Sunday because I was talking with the chairman, who was kind enough to let me know about this.

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC): Mr. Speaker, I thank all my hon. colleagues for their interventions. I want to point out, if I may, again for the record, that I thank all my hon. colleagues who observed the spirit and the recommendations considered in the *House of Commons Procedure and Practice* manual which states quite clearly that any interventions made on breaches of privilege such as we have before us today should be made briefly and concisely. Everyone in this place, the notable exception being the member for Mississauga South, has observed that. I find it unfortunate, quite frankly, that the member for Mississauga South, who professes to be an authority on procedure and practice, would so blatantly flout the quite clear instructions contained in the manual which we use to conduct ourselves in this place.

Having said that, there are two additional points for your consideration, Mr. Speaker.

First, it has been a practice in previous years, but most recently in previous months, in this place where apologies have been accepted.

One example is when the member for Vancouver South on two occasions breached confidential matters by speaking to members of the media about discussions held in camera in a committee. The member for Vancouver South apologized. The apology was accepted, and the Speaker ruled that no further action should be taken.

Most recently, the member for St. Paul's disclosed the contents of her private member's bill regarding the mandatory long form census before it was introduced in Parliament. Once again, the member apologized and you, Mr. Speaker, determined that no further action was required.

I would submit to you, Mr. Speaker, that we have a similar situation before us today.

Last, Mr. Speaker, I would point out to you that, as you well know, a breach of privilege only occurs when the ability of individual members to do their job has been impugned or impaired. There has been absolutely no evidence, in my submission, that the ability of the members of the Standing Committee on Finance have had their ability to do their job retarded or impaired in any way.

This has been a regrettable incident. It was not the cause of the member for Saskatoon—Rosetown—Biggar directly. Yes, it was a member of her staff, but she took the appropriate action, action that has been recommended and recognized by members of this House to deal with in an appropriate manner, that being an apology to the members of this place. Those apologies, in recent memory, have always been accepted and the issue has then been closed.

I would suggest, Mr. Speaker, that you follow the precedents that have been set, that you accept the apology, as all members have accepted the apology of the member for Saskatoon—Rosetown—Biggar, and that you rule as quickly as possible that this matter is now closed and there is no breach of privilege.

• (1555)

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, the member from the Conservative Party just made the point that when people stand up here and apologize the case is closed.

However, when people stand up and apologize and the House says that it does not agree or it wants to have it investigated, that is your responsibility, Mr. Speaker, to send it to committee to have it studied. If no one stands up and everyone is happy with the apology, that is another kettle of fish.

In this case, that is not what is happening. The member is talking about members from the NDP and about something that happened for which the member apologized. I recall, as the whip of the party, that it was so small there was no damage that could be made and we all agreed that an apology would be okay.

However, in this case we are talking about the finance committee where we have to look at what it could cost, with the lobbyists and all of those people who have the document. That is why I think you have to rule, Mr. Speaker, that this is a different case and you have to deal with the case you have in front of you today.

Government Orders

That is why I am putting my two cents in to bring my point to you.

The Speaker: I want to thank all hon. members who have intervened on this matter.

[*Translation*]

I appreciate the argument made by the hon. member for Outremont and those made by the other hon. members who intervened on this matter.

[*English*]

I will take the matter under advisement and review the events that have been described, and the arguments put forward and the arguments themselves, and come back to the House with a ruling in due course.

GOVERNMENT ORDERS

[*English*]

FIGHTING INTERNET AND WIRELESS SPAM ACT

The House resumed consideration of the motion that Bill C-28, An Act to promote the efficiency and adaptability of the Canadian economy by regulating certain activities that discourage reliance on electronic means of carrying out commercial activities, and to amend the Canadian Radio-television and Telecommunications Commission Act, the Competition Act, the Personal Information Protection and Electronic Documents Act and the Telecommunications Act, be read the third time and passed.

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, it is a pleasure to rise on Bill C-28, formerly Bill C-27. A little bit of history on the bill is important. This is a bill that will limit spam in this country and there are a number of different correspondence issues, not just email. There are several others I will get into later on, but it is important to recognize that this is important for Canada because we are the only one of the G7 countries that does not have a management style anti-spam bill. That is important for us to change.

New Democrats have been pushing for this for years and I want to touch at the beginning of my presentation a little bit on why we feel so strongly about the bill. It was formerly Bill C-27. With prorogation of Parliament that bill was shelved and did not go forward. We played a key role in getting that bill passed with the government. There were attempts to water it down by both the Bloc and Liberal members, but we made sure that the essence of the bill remained when there was lots of lobbying pressure from a number of different business and other organizations that rely upon electronic media. Some of it is done with good intent. Some of it is done with ill intent. But we were able to do that by taking out a provision where the government at one point was allowing a clause in the bill whereby if one had agreed to an electronic advertisement from someone that person could actually use that to go into one's computer and phish through it for further information. We had that clause taken out of the bill and compromised on that so we could move this forward.

Unfortunately, with prorogation, the government lost its opportunity and the bill died despite actually going through the chambers, and that is unfortunate because we did not get to have that legislation

come to fruition. The bill reintroduced is taking quite some time in this latest government round. I am rather surprised it was not tabled during one of the first weeks post-election when we came back to the chamber. There certainly was a willingness on our side to get the bill moved forward and there were a few more changes added that were important to clean up the bill, but did not really essentially change anything. Then it moved quickly through committee and to this point in time.

It is a good opportunity for Canadians to revisit some of their rights in particular. I feel this is very much a social issue and a justice issue because when we look at the violations that go through spam it is not just the mere deleting and the pain of doing that, it is also a means of economically undermining people as well by phishing for information and privacy issues. It is important that the bill passes and I am hoping that it does so rather quickly in the other chamber when it goes there because it is critical.

What really defines New Democrats as different from the other parties in this are the rights people should have as users on computer systems and the Internet. This is something that I continually impressed on those who kept on pushing back on the bill. What I am referring to is the reality that when people buy a computer system, they pay the money. Then after that they pay for the use of the system not only through electricity, but also if it is activated on the Internet. They pay for the programs that are installed on computers that they use. They pay for all those elements out there.

At the same time, their rights were being ignored and, in my opinion, trampled on by others dumping all kinds of unwanted and unsolicited information and material, some of it even malicious, that affected computers, and that is wrong. There should be the rights of the users who pay for all of that, not just the initial outlay, but also the continuation of services every month through a provider. That is a key element that is important about this that gets overridden to a certain degree. With the explosion of the computer use and the Internet evolution, there were no rights granted to the user of any significant magnitude. As well, it allowed the introduction of a number of different commercials and even affects the performance of computers and the work people are doing by having malicious spyware and other types of things that end up on computer systems.

● (1600)

This is at the heart of it. Is this bill going to restore some justice to the Internet? Is it going to bring some accountability, bring Canada into this century in terms of its response and put penalties on those who do it?

For those who do not think it is a serious issue, I want to refer to a Cisco study that was done a couple of years ago. It found that there were around 200 billion messages per day and 90% of emails sent worldwide were spam. There were 200 billion messages per day being sent out to all kinds of people from all over the world and Canada, unfortunately, was one of the places that had spammers.

It was not individual people sending out that message. It was also those hijacking computers and creating what are called botnets. That is where people write programs and send out messages that would infect somebody else's computer so that people's computers become like zombies and send out a series of files, information and messages.

Government Orders

That happened to one of my accounts. It was hijacked and messages were sent out under my email address. A lot of people have faced this. That is why a lot of different software packages have been introduced. Because of the aggressive nature of those who are doing this, it has become an industry in itself just to police it. Various types of software are being used, which require constant upgrading to deal with all of the different infections taking place on computers.

What is important to recognize in that respect is that people are affected in a number of ways. Not only are their reputations affected by their names being tagged with material they do not approve of but it also affects the capabilities of their computers and sometimes their privacy.

There are also phishing scams to trick people. How that works is if people agree to something, there are unintended consequences that are not clear because there are no rules about that. Some people were giving out personal information, and there are those who said they knew what they were doing because they said yes.

We heard the argument from some of the people who use advertisements and so forth that once people agree, it is basically *carte blanche*. That is not fair and the reason is that yes, people made the mistake when they did it, but people are virtually learning on the computer every single day.

I know seniors today who are taking up the computer and its technology that they never had before, and they deserve protection from the government on that. The Internet has become very important, not only for communicating on social matters but also in allowing people to conduct their public and private affairs.

Public affairs means being connected to the world and communities and allows people to understand what is happening out there and to interact in that element, especially those who do not have the capabilities to get out any more, who do not have transportation or whatever the case may be. It is their connection to the community, and that has become clear through sites like Facebook and a whole series of other social media.

People use these avenues now to connect to their own community, not just to look at things or obtain information from across the globe, which they can do as well. It is very much part of people's lives, and those of neighbours, friends, family and so forth.

The second reason people deserve protection from the government and the forces who want fair play on the Internet is because people use it to conduct business, financial transactions such as paying bills, making investments and a whole series of things. Online elements have become critical for the daily administration of businesses and people's pocketbooks. That is key too.

There is the entertainment aspect as well, another critical part. People take part in everything from video games to movies. They can watch television now and a whole series of things. That is why with these elements of phishing, botnets and spam it is important to recognize the seriousness of it. It is not simply about deleting the thing that arrived in one's mailbox that was unwanted. It is about the abuse caused if one has those different elements affecting one's system.

● (1605)

New Democrats believe when a consumer buys equipment, programs and a service provider, the consumer's rights come first. That is an important difference. Technology will change even more. Some of the programs and the writers will become even more vicious. That is why it is important we start with the number one principle.

I will refer to the international scene so we can get a clear understanding of this issue. Cisco reported that the United States was the single largest source of outgoing spam, accounting for 17.2% of all global spam. Canada was the fourth largest source with 4.7% of global spam. Behind the U.S., Turkey and Russia, Canada has a significant per capita.

The United States was referenced at 17.2% and Canada was at 4.7%. That is because the U.S. brought in what was affectionately known as the can spam bill. I hope Bill C-28 will be more effective than the American legislation, but we will see. It has been done with a bit more diligence.

Members will remember the legislation with respect to the do not call list. The government rushed it through and it failed miserably. It was an abuse on Canadians and an embarrassment to the government. We warned the government that it would not respond to the needs of Canadians.

There is a remedy. I took some criticism for supporting the government in a key vote on that legislation. I agreed to allow the minister to amend the do not call list legislation. I thought it was important for consumers to have that capability so I agreed with the government. Canadians want a do not call list that works. Improvements have been made to it and NDP members are happy with the changes.

I want to touch a bit on the types of information in the bill. I want to ensure people know that it is not just spam email defined under abuse. Instant media messaging, use net and user groups spam, web search engine spam, spam in blogs, wiki spam, online classified ad spam, mobile phone messaging spam, Internet form spam, junk fax transmissions and file sharing network spam are all included.

It is important to note that. Those who abuse these types of communication devices will be subject to a series of penalties and fines. I will get into that a bit later. There will be better enforcement power. There will be a better process to stop those who send messages in those different formats to people who do not want to receive them. It is key that be the case.

The spam that we are focusing on has a number of different cost factors. There is the overhead cost, which is electronic spamming, including bandwidth, developing or acquiring an email, wiki blog spam tool and taking or acquiring the zombie computer.

Materials used on a computer system, whether it be the actual computer itself, the server, the websites, the other tools and applications such as a dot design can get infected. They then have to be administered by new software upgrades, hardware upgrades, a series of different things depending on what the spam has done to the computer.

Government Orders

Say, for example, a web designer has to design another management system related to security provisions to block certain things coming in. A physical cost is going to be involved as well as a programming cost. That is basically lost productivity in the Canadian economy. There is a cost to people doing work because others have abused or caused problems maliciously.

There is also a transaction cost. The incremental cost of contacting each additional recipient when one method of spamming is multiplied by the number of recipients. There is risk of legal or public reaction, including punitive damages.

● (1610)

On the transaction cost, it is not only the cost of responding, but also the public image or whatever it might be. There could be any host of emails coming in that are disingenuous and presents one's company or oneself in an ill way. Often those affected have to physically spend the time to re-contact people.

Also, one's reputation may be at stake. If people have their names tagged to something they do not support, that can be very damaging to them, given some of the content that is on the Internet today. Companies can suffer from this as well. This is another cost.

As well, damage is another cost. Damage can take place in a number of different ways, from people's reputations to a community and other types of areas. For example, Canada is currently known as a spamming country. We know that other countries look at us in an unfavourable way because we have not dealt with spam in a responsible way until now.

Spam is also used in crime, and this is important. In our opinion, it is a violation of not only consumer rights, but it is crime. We have seen viruses, Trojan horses and malicious software, often with the objective of identity theft and fraud.

There are people who lose information. There is sensitive information on computers, for instance, payment of credit card bills, real estate or other types of transactions, and all types of purchases. We see more and more purchases through several different sites taking place now.

When people experience identity fraud, they face a series of things. First, they have to find out when it took place and what has gone out. As well, the damages are part of that. Whether it is credit card theft or the use of their names and IDs to do things on the Internet, that can significantly affect them.

Also, and this is important, some people are not used to using the Internet or are just learning to use it. They become pawns for those who are very clever about using this information, technology and the different types of spam. Basically, there are predators. If people are not skilled or do not know the full effects of what they are doing, it does not make it right that they are taken advantage of. The bill's increased fines and penalties will be a significant deterrent when we look at some elements that need to be changed.

I recognize the work of the 2004 national task force on spam, which went across the country. It got things going and unified Canadians around the rights of the spam bill. It is important that we recognize the task force.

● (1615)

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, clause 47 lays out the punishments under summary conviction, which are fines in the range of \$10,000 to \$25,000. If it is not a first offence, it could be as much as \$250,000.

During the debate today one of the issues that came out was the fact that there were no provisions within the bill for criminal sanctions. The question about deterrence for the actions of perpetrating these actions is a significant issue.

From the member's knowledge of the special committee report, were there discussions and suggestions with regard to the deterrence? Clearly prevention of these problems is far superior than to deal with them after we have them.

Mr. Brian Masse: Madam Speaker, the only time the discussions came up was when there was an attempt to water down some of the fines and penalties, which we opposed.

With the new system, it is a \$1 million for a person up to \$10 million for a company. Then there is a series of fines for businesses as well. They are improvements to what we currently have. The good thing about that is those also can be amended quite readily if we find that this does not work. The minister can do that through an amendment.

I am hopeful this will work. If it does not, I would encourage quicker action, like we have seen on the do not call list, and ensure those penalties are sufficient. It will be interesting to see.

There is also a private right of action that is now granted. Therefore, there are new elements that will hopefully provide a big enough stick.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Madam Speaker, one of the issues we wanted to try to resolve today was in the case of the Facebook suit. In that case, the judgment was against the individual. We wanted to think in terms of that in the context of the bill. Had the bill been in force at that time, would the penalties under the act have had any application to that gentleman?

We know, for example, that the authorities will be proceeding by undertaking as much as possible. The CRTC will try to get the perpetrators to stop doing what they are doing. That probably would not have worked with this gentleman.

The second option is to look at fines of \$1 million or \$10 million in the case of companies. Clearly this gentleman declared bankruptcy and moved on. Therefore, that would not have worked.

The question is whether any sort of a criminal offence would have helped stop this person. Violations under C-28 are not criminal offences.

Government Orders

The debate today has been about whether this bill would have proper application to the Facebook case. Perhaps we will have to revisit the bill in two or three years and take another look at it. If more Facebook-like cases evolve and the bill does not apply, then we will have to haul it back and look at making tougher sanctions available to people who do what the Facebook operator did.

• (1620)

Mr. Brian Masse: Madam Speaker, the member for Elmwood—Transcona brings up an excellent case. It is one of the things that we will have to witness. It should be a criminal offence.

I cannot say this enough. We believe people's rights are being invaded since they are paying on a regular basis to have this service. Therefore, there should be a penalty for everyone who is abusing these people. The bankruptcy situation, as noted by the member, is critical to it because it really does not give a measure back to the public for that.

We would be happy to revisit that immediately if we find transgressions like that continuing.

Mr. Jim Maloway: Madam Speaker, I thank the member for his clarification on that point.

Another concern we had was about the roll out of the legislation. The member knows that after having passed legislation and gone through all the processes of committee and testimony and so on, there would still be thousands of little businesses all over Canada that would not be aware that we passed the legislation. That can be upsetting to some of them as they try to adjust to the new rules.

Some of the new rules under the bill involve how they interact with their customer base. When the do not call list came out, businesses were concerned they would not be able to contact their existing customers to sell them a different type of product or service. It provided a lot of acrimony in some workplaces.

The issue I have is we cannot question government members because there are not any. Therefore, we are not sure what its roll out will be or what form it will take. Is there going to be advertising? Are businesses going to be mailed letters? Is there going to be a CD package sent out to businesses or business organization to consult with small business as to how they are supposed to implement the requirements of the act, as opposed to doing it piecemeal?

I have really no confidence that the government has the ability to roll out anything in any type of efficient manner.

I think we would want to ask these questions now before we start getting calls in our constituency offices from small businesses across the country, wondering what in the world the government has done. The fact is the intention of the bill is excellent. It is something we support. It is something that should have been brought forward long ago

I want to get some clarification from the member about these various points.

Mr. Brian Masse: Madam Speaker, the member for Elmwood—Transcona is right again. Maybe they will use their used up Infrastructure Canada signs or something. I do not know. I have not seen what the government is going to do in terms of promoting this.

There will be a lot of small businesses that do not understand the rules. The rules get a little complicated. I did not have the time to go into it during the speech, but there are a number of ways that they can still reach out to customers for a certain period of time, 18 months. There is going to be a process for people who want to get that communication.

It is interesting, because it was a big challenge to get the provision maintained. If people want to opt out from an ad or actual spam or information coming in, whatever it might be, the businesses have to do that within 10 days. The banks complained about how onerous that was. Meanwhile, my bank was regularly sending me emails, every single day, but it did not have the time to take me off the list. The bank wanted to have 30 days to be able to take people off the list, which is ridiculous. It is actually going to be 10 days, which is reasonable.

That will be important, because there are different connections out there. There will still be family members, business contacts, a whole series of people who will continue to have those relations, and then the process has to be started of opting in and out of ads.

There is going to be confusion out there. I think it is actually going to take a couple of years, to be quite honest, for this to be fully understood by the public. I am hoping the government is going to do some promotion on this, because the sooner we can get to this and work on it, the sooner we can improve productivity in Canada.

It is always the workers who are blamed for lower productivity, but here is a case where bad laws and the lack of laws are actually pulling this country down and under.

In looking at the small businesses, there will be an opportunity for those that want to send out legitimate ads. They will have to learn new ways to do that. Also, employees and the businesses' own computer systems will no longer be dealing with the massive amount of junk that comes in that they do not need.

There is going to be a transition period. There is going to be a grace period as this takes place. The dates, times and all those things need to be clearly articulated. I think the government is going to put up some resources to do that. It will make money on those resources because productivity in this country will improve.

• (1625)

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, we are debating Bill C-28, which I must admit is a very important bill. A number of members have had an opportunity to speak on it, but I would like to read into the record the summary of the bill. The summary of a bill is usually a fairly good synopsis of what the bill would do.

The summary of Bill C-28 states:

This enactment establishes a regulatory framework to promote the efficiency and adaptability of the Canadian economy by regulating certain activities that discourage reliance on electronic means of carrying out commercial activities.

Government Orders

It enacts An Act to promote the efficiency and adaptability of the Canadian economy by regulating certain activities that discourage reliance on electronic means of carrying out commercial activities, and to amend the Canadian Radio-television and Telecommunications Commission Act, the Competition Act, the Personal Information Protection and Electronic Documents Act and the Telecommunications Act, which prohibits the sending of commercial electronic messages without the prior consent of the recipient and provides rules governing the sending of those types of messages, including a mechanism for the withdrawal of consent. It also prohibits other practices that discourage reliance on electronic means of carrying out commercial activities, such as those relating to the alteration of data transmissions and the unauthorized installation of computer programs. In addition, that Act provides for the imposition of administrative monetary penalties by the Canadian Radiotelevision and Telecommunications Commission, after taking into account specified factors. It also provides for a private right of action that enables a person affected by an act or omission that constitutes a contravention under that Act to obtain an amount equal to the actual amount of the loss or damage suffered, or expenses incurred, and statutory damages for the contravention.

This enactment amends the Competition Act to prohibit false or misleading commercial representations made electronically.

It also amends the Personal Information Protection and Electronic Documents Act to prohibit the collection of personal information by means of unauthorized access to computer systems, and the unauthorized compiling of lists of electronic addresses.

Finally, it makes related amendments to the Competition Act, the Personal Information Protection and Electronic Documents Act, the Canadian Radiotelevision and Telecommunications Commission Act and the Telecommunications Act.

Most people would recognize this as the bill to deal with spam, but actually it is much more than that. So I took the opportunity to go back and look at the representations made to the House by the minister himself when the bill first came forward. I would like to quote a brief section of his speech in which he says:

Threats to the online economy include more than just spam. They include spyware, malware, computer viruses, phishing, viral attachments, false or misleading emails, the use of fraudulent websites, and the harvesting of electronic addresses.

Here is an interesting point. He says:

These threats are not just nuisances. Some are fraudulent, some invade privacy, and some are used to infect and gain control over computers. It is estimated that spam costs the worldwide economy \$130 billion a year.

He goes on to say:

The bill before us contains important provisions that will protect Canadian businesses and consumers from the most harmful and misleading forms of online threats. It improves the privacy and economic security of Canadians in the electronic environment. It offers a host of clear rules that all Canadians will benefit from. It will promote confidence in online communication and electronic commerce.

The bill before us stakes out new ground in Canada.

Here is an interesting point:

Currently we are the only G8 country and one of only four OECD countries without legislation dealing with spam. This bill will rectify that situation.

In developing the bill, we have been able to incorporate the best practices of other countries that have launched similar efforts.

That is not exactly what the members said today in debate. It is kind of interesting. In fact, some members said that we have not even put forward legislation that takes into account all of the best practices of the G8 countries that have legislation in place. We have come up short on that. As a matter of fact, it was described that we are going to be playing catch-up. That point was made several times today during debate.

• (1630)

It is concerning because this is a very serious problem. We are ranked fifth in the world in terms of spam. I believe nine billion spam messages are received each and every day in Canada.

There is a cost associated with it. The worldwide cost is some \$130 billion. Canada is fifth and we have about 10% of that. So we are talking about a lot of money, and based on the debate in the House, which has been substantively just opposition members, not enough rigour has been put in this bill to make sure that it is effective, the wish of the minister that this is going to be a good thing. We have missed the boat a bit.

One reason is that most of these problem areas come from international origins and they are beyond the reach of the laws of Canada. So all of a sudden we have to take out all these mass emailings sent out by persons who are not resident in Canada and are outside the reach of our laws. I will speak a bit more about that later.

The other part that was discussed very substantively during the day had to do with penalties. The infractions are under clauses 43 and 44, but with regard to the penalties, it says in subclause 47(1):

Every person who commits an offence under section 43 or 44 is guilty of an offence punishable on summary conviction and is liable

(a) to a fine of not more than \$10,000 for a first offence or \$25,000 for a subsequent offence, in the case of an individual; or

(b) to a fine of not more than \$100,000 for a first offence or \$250,000 for a subsequent offence, in the case of any other person.

It seems to stop there, ostensibly, in terms of the fines.

The point made in debate was that these are just fines. The growth of spam in Canada continues and we are playing catch-up. Despite the fact that this is proposing some fines, the argument has been that it does not seem to represent a sufficient deterrent to the perpetrators of, in many cases, the frauds.

Since the year 2000, online sales for Canadian companies have increased nearly tenfold. Ten years ago, online sales in our country were less than \$7.2 billion. In 2007, the sales reached \$63 billion. When we consider the magnitude of the economic activity going on in these unsolicited emails, we have to wonder whether, if someone gets caught, a fine of \$10,000 or even \$250,000 is going to be a significant deterrent from continuing the practices of spamming and the other forms of offences.

The point has been made a number of times that we missed the boat in terms of the penalties for offences. We have not taken into account that although the CRTC and the Competition Bureau will have the tools to impose fines, we do not have criminal sanctions here. There are going to be cases, undoubtedly, where we are talking about billions of dollars that have been made by companies, without the fear of any criminal prosecution, just a fine. That, I believe, is a big flaw in this bill.

Regarding the admission that it did not go as far as other G8 countries and that we are playing catch-up, this bill has been around for five years. Previously it was Bill C-27. It is now Bill C-28 under a new Parliament, after prorogation and/or an election, but we are still playing around ostensibly with the same act.

Government Orders

• (1635)

If we look at the briefing notes, it is substantially still the same act. I really have to question whether there is a strategy to deal with the whole problem. The deterrents and penalties are certainly one aspect of it.

Recently, we have been dealing with some other pieces of legislation that I had an opportunity to deal with. One I think was just yesterday, a bill on tax treaties with Greece, Turkey and Colombia. It included the fact that we would be entering into information-sharing agreements with these countries.

It turns out that Canada has tax treaties with more than 90 countries around the world. We have relationships with virtually every major economy around the world, and we do it because we want to eliminate double taxation, we want to deal with tax avoidance issues and we want to promote trade, et cetera. It is a good thing.

Why is it that we did not discuss information-sharing agreements on Internet abuses at the G8 and G20 summits? We paid \$1 billion for one of those meetings. Surely we could have talked about some substantive matters, such as a problem that is costing the world \$130 billion a year. It is not insignificant. That is 130 G8 meetings. That concerns me.

In the Income Tax Act there is a general anti-avoidance provision. Because there is a concern about being behind in our ability to keep up with the changes in technology and not even up to speed with what other G8 countries have been doing, we have the situation that, given how long it takes to bring forward new legislation and make the necessary changes, the time lag is so great that it is a tremendously expensive proposition when we know that it is going to grow.

I am wondering why the government did not pursue information-sharing agreements and things like the spirit of a general anti-avoidance provision, something that would say that notwithstanding what the act says, if the government believes people have done something that gets around the rules and in fact perpetrates fraud, the process of fraud or other offences under the act, it will be able to prosecute them as well, even though it may not be specifically in the act or have been contemplated.

That is why we have regulations to legislation. Rather than putting all the items in the legislation, we put them in regulations, which we can amend by orders in council fairly quickly. We do not need new legislation.

I am not sure at this point whether there was an opportunity missed. It would have been helpful to have built in some sort of a mechanism whereby the legislation, particularly in this case, was adaptable or was able to address emerging technologies and some of the issues that are coming out.

The other bill we dealt with recently that spurred some interest with me was the requirement for Internet service providers to report websites, et cetera, that had information or depictions of the sexual exploitation of children. The whole purpose of the bill was to require Internet service providers to report those things. It is an important

element in the overall attempt to deal with the sexual exploitation of children.

Could this bill not have had a requirement or obligation for people who are involved or who become knowledgeable about the people behind some of these fraudulent activities to report? Intuitively people would say, "I respect the law, but I am not sure whether I am obligated to report if I become aware". Maybe we should understand what the consequences are if we allow it to carry on, and perhaps there should have been some initiative that would have spurred people to report when it comes to their knowledge.

• (1640)

One of the experiences I have recently had, which most members have had, is that we received an unsolicited email apparently from a bank, which has the actual logo of TD bank or Scotiabank, for example. It purports to be our friend and tells us our account has been suspended and we have to get in touch with the bank, blah, blah. I printed that email before I deleted it and took it to the bank, which told me those things originate offshore and there is nothing banks can do about it, and that was about it. The banks ought to play a greater role in this. This is a big part of it. This is where there are people who prey particularly on seniors, the ones who are most vulnerable. When they are sent an email that says the bank has a problem and they have to get in touch, once they press the button and respond, they are in the system. Now they are targets. Now they are at risk.

We did not deal with that. We should have dealt with that. I do not know how. I am not saying I have the answers, but we should talk about it. Are other jurisdictions doing it? If these come from offshore, it is a case where we should have entered into information-sharing agreements and worked collaboratively with countries around the world? We certainly could have agreements with the 90 countries with whom we have tax treaties on matters that are harming all of us, when someone is in one jurisdiction and doing harm in another. We have seen that with regard to Switzerland and Liechtenstein with regard to tax havens, money-laundering and all kinds of things. When are we going to start entering into serious negotiations with our partners in trade and any other country that wishes to, for mutual benefit, to deal with these things? Where is the strategy? That is what is missing.

As I indicated, the penalty regime is not quite right. The issue with regard to dealing with the international situation seems to be ignored. We do not know what the dimensions are there.

Government Orders

The fact that it has taken five years already to get to this point does not send a warm fuzzy signal that we are really serious about this. Why does it take so long? When we bring bills in, why do we not start them with the minister or whoever is going to present the bill to the House and deal with it right through so that there is a continuity of the debate and a consensus that starts to develop? Second reading should be an opportunity for members to alert committee members to the kinds of concerns they have. This is where some of the fodder comes from in the legislative process. We cannot make any particular motions at second reading to change things, but we certainly can make recommendations to the committee and then make sure that committee is ready to deal with it. There is no point in putting forward a bill when there are 10 other bills waiting in a hopper to get into a committee, because it will not get dealt with for months.

In scheduling the House business, a particularly important legislation such as this seems to have been an orphan. I wish it had been dealt with quickly and, when it went through committee and came back here, we did not have debate last May and some more debate in September and now again in November. The continuity of the bill has been appalling. The issues have been on the table and this is something that has the support of all hon. members, all the parties. So why does the government drag this out in terms of how it schedules the bills for debate in the House? If it really cared about it, this would have been bang, bang, bang. The House leaders should have talked to each other. In the U.K. they have discussions to decide how many speakers there are going to be, they have the speeches and they deal with it.

I would suggest it is an important bill. I support the bill. The House will support the bill. We should get on with it, but the minister should know we are very concerned that we did not go far enough and that the bill may be a false start on the resolution of a very important problem.

•(1645)

Mr. Jim Maloway (Elmwood—Transcona, NDP): Madam Speaker, I did appreciate the member's comments. I think he added a little more clarity to the issue than he did previously. I am reasonably happy with his explanation of how things would work.

The reality, though, is that the question was how this bill would have dealt with the issue of the Facebook case. The basis for adjudication under this bill is going to follow the route of the CRTC, going to the parties that are causing trouble and trying to deal with them and get an undertaking from them to cease and desist from what they are doing.

I agree that is the way we should proceed. As much as possible, we should get voluntary compliance before we go any further.

The second option is looking at the fines. The fines are \$1 million for individuals and \$10 million for organizations. There are a number of different options they could use to decide how much to fine them. If there a situation like *Frank* magazine, which used to incorporate each issue and say up front that it was going to publish whatever defamatory remark about people it wanted, then people could sue it, but each issue was incorporated. That is tantamount to this guy declaring bankruptcy. So that clearly did not work.

This bill does not offer any criminal options. There are no criminal offences under this bill. My suggestion is that, potentially, there may

be instances, hopefully very few of them, where we may have to look at that option. That is why I asked why we were not hearing many government speakers on this whole issue, as to what happened in the other G7 countries that have had this legislation much longer.

Surely the government could have learned from the experience of the other countries. It could have tailored the legislation to take into account any deficiencies that these other countries found.

I also liked the member's idea about sharing information. This particular bill does allow for that, but he is talking about treaties, I believe, that would be signed individually, similar to the 90 double-taxation agreements we have with countries around the world.

By the way, the members should know that in the case of Panama, with which we are working on a free trade deal, Canada does not have a double-taxation agreement with Panama and yet France does. In six months, from February until now, France managed to get an agreement just by putting on pressure. However, that is a different issue and a different bill.

I would like to ask the member if he would give his comments about how he feels the government rollout of this bill should proceed, because I do see a potential for confusion with small business.

Could the member comment on this?

Mr. Paul Szabo: Madam Speaker, I want to address the Facebook issue.

I think the member answered his own question. We are in a dynamic situation, obviously, in a number of areas, and we have to be able to respond. That means we have to be one step ahead. We have to anticipate, as much as we can, but then we have to build the flexibility into our legislation to be able to respond to new technologies and new strategies.

Just on taxation, some of these tax experts are wizards and they can find weasel holes to get through almost anything. We have the experience, but we do not seem to take advantage of it.

I want to emphasize one other point, and that is that we seem to spend a lot of money punishing people, putting them in jail and dealing with problems after we have the problem. I remember that when I first started as a member of Parliament, I was on the health committee. The health people came in and said that 75% of what we spend on health care is to fix problems and only 25% is on prevention, and it is unsustainable. That is proving to be true.

I do not see prevention here. I do not see public education. As a matter of fact, the Privacy Commissioner who is responsible for PIPEDA, who is going to have a role in here, does not even have public education in her mandate, even though the committee I chaired asked for it. The Minister of Justice, responsible for the bill, said that he was perfectly happy with the act and that we do not need it.

Government Orders

We need to be smarter. We need to work smart not hard. Smart legislators will say we need public education to get people to be part of the solution, because if they are not they are going to be part of the problem.

● (1650)

Mr. Jim Maloway: Madam Speaker, I want to delve into the do not call list issue with the member.

The member will recall that when the government introduced the do not call list legislation, it was very popular with the public initially. The public phoned in by the thousands to get on the do not call list. We found out later on that the people who phoned in to get on the do not call list were actually getting more calls after they were put on the list. That did not work out very well.

What we have with this legislation is that the do not call list legislation will eventually be eliminated and will be covered, I assume, by this legislation over time.

Once again, it takes us back to how the government rolled out the do not call list legislation in the first place. The fact is that small businesses across the country were very confused. There was debate within all these little offices about who one could contact and who one could not. Previously, real estate agents were able to contact people with whom they had been doing business with previously and then the rules were changing on them. There was a lot of confusion under the do not call list legislation and I think there will be now on this legislation. I would like to ask the member to comment on that.

Mr. Paul Szabo: Madam Speaker, the member's point is well taken. It is the roll out. It is one thing to have a piece of legislation. The other is to have a piece of legislation that is operable and efficient.

I can give one example. At the finance committee today we had the finance minister and his officials before us on the budget implementation act, the second bill. I asked them about the tax free savings accounts because in that bill there needs to be amendments dealing with deliberate overcontributions and prohibited investments. There were about five different amendments dealing with tax free savings accounts. If people put up to \$5,000 a year in this account, the income they earn on it is not taxable. Real complex.

However, there are more amendments happening in Bill C-47 on tax free savings accounts than the legislation segment creating it.

I basically told the officials that they had not done their job. Where was the due diligence? Where was the consultation? Where was the anticipated question? Where was the roll out plan and how were we going to be sure that this thing worked, when we had anticipated all of the things that people would do, particularly some of these shrewd tax planners.

We do not seem to work smart. We work hard. We have jillions of people. I was told we had sign-offs at every level but not one of them contemplated what to do if there was an overcontribution. It is obscene.

Mrs. Carol Hughes (Algoma—Manitoulin—Kapuskasing, NDP): Madam Speaker, a recent study from California demonstrated how spammers profit from their activities by shifting the cost traditionally borne by marketers to the recipients of spam, namely

Internet users, and, although many people immediately delete spam messages, the study found that spammers remain profitable even with very low response rates.

Given the fact that I have a vast riding with a few communities are seeing more and more seniors, Elliot Lake in particular, and spam is very problematic. We have seniors who are accessing the Internet for their daily necessities because they cannot go out. We have some of the most vulnerable people, people with intellectual disabilities, people with physical disabilities, relying on the Internet.

I think it is finally time that we do have spam legislation in place. I wonder whether the member believes that the bill would actually assist in preventing some of these people from being taken through fraud. They often think they are getting a good deal but the next thing they know they are not. They are being taken advantage of.

● (1655)

Mr. Paul Szabo: Madam Speaker, the member makes a very good point. I wish the bill had a requirement that we do a seniors and disabled persons analysis, just like we have a gender analysis for legislation.

It really is the most vulnerable who are at risk, the ones who do not understand or believe that it is their bank contacting them and asking them to call back or that they must buy this or buy that.

We are trying to deal with those who prey on the weakest in our society. I do not see that heart in the legislation but I believe there is room for us to continue to advocate for governments, when bringing forward bills, to ensure they anticipate that we are not just dealing with some inert issue like Internet emails. We are dealing with people, the impacts on those people and the cost to those people, which is taking away valuable dollars for the important programs and services that those people need.

Ms. Yasmin Ratansi (Don Valley East, Lib.): Madam Speaker, I am pleased to speak to Bill C-28, the electronic commerce protection bill.

As has been discussed here, the purpose of the bill is to deal with the issue of spam. The bill would prohibit the sending of commercial electronic messages, or spam, without the prior consent of the recipients.

Spam represents about 60% to 80% of Internet traffic worldwide, and it is a serious problem for Canadian individuals and Canadian businesses. In recognition of the seriousness of the issue, the Liberal government in 2004-05 established an anti-spam task force that came up with recommendations.

The recommendations called for the government to introduce legislation that would: first, prohibit the sending of spam without the prior consent of the recipient; second, prohibit the use of false or misleading statements that disguise the origin or the true intent of the email; third, prohibit the installation of unauthorized programs; and, fourth, prohibit the unauthorized collection of personal information or email address.

Government Orders

I am pleased to see that the Conservative government, through Bill C-28, is enacting all of these recommendations. However, we need the legislation immediately as Canadians are suffering because of the lack of legislation.

Twenty years ago, a computer was not essential in carrying out our daily lives. However, now it is important to small businesses, corporations, non-profit organizations, hospitals, students, seniors and even our parents and grandparents use one. It is a mode of operation. It is a way of life. It facilitates, hopefully, the ease of transactions. People like to do their banking, pay their bills, et cetera on the computer.

With the ease of using computers and sharing information, however, a problem is created. It is the unwarranted advertising or misinformation and potential threats. We all know too well the consequences of spam. It brings with it viruses and worms.

In 2003, Canadian consumers and businesses spent approximately \$27 billion to develop a phishing program. Members should reflect on the amount of money Canadian businesses had to spend. It probably constitutes the budget of three developing countries. A critical issue is the amount of money that was spent and yet the problem has grown worse.

Why is spam a critical issue? First, it is unwanted; second, it makes the utilization of our computer or our technology inefficient; and, third, it is costly. Computer technology was supposed to make our lives easy, efficient and effective. It was supposed to do things on an economical basis and it was supposed to be paperless.

In my previous occupation as a management consultant, I used to talk about the 3E's of business: economy, efficiency and effectiveness. I used to tell users that by using technology they would make life easier for themselves, things would be simplified and everything would go well.

As we reflect on spam, let us look at the economic aspect of it. Has it become economical to use the computer? I think a lot of us would say that is debatable. As I mentioned, Canadian businesses have collectively spent \$27 billion on a phishing program. Imagine what could have been done with \$27 billion. Imagine the amount of investment that could have been made and the jobs that could have been created. From an economic perspective, there does not seem to be any economic benefits or the economic benefits have been diluted because of spam. Therefore, the Liberals made recommendations to alleviate the economic pitfalls.

• (1700)

Let us look at this from an efficiency standpoint. Sixty to seventy per cent of Internet traffic is spam. A small or medium sized enterprise can ill-afford this type of ineffective utilization of its computers. Employees or business owners have to waste time looking at that spam mail and figuring out what to do with it. Instead of being effective or productive, they have to start clearing out the spam. In terms of efficiency, spam is a thorn in the side of efficiency, be it for businesses or individuals.

How many times have we ourselves been overloaded with spam? I am sure all of us have had first-hand experience with spam where we get false and misleading information from institutions purporting to be banks and false or misleading information from organizations. In

fact, sometimes it could be a personal spam that is sent to us, and I can attest to that. As I was looking through my own email, I noticed an SOS from a constituent and I wondered what was wrong. As I looked at that email, I realized that the constituent's email had been compromised, especially because I knew the constituent and I knew that she would never ask for money. It claimed that she was stuck in some foreign land.

People who do not understand or do not know the person who is sending an SOS notice try to be good Samaritans and they might just be misled into giving money and being defrauded.

Spam, and subsequently the possibility of fraud, is a huge problem for all of us. It is important that we, as a collective, address the issues.

Sometimes we think we have secure accounts. Our BlackBerrys are secure accounts but how many of us receive junk on our BlackBerrys? How many of us think that this is such a secure account, how did somebody access it?

If we look at what is going on in this day and age where technology is easy, where people can hack through anything, we need to be careful that we have legislation in place to protect Canadians from misleading or fraudulent activities.

We know what to do with junk mail. We park the junk mail. However, some people who do not know what to do with it and sometimes respond. Sometimes we get emails stating that our computers are at risk. This is a classic example where people download a program that will protect them from viruses or worms and then the computer freezes. Many constituents have complained that this has happened to them and they want to know if there is any protection for them. We have now downloaded a virus and the person who has sent us the virus is looking for us to buy his or her own anti-virus or firewall. This is trying to cheat Canadians and cheat people who are unsuspecting of what is going on. By sometimes naively downloading files or pictures, et cetera, worms and viruses have entered the system and it has been problematic for Canadian businesses.

We have heard of receiving emails that appear to come from our financial institutions. If we are naive enough and do not verify with the banks whether they have sent us this email, we can compromise our bank accounts. This has happened to many seniors. They have been defrauded of their life savings by unscrupulous people.

Therefore, to address this very important issue, the Liberals released a report in 2005 entitled, "Stopping Spam: Creating a Stronger, Safer Internet". As we mentioned earlier, the task force made many recommendations. Among those were the prohibition of sending unsolicited email or the use of misleading statements, funny titles, products, et cetera.

Government Orders

●(1705)

These are important changes and I do not think anyone in the House would object to what Bill C-28 proposes. However, we may object to the fact that it is a little too late, that we have not got on with the program and that we have not moved with the world.

I am sure many members of the House have received complaints from constituents because the issue is compounded when things are deregulated or contracted out. For example, when the telephone service is contracted out or the banking service is done in India, China or Brazil, there is a problem because the government's ability to control or combat spam is not just about introducing legislation, but it is also about working with world governments and organizations to develop an international strategy for reducing this ongoing burden of spam.

Internet policing is difficult as the traffic is humongous. I mentioned that 60% to 80% of the Internet traffic is spam. The sheer volume of messages challenges the capacity of the ISP, the Internet service provider, or legitimate businesses to do business. They have to put all sorts of firewalls up to help prevent their businesses from being hacked.

It was only a matter of time before spammers began to take advantage of our country. Canada ranks fifth worldwide as a source of web-based email spam, trailing Iran, Nigeria, Kenya and Israel. The recent Facebook case that has been referred to has placed the spotlight on Canada's ongoing failure to address its spam problem by introducing long overdue anti-spam legislation. The case is only the latest to illustrate that the government's inaction has had an impact. The fact that organizations are forced to use U.S. courts and laws to deal with Canadian spammers points to an inconvenient truth; that Canadian anti-spam laws are woefully inadequate and we are rapidly emerging as a haven for spammers eager to exploit our weak legal framework.

One of my colleagues talked about the information-sharing agreements, that we sign tax treaties and that we have trade treaties. We have a relationship with so many countries. It is absolutely unconscionable that Bill C-28 does not somehow link these relationships that we already have. Why are we not linking our anti-spam legislation so we can be assisted internationally?

We have these information-sharing agreements with regards to matters before us. Spam costs worldwide \$130 billion in terms of costs and damages. Canada is ranked fifth in terms of web-based spam.

We need to ensure that the government does not drag its feet on this very important issue. It has been five years since the bill first came to us. It has already been disclosed that we have not gone as far as the other G8 countries. We are the only G8 country and one of four OECD countries that does not even have legislation. A member of the committee just said that we would be playing catch-up because we did not go far enough.

Michael Geist, who is an expert in Internet and e-commerce law at the University of Ottawa, said that there were several Canadian companies among the roughly 200 top spamming organizations in the world. They account for about 80% of the spam generated. He pointed out that junk mail could go beyond nuisance and result in

hacking and fraud. That is a big problem for a lot of businesses and individuals.

●(1710)

As I mentioned, many people have been defrauded of their savings. Many computers have been compromised. Therefore, it is important that Bill C-28 be passed quickly so at least there is a first step in getting anti-spam legislation.

In particular, a new section needs to be added to define false or misleading representation by electronic message as an offence. This offence extends not only to the content of the message, but also to its sender and subject matter information, as well as its locator. It is not necessary to prove that someone was misled or deceived by the message or even that the person was the intended recipient. It is sufficient to prove that the message was misleading or deceptive.

The penalties for this new offence are a prison term of up to 14 years or a fine at the discretion of the court for an indictment of both or a prison term of up to one year or a fine up to \$200,000 for a summary conviction, or both, which is clause 76.

At this juncture, I would like to draw attention to government members. It could be troublesome for members of the government as they continue to send messages touting the dubious benefits of many pieces of its fiscal legislation. I look forward to the finance minister's tweets on the budget becoming one of the first enforcement actions emanating from the passage of this law. I wonder if emailing some of the debates in the House might also cause someone to be charged under this act.

In all seriousness, we must be mindful that the intent of this act is not to limit freedom of speech, but to stop some of the more egregious examples of spamming and fraud that is prevalent and obvious to anyone who has an email account.

It is important, as we move forward, that we know that Internet policing may be difficult. Internet trafficking is creating a lot of problems, but with problems there are solutions. In finding solutions, we need to know what we are dealing with. If the government is serious about introducing legislation, it is important that we move quickly to enforce the legislation.

Industry Canada cannot do its own work without the necessary resources. I would like to know the resources the government will commit to Industry Canada to ensure effective corrective solutions. It is extremely important for people everywhere in Canada to have confidence that the legislation provided by the government will be effective and that there are appropriate sanctions. I believe any legislation brought forward must ensure that we have proper resources and effective coordination.

A rapid response to correct this problem would ensure that those who see Canada as a target would find another place. However, we do not want them to find another place because that other place is where we also do our business in the financial and banking sectors.

Government Orders

I hope we will work with the international community to ensure we have a reduction in spam. I hope all members will support the bill so it will provide fast relief to Canadians.

• (1715)

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, according to Cisco Systems, there were some 200 billion spam messages a day as of 2008 and 9 billion spam messages a day from Canada, which surprised me. This was before we had the explosion in smartphones.

Until recently, there was not a problem with spam on regular cellphones. However, as the smartphones proliferate and become more powerful, there will be an explosion in spam, unlike we have seen up until now. This is just the beginning and this legislation is coming probably later than it should.

Does the member have any further comments to add or other points to make?

Ms. Yasmin Ratansi: Mr. Speaker, I thank the hon. member for his interest in this subject because he has been very effective in delivering his message.

Two hundred billion is a big number. The world population is six billion. If we look at the amount of the traffic that takes place, and 60% to 70% of it is nuisance traffic, it costs Canadian businesses and world businesses a lot of money. One hundred and thirty billion dollars is not small change.

Therefore, we need to have effective legislation with sanctions, with teeth, with international agreements. Otherwise we will all be drawn into this problem. We rank fifth in terms of spamming and out of the top 200 organizations, we have a large amount of traffic going through. Therefore, Canadian businesses need to be made aware of this legislation, with its teeth.

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: The question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to, bill read the third time and passed)

* * *

• (1720)

PROTECTING CHILDREN FROM ONLINE SEXUAL EXPLOITATION ACT

Hon. Steven Fletcher (for the Minister of Justice and Attorney General of Canada) moved that Bill C-22, An Act respecting the mandatory reporting of Internet child pornography by persons who provide an Internet service, be read the third time and passed.

[*Translation*]

Mr. Daniel Petit (Parliamentary Secretary to the Minister of Justice, CPC): Mr. Speaker, I am pleased to participate in this debate at third reading on Bill C-22, An Act respecting the mandatory reporting of Internet child pornography by persons who provide an Internet service.

This is an important piece of legislation that states that persons who provide an Internet service must report any online child pornography they are aware of.

I think that on both sides of the House, we all agree that our main duty as elected representatives is to protect the most precious and vulnerable members of our society, our children.

Obliging Internet service providers to report child pornography will enhance our ability to protect Canadian children against online sexual exploitation in many ways.

First, this measure will improve our ability to detect child pornography, which is becoming increasingly prevalent. Second, the bill will allow for communication that will help block access to child pornography sites through the Cleanfeed Canada program. Third, the measures provided for in the bill will make it easier to identify, arrest and prosecute individuals who commit child pornography offences. Most importantly, these measures will help identify the victims so that we can save them from sexual predators.

Last summer, the federal ombudsman for victims of crime published a special report entitled *Every Image, Every Child*, which provided an overview of the problem of the online sexual exploitation of children.

According to the special report, the number of charges for the production or distribution of child pornography increased by 900% between 1998 and 2003. Furthermore, the number of images of serious child abuse has quadrupled between 2003 and 2007. This report also said that 39% of people who access child pornography look at images of children between the ages of 3 and 5, and 19% look at images of infants under 3 years old.

According to this report, commercial child pornography is estimated to be a multi-billion dollar industry worldwide. Thousands of new images or videos are put on the Internet every week, and hundreds of thousands of searches for child sexual abuse images are performed daily.

It is estimated that there are more than 750,000 pedophiles online at any given time and some of them may have collections of over a million child sexual abuse images.

I have a few comments about two amendments made to the bill by the Standing Committee on Justice and Human Rights, of which I am a member. The definition of Internet services was slightly changed to specify that the bill applies to Internet service providers, in other words, people who provide services related to Internet access, content hosting and email.

The amendment applies only to the English version of the bill in order for the legislative text to accurately reflect the desired outcome and for the English version and the definition to better correspond to the French version.

The other amendment to Bill C-22 has to do with the provision on the possible double reporting in terms of the bill and the laws of a province or a foreign jurisdiction.

Business of Supply

• (1725)

Essentially, Bill C-22 sets out two requirements for people who provide Internet services to the public. As far as the first requirement is concerned, persons who provide an Internet service to the public and who have been advised of an Internet address where child pornography may be available to the public are required to report to a designated agency such Internet addresses, otherwise known as IP or URL addresses.

In terms of the second requirement on notice and preservation, if a provider has reason to believe that its Internet services have been used in the commission of a child pornography offence, the provider is required to notify the police and preserve the evidence for 21 days.

Bill C-22 seeks to prevent double reporting to a designated agency when a service provider has already reported the incident, in compliance with an obligation under the laws of a province or a foreign jurisdiction. Nonetheless, the previous wording could have been interpreted to mean that the provider is relieved of notification and preservation duties. That was never the idea. The amendment specifies that Internet service providers who report an incident in compliance with the laws of a province or a foreign jurisdiction are released only of their reporting requirements.

The committee heard from representatives of the Canadian Centre for Child Protection, which operates *cybertip.ca*, Canada's national 24/7 tip line for reporting the sexual exploitation of children on the Internet. At present, most reporting of child pornography across Canada is done through *cybertip.ca* or, in French, *cyberaide.ca*.

Within 48 hours, *cybertip.ca* agents review, analyze, and prioritize every report they receive. The agents verify the reports by collecting supporting information using various Internet tools and techniques. They also identify the location of the material in order to determine the appropriate jurisdiction. If the material is assessed to be potentially illegal, a report is referred to the appropriate law enforcement agency for follow-up and investigation.

Cybertip.ca fulfills a valuable function for police across Canada by analyzing reports and forwarding only the most relevant information to law enforcement agencies. The material that is deemed not to be illegal is often followed up with educational information. Thus, the police do not have to use their resources to analyze reports of child pornography and can focus on investigations. *Cybertip.ca* has memoranda of understanding with most Canadian law enforcement agencies and collaborates closely with many of the Canadian ISPs and international partners, of course. *Cybertip.ca*—

• (1730)

The Deputy Speaker: I must interrupt the hon. member. The Parliamentary Secretary to the Minister of Justice will have 10 minutes to finish his speech the next time the bill is debated in the House.

* * *

BUSINESS OF SUPPLY

OPPOSITION MOTION—NATIONAL DEFENCE

The House resumed from November 18 consideration of the motion.

The Deputy Speaker: It being 5:30 p.m., pursuant to order made Thursday, November 18, the House will now proceed to the taking of the deferred recorded division on the motion of the hon. member for Beauséjour relating to the business of supply.

Call in the members.

• (1810)

[*English*]

(The House divided on the motion, which was negated on the following division:)

(*Division No. 129*)

YEAS

Members

Allen (Welland)	Andrews
Angus	Ashton
Bagnell	Bains
Bélangier	Bennett
Bevington	Brisson
Byrne	Charlton
Chow	Christopherson
Coady	Coderre
Comartin	Cotler
Crombie	Crowder
Cullen	Cuzner
D'Amours	Davies (Vancouver Kingsway)
Davies (Vancouver East)	Dewar
Dhaliwal	Dhalla
Dion	Donnelly
Dosanjh	Dryden
Duncan (Etobicoke North)	Duncan (Edmonton—Strathcona)
Easter	Eyking
Folco	Foote
Fry	Garneau
Godin	Goodale
Gravelle	Harris (St. John's East)
Holland	Hughes
Hyer	Ignatieff
Jennings	Kania
Kennedy	Layton
LeBlanc	Lee
Leslie	MacAulay
Malhi	Maloway
Marston	Martin (Winnipeg Centre)
Martin (Sault Ste. Marie)	Masse
Mathysen	McCallum
McGuinty	McKay (Scarborough—Guildwood)
McTeague	Mendes
Minna	Mulcair
Murphy (Charlottetown)	Murray
Neville	Oliphant
Pacetti	Patry
Pearson	Proulx
Rafferty	Ratansi
Regan	Rota
Russell	Savage
Savoie	Scarpaleggia
Sgro	Siksay
Simms	Simson
Stoffer	Szabo
Thibeault	Tonks
Trudeau	Valeriote
Volpe	Wilfert
Wrzesnewskyj	Zarac — 100

NAYS

Members

Abbott	Ablonczy
Aglukkaq	Albrecht
Allen (Tobique—Mactaquac)	Ambrose
Anders	Anderson
André	Armstrong
Arthur	Ashfield
Asselin	Bachand

Baird
Bellavance
Bernier
Bigras
Blais
Block
Bouchard
Boughen
Braid
Brown (Leeds—Grenville)
Brown (Barrie)
Brunelle
Calkins
Cardin
Carrier
Chong
Clement
Davidson
DeBellefeuille
Del Mastro
Deschamps
Devolin
Dreeshen
Duncan (Vancouver Island North)
Fast
Flaherty
Gagnon
Gallant
Généreux
Goldring
Gourde
Guay
Côte-Nord)
Harper
Hawn
Hoback
Jean
Kenney (Calgary Southeast)
Kerr
Kramp (Prince Edward—Hastings)
Lake
Lavallée
Lemay
Lessard
Lobb
Lunn
MacKay (Central Nova)
Malo
McColeman
Ménard
Merrifield
Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)
Nadeau
Norlock
O'Neill-Gordon
Oda
Paillé (Hochelaga)
Paradis
Petit
Poilievre
Preston
Rajotte
Reid
Rickford
Saxton
Shea
Shory
Sorenson
Storseth
Sweet
Toews
Uppal
Van Loan
Verner
Wallace
Warkentin
Weston (West Vancouver—Sunshine Coast—Sea to Sky Country)
Weston (Saint John)
Wong
Yelich

Beaudin
Benoit
Bezan
Blackburn
Blaney
Bonsant
Boucher
Bourgeois
Breitkreuz
Brown (Newmarket—Aurora)
Bruinooge
Calandra
Cannon (Pontiac)
Carrie
Casson
Clarke
Cummins
Day
Dechert
Demers
Desnoyers
Dorion
Dufour
Dykstra
Finley
Fletcher
Galipeau
Gaudet
Glover
Goodyear
Grewal
Guimond (Montmorency—Charlevoix—Haute-
Harris (Cariboo—Prince George)
Hiebert
Hoepfner
Kamp (Pitt Meadows—Maple Ridge—Mission)
Kent
Komarnicki
Laframboise
Lauzon
Lebel
Lemieux
Lévesque
Lukiwski
Lunney
MacKenzie
Mayes
McLeod
Menzies
Miller
Nicholson
O'Connor
Obhrai
Ouellet
Paquette
Payne
Plamondon
Pomerleau
Raitt
Rathgeber
Richards
Ritz
Schellenberger
Shiple
Smith
Stanton
Strahl
Tilson
Tweed
Van Kesteren
Vellacott
Vincent
Warawa
Watson
Woodworth
Young — 170

Private Members' Business

PAIRED

Members

Allison	Cadman
Cannan (Kelowna—Lake Country)	Duceppe
Faile	Guimond (Rimouski-Neigette—Témiscouata—Les
Basques)	
Holder	Laforest
Mourani	Richardson
St-Cyr	Thi Lac
Thompson	Trost — 14

The Deputy Speaker: I declare the motion defeated.

The House will now proceed to the consideration of private members' business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

● (1815)

[English]

RETIREMENT INCOME BILL OF RIGHTS

Hon. Judy Sgro (York West, Lib.) moved that Bill C-574, An Act to promote and strengthen the Canadian retirement income system, be read the second time and referred to a committee.

She said: Mr. Speaker, I am pleased to be here today to kick off the first hour of debate on Bill C-574, something that I prefer to call the pension income bill of rights.

While Bill C-574 is a private member's bill, and my first, it is also a package of proposals that has been extensively researched from a legal perspective and thoroughly vetted. It is intended to address a series of specific systemic and practical challenges facing Canada's various pension systems, both public and private.

As the official opposition critic for seniors and pensions, I have travelled across this country and I have spoken to thousands of Canadians on this very subject. There are many reasons why, for the most part, the majority of people are not setting aside adequate savings for their retirement, and I fear that this trend will only grow in the years ahead.

Already we know that more than 200,000 Canadians over the age of 65 live well below the low income poverty line. Put another way, after a lifetime of working to raise their families and to pay their taxes, 200,000 Canadians are being forced to choose between buying groceries and paying the rent because their retirement income is simply too low to allow them to do both. While sad, and for many, nearly unbelievable, it is a daily reality for far too many. These financial challenges are compounded even further when one factors in elements such as ill health, geographic isolation, or even the loss of a spouse. This means that the most vulnerable are often the ones facing the greatest risk exposure and suffering to the greatest extent.

New Canadians, women, those with the lowest amounts of formal education, native Canadians, and those living in rural, remote or isolated regions of the country are among those facing the most difficulty. It is these Canadians who can expect the least amount in their golden years.

Private Members' Business

Statistics Canada tells us that Canada's population over the age of 65 could reach an unprecedented 10.9 million by 2036. Accordingly, we need to start addressing these pension shortfalls today if we are to prevent a full-blown crisis in the years ahead. The question though is how. How shall we address this?

When Lester Pearson first established the Canada pension plan in 1966, people said it could not be done. Three decades later, when Jean Chrétien and Paul Martin made the changes needed to put the CPP on stable financial footing, many said it was a fool's errand. The debates were fierce at that time, but they were fundamental to the financial future of millions. All of those were vehemently opposed by the Conservatives, by the way. Perhaps one day we will look back on this debate and say the same thing.

Regardless of the genesis and tone of those past debates, the outcome is not in dispute. Canada now has a good public pension base, which is composed of the Canada pension plan and the QPP, the old age security pension, and the guaranteed income supplement. Alone, these mechanisms provide somewhere in the neighbourhood of 30% of one's replacement income in retirement. In dollars, these plans pay a maximum of about \$20,000 annually, but the average payout has proven to be significantly less.

Current economics suggest that this will not be enough for most Canadians. In fact, it is not enough for most Canadians today. They need private retirement savings to survive. Retirement income security, adequacy and coverage are growing problems that urgently require the attention of business, labour, individual citizens, and governments at all levels.

Seventy-five per cent of Canadians working in the private sector do not have a pension plan at all. They are clearly not saving enough and are effectively prevented from accumulating the same retirement income as their public sector counterparts, including all of us.

With the numbers in mind, we have two choices. We can ignore the problem until it becomes a national crisis, or we can address it now before it becomes a crisis. I choose the latter, and that is why I have introduced Bill C-574.

• (1820)

As I have said, 30% is an okay base, but it still leaves a shortfall for most people of 70% of their income. For many, the attainment of that 70% is insurmountable for many reasons. In addition to the rising cost of living, there are also systemic barriers that stand between hard-working Canadians and that much-needed 70%.

Currently, individuals participating in generous defined benefit pension arrangements routinely accumulate five to seven times more retirement income than those who do not. These defined benefit plans are available only to public sector workers and to a very small minority of private sector workers.

Despite this apparent solution, right now the Income Tax Act says that individuals cannot have a generous defined benefit pension plan unless they have an employer who provides it for them. I think that is wrong, and it places those without an employer at a disadvantage. Why should a farmer, a homemaker or a small business owner not receive a pension plan? Bill C-574 would help to level that playing field.

In essence, clauses 4 to 6 of Bill C-574 would guarantee equality of opportunity by providing that a federal law that has the effect of restricting an individual's right to join a pension plan or the flexibility to make the contributions necessary to accumulate an adequate retirement income would be in violation of this bill.

Put another way, if Bill C-574 becomes law it will be illegal to prevent people without cause from joining a pension plan or to restrict their right to make contributions, subject to reasonable restrictions that must apply to all individuals equally.

I want to make sure that we eliminate every possible barrier currently preventing the self-employed, farmers, stay-at-home parents and those engaged in the workforce from saving effectively for retirement. Today, right now, if MPs from all political parties band together and pass Bill C-574, we will have taken the next step in securing pension security, adequacy and coverage for all Canadians.

It is with these basic concepts foremost in my mind that I speak today to this bill. Yes, Bill C-574 is about many things: financial literacy, pension security and even basic fairness. But more important, the debate could highlight what the legislation is not about.

I think it is fair to say that Bill C-574 is not about partisan posturing or brinkmanship. Bill C-574 is about so much more than that.

From my perspective, my goals are simple: to help ensure that every Canadian has access to effective retirement savings mechanisms; to empower people with detailed, up to date, conflict-free information about their financial future; and to acknowledge that universal dignity in retirement is more than just a nice extra. It is a goal to which we all as legislators should aspire in the years ahead.

With this direction in mind, I am pleased to openly say that the Parliamentary Secretary to the Minister of Finance has signalled that he is prepared to co-operatively explore this matter. While there will almost certainly be differences that we need to work on, I am encouraged that we can at least agree on the stated objectives of the bill. These objectives may be simple but they are far from simplistic.

This legislation is the first of its kind ever proposed to ensure that our seniors have better nest eggs and the retirement income security that they need.

In broad strokes, the bill seeks to do a few general things: to create substantive rights; to give every person a chance to accumulate retirement income in a plan that will be there in the long term; to promote good administration of retirement income plans; to ensure that members of retirement income plans regularly receive good, plain-language information that they will need about their plans; and to set out in law the goals to which we aspire legislatively as they relate to retirement income.

Private Members' Business

Members might not fully appreciate why these measures are so essential, but I would submit that the recent examples of why they are needed are all around us.

• (1825)

When Canadian technology giant Nortel announced it would seek to liquidate its assets, company pension plans and long-term disability benefits fell into chaos. Thousands of hard-working Canadians suddenly found themselves thrust into financial uncertainty despite having contributed to a workplace pension regime for several years.

Last week, the House industry committee heard that many of these problems could have been prevented if only pensioners had access to some basic financial know-how.

Bill C-574 promotes increased financial literacy for individuals participating in a retirement income plan in three ways.

First, it requires clear disclosure of the risk the individual has in the plan relating to benefit security and conflicts of interest.

Second, it requires regular plain-language disclosure to the individual of his or her rights, obligations and options relating to the plan.

Third, it requires that federal laws governing retirement income plans promote access to training in financial literacy and retirement planning.

It would seem that some of these measures are long overdue, especially for a former Nortel employee.

I would never want to frame Bill C-574 as a response to the Nortel situation. Quite the contrary, Bill C-574 is more inclusive and more far-reaching than that.

In fact, there were many reasons why I opted to present Bill C-574, but in simple terms, I presented it because it is the right thing to do. Bill C-574 is about helping people and protecting pensions for the next generations.

In 1960, when the Bill of Rights was passed by Canada's Parliament, it was heralded as a historic first step towards establishing an important slate of Canadian rights. In that same vein, Bill C-574 strives to be that first step towards ensuring pension security, coverage and adequacy. I have even sought to incorporate some of the language used in the Bill of Rights in an effort to strike a balance between goals to which we aspire and rights that must be protected.

If I had to summarize Bill C-574 in 50 words or less, I would have to say that Bill C-574 is about choice, fairness and flexibility. It is not about tearing down pensions; it is about elevating everyone to the same level. Every Canadian should have the right to a financially secure retirement, and I believe this proposal sets the stage for that to become a reality.

In the days ahead I look forward to working with colleagues of all parties. I welcome any suggestions that can help to strengthen Bill C-574 while at the same time staying true to the stated goals of the legislative proposal.

In the meantime, I would urge each member of the House to consider supporting the bill so that it can be sent to committee for additional study and consideration. Pensions are not a matter for partisan consideration and neither is Bill C-574. Canadians are counting on us to do the right thing.

I believe it is very much a motherhood issue with basic principles that I think all of us espouse. It is clearly one that will start to protect pensions in the future and better prepare our children and other Canadians so that they are better prepared and when retirement comes we are not hearing about 200,000 people still living below the poverty line. Everybody should be able to contribute, no matter what small amount, into a pension fund that would be there for them when they need it.

Mr. Mike Wallace (Burlington, CPC): Mr. Speaker, I want to thank the member for York West for bringing her private member's bill forward, the pension income bill of rights.

A month ago or so the member sent out a media kit that talked about the bill. As she knows, about 90% of pensions are dealt with at the provincial level, leaving about 10% at the federal level.

It does require a tremendous amount of cooperation between the federal and provincial governments across the country. The parliamentary secretary has been across the country on pension consultations and the Conservative government has been working very hard on that.

Has the member presented the proposals that are in the bill to the provincial houses across the country? Did the member get any response from the provinces, that we can see, on how they feel about the bill of rights that is proposed in this bill?

• (1830)

Hon. Judy Sgro: Mr. Speaker, the whole issue of pension security and adequacy in the coverage is an issue that I think involves all governments, whether federal or provincial. It is a partnership in many areas. Our colleague has been travelling the country as well. Clearly we know that provinces are looking to find ways. Just imagine, in 26 years there will be 10.9 million seniors. Just imagine what that would do to the fiscal capacity of our country.

It is imperative, and I know the provinces are very much concerned with the same issue. As we continue to have discussions, my bill of rights very much establishes the goals and the principles to which we should all be aspiring. Putting a magnifying glass on the issue of pensions will help us to start talking about it. We have not talked about pensions in Parliament for well over 20 years. We talk about them every once in a while. Unfortunately, the reason we are talking about the issue is that it has a lot to do with the bankruptcies and things that have happened to many companies this year, such as AbitibiBowater and others. They have really raised the profile of the issue, so that I am sure that anyone who has spent any time looking into that issue will say we had better start doing something. We had better start making some changes so that eventually people will be able to have saved enough and have a sufficient income to retire on.

Private Members' Business

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Speaker, I have travelled the country. The member has talked about people she visited. I am really quite surprised at Bill C-574 because the kind of things we believe are needed now are an increase to old age security and an increase to the guaranteed income supplement and, of course, in this House for the last two years we have been talking about increasing the CPP. What strikes me is that Bill C-574 proposes no amendments to the Pension Benefits Standards Act and no changes in the Canada pension plan, old age security or the Income Tax Act.

I do not see how there is going to be a financial benefit for anybody if we do not change those pieces of legislation.

The reality is that there are people who are suffering right now. The member herself talked about 200,000 seniors living in poverty. I agree with her. We need action now, and this just seems to go in circles.

Hon. Judy Sgro: Mr. Speaker, the bill is very direct. It is about a bill of rights. It is what we aspire to. It is what we all, as Canadians, should be aspiring to so that retirement gives us sufficient income and also allows us to retire with dignity.

Why should we become 65 years old and have to turn around and scramble because we are suddenly having to live on \$12,000 or \$15,000 or \$20,000 a year? Just imagine having to do that.

The bill is not focusing on bringing in phoney legislation that talks about raising the old age security or raising a whole bunch of things that we know darn well are impractical and not necessarily going to happen. It will happen as we can afford it.

I hope we are going to see increases to the OAS in the next budget. We need it. I hope we increase the contributions to the CPP and increase the contributions to the GIS. All of those are things that I believe very much are necessary to do.

My bill is not concentrating on those. My bill is concentrating on establishing the basic principles of a bill of rights stating that everybody has the right to be treated with dignity and respect and to be able to retire. It then comes onto us as legislators to do what is necessary to follow through with a bill of rights that we would all support, I would hope, and then we would ensure that we build on top of that.

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, I am pleased to have the opportunity to speak to today's Liberal proposal for a broad bill of rights related to the retirement income system.

I want to acknowledge the passion that the hon. member for York West brings to this serious debate. We hear it when we are in our constituencies. It is a very important issue and I am sure all members sitting here will continue the debate later on during a take note debate when we will be able to debate the issues. We may differ on some of the solutions but I think we all are on the same page as to the problem that our seniors are facing.

As someone closely involved in the push to improve retirement income and pension security for Canadians, it would be appropriate to step back and look at the broader picture as we start this debate today.

First and foremost, I want to acknowledge that this is an issue all parliamentarians care deeply about. As I say, although we might not all agree on the exact specific solutions, I would think that we are all working for the same goal, which is helping to ensure a secure and dignified retirement for hard-working Canadians.

Through numerous cross-country consultations I have talked to many Canadians and heard too many challenging personal stories not to realize that this is an issue too important to get wrong. Our Conservative government has devoted considerable effort on the retirement security issue in order to get it right. Indeed, we have been engaged in a very serious discussion with Canadians on pension and retirement income security issues over the past few years.

First, we started by looking at our own backyard, so to speak. We undertook a comprehensive review of the framework governing pensions, those pensions under federal jurisdiction, a review that had not occurred since 1985, nearly 25 years ago. We also ensured that the review was as open as possible. We publicly released a major research paper on the legislative and regulatory framework of federally regulated private pension plans for comment in early 2009. We followed that up through March into May of 2009 with extensive cross-country and online public consultations open to everyone.

I am happy to report that we received tremendous feedback, feedback that led to comprehensive reforms to improve the federal pension framework, reforms that will, first, help protect pensioners by requiring companies to fully fund pension benefits on planned termination; second, restrict an employer's ability to take a contribution holiday; third, make pensions more stable; fourth, give pensioners more negotiating powers; fifth, modernize investment rules for pensions; and many more.

I note that the majority of those reforms have already been put in place through legislation and regulation. What is more, many of the few outstanding reforms are actually before Parliament right now as part of the sustaining Canada's economic recovery act.

However, this reform is only one step in a much larger process to help pensioners and seniors. Another aspect is ensuring seniors keep more of their hard-earned money. That is why our Conservative government has dramatically lowered the federal tax bill for seniors and pensions since 2006. Indeed, we are providing nearly \$2 billion annually in tax relief to seniors and pensioners, including increasing the age credit amount by \$2,000, increasing the age limit for maturing pensions and registered retirement savings plans to 71, introducing pension income splitting and doubling the amount of income eligible for the pension income credit.

However, we recognize that more is needed. We recognize that there are larger pan-Canadian concerns that can only be addressed nationally, working with the provinces and the territories.

I should note that most pension plans are actually provincially regulated. In fact, only approximately 10% are federally regulated. For that reason, we have long recognized that tackling the larger retirement income issues must involve federal, provincial and territorial governments.

● (1835)

Our Conservative government has taken the leadership needed to start a serious and public pan-Canadian discussion, one that has been approached by all with the gravity it deserves.

In the words of a recent Toronto *Star* editorial:

—governments at all levels are answering the call from working Canadians for a serious dialogue—and action—on pension reform.

For example, we set up a joint federal-provincial research working group with respected academic Dr. Jack Mintz as director of research to conduct an in-depth examination of retirement income adequacy. The group's findings, made publicly available, were presented at the finance ministers' meeting in December 2009, where we agreed with our provincial and territorial partners to proceed with detailed analysis of areas to improve Canada's retirement income system. Again, we did not do so behind closed doors. Rather, we invited public comment to gather input directly from Canadians.

This research and these public consultations suggested we explore a series of innovative proposals to build further on the strengths of Canada's retirement income system. It also strongly suggested that we rule out certain other proposals, including a supplemental Canada pension currently advocated by the Liberal Party.

The consensus of governments and public interest groups from across the political spectrum has been that this would be costly, ineffective and, ultimately, a misguided solution.

In the words of Ontario's Liberal minister of finance, Dwight Duncan:

We are rejecting the notion of a supplemental, voluntary national plan for a variety of reasons...It's very costly to set up and administer.

Nevertheless, later this year we will meet with provincial and territorial governments to discuss effective and affordable solutions.

The road ahead will likely include more discussions between Canadians and governments at all levels as these issues are complex. We cannot force a decision without understanding the long-term implications for both Canadians and the Canadian economy.

Private Members' Business

We need to get this right. We need to get this right together, employees, employers, federal governments and provincial and territorial governments. Our decisions need to be the right ones, not only for today but for tomorrow as well. This will take hard work, careful consideration, compromise on all sides and time. It will also take the will to get it done.

People can rest assured that our Conservative government remains committed to improving the retirement income system in our country. We may not always agree on the specific solution but I would like to think that we share the same goal of ensuring we have a strong and sustainable retirement income system for the benefit of all Canadians. This issue is too important for too many Canadians not to.

In that spirit, with respect to the latest Liberal proposal outlined here today, as I mentioned before, this is an extremely broad and all-encompassing bill of rights. The rights touch on numerous generalities, such as adequacy, transparency, affordability, equity, flexibility, security and accessibility, without offering all of the details that are necessary.

While largely an inoffensive list, it does seemingly suggest the complete scrapping of any limits on how much income Canadians can shelter from taxes for their retirement. Not only would something as radical as that carry a hefty cost, it would also primarily benefit very wealthy high income Canadians.

Nevertheless, in spite of some flaws, as we have demonstrated over the course of the past few years, we are always open to discussing and looking at retirement income issues and proposals.

As a result, we will support sending this proposal to committee for further discussion and examination.

● (1840)

[*Translation*]

Mr. Luc Desnoyers (Rivière-des-Mille-Îles, BQ): Madam Speaker, Bill C-574, An Act to promote and strengthen the Canadian retirement income system, “creates a bill of rights for a retirement income system that promotes the goals of adequacy, transparency, affordability, equity, flexibility, security and accessibility for all Canadians”.

The bill introduced by the Liberal member for the Ontario riding of York West establishes a bill of rights that aims primarily to protect individuals who participate in pension plans, whether they are retired or still active in the workforce.

Private Members' Business

Bill C-574 protects various rights related to pension income, particularly the right to accumulate sufficient pension income and the right to receive complete and accurate information, in a timely fashion, when serious risks become known, specifically, a risk of non-payment or reduction in benefits.

The Bloc Québécois will be proposing an amendment to ensure respect for Quebec's jurisdiction. Private pension plans come under Quebec and provincial jurisdiction, with the exception of federally regulated industries like banking, communications and so on. The same is true of the Quebec pension plan.

The Bloc Québécois wants to avoid any confusion. We believe we must make the necessary amendments to make certain that this bill will not interfere with Quebec's areas of jurisdiction. The Bloc Québécois will propose an amendment to Bill C-574 to ensure that this bill targets only public or private pension plans under federal jurisdiction.

Furthermore, the introduction of this bill is a perfect opportunity to look at the issue of environmental, social and governance risk factors and respect for international treaties.

The Bloc Québécois believes that anyone who contributes to a pension plan cannot conduct a fair analysis of the risks involved unless they are informed of the company's environmental and social responsibility practices in the event that these have an impact on risk and performance.

This is supported by the Canada pension plan and the Caisse de dépôt et placement du Québec, which recognize how important it is for investors to have the information they need regarding the company's environmental, social and governance risk management.

“Corporate behaviour with respect to environmental, social and governance (ESG) factors can generally have a positive influence on long-term financial performance, recognizing that the importance of ESG factors varies across industries, geography and time.

Disclosure is the key that allows investors to better understand, evaluate and assess potential risk and return, including the potential impact of ESG factors on a company's performance.”

And so the Bloc Québécois is proposing the addition of one right, the right to receive information on the retirement fund manager's assessment of social, ethical and environmental criteria during the initial risk analysis for each investment.

Clause 9 states:

Every individual who participates in, contributes to or receives benefits from a retirement income plan shall be entitled to receive, in clear and concise language, all the information the individual requires to understand his or her rights, obligations and choices under the retirement income plan, including...

And this could be amended to include the following:

“Regular disclosure of the list of stocks the retirement fund manager has acquired for the retirement plan. This information may be included in the retirement fund manager's annual report.”

The elected members of the Bloc Québécois, who have always supported demands made by retirees and seniors in Quebec, will continue to support measures that help them.

In addition to numerous other actions we have taken, we introduced Bill C-290, which would offer compensation to short-changed retirees who are seeing cuts to their pension funds because a former employer has gone bankrupt and is not fulfilling its responsibility to contribute to the pension fund.

• (1845)

The Bloc Québécois is confounded by the rejection by both the Liberals and the Conservatives of its Bill C-290 to protect the retirement income of employees of a bankrupt business.

Once again, the Liberals and the Conservatives are showing their profound indifference towards workers, especially pensioners.

The Bloc Québécois will ensure that pensioners are not ignored by the Conservative government. We have continued to offer the government a series of solutions to protect pensioners. In fact, we have put forward a solid plan with a number of measures to protect their income, one of which would have the federal government follow Quebec's lead and put bankrupt companies' pension plans into trusteeship, when they are under federal jurisdiction. This is done in Quebec, under the Supplemental Pension Plans Act, to prevent these pension funds being liquidated while the markets are at their lowest.

The Quebec pension plan is thus able to take over management of the assets of bankrupt companies' pension plans. The government guarantees the payment of benefits owing to affected employees. However, this amount is adjusted to the solvency level of the pension plans, or their ability to pay all benefits to which contributing employees are entitled.

We have also proposed that preferred creditor status be given to disabled employees who lose their benefits due to a bankruptcy. In times of economic crisis, the declining value of securities diminishes the value of pension funds. If a company goes bankrupt during a downturn, the pension fund will be unable to meet its obligations towards its pensioners. This is not the result of the company defaulting on its normal payments to the pension fund.

Beneficiaries of this type of pension plan provided by companies in financial difficulty have often called for the laws governing bankruptcy to be revised so that pension funds would become preferred creditors in the event of bankruptcy.

The amendment to the investment act in order to maintain the threshold for automatic review of foreign acquisitions at \$300 million would ensure that major corporations, like Nortel for instance, are not sold off at the expense of its retired workers. Nortel was sold off piece by piece. The foreign investment act does not force the government to review those transactions. In the case of Nortel, it was a very costly decision, and Nortel's Canadian assets could wind up in the United States and the United Kingdom.

Private Members' Business

Lastly, I would like to talk about improving the guaranteed income supplement. We are extremely concerned about the fact that over 80,000 Quebec seniors are living below the low-income line. The maximum GIS allowance is not even enough to get seniors out of poverty.

The Bloc Québécois has been working very hard to improve the GIS in order to: increase the guaranteed income supplement by \$110 per month; continue paying both pension and survivor benefits, for a period of six months, to a surviving spouse; automatically enrol people over 65 who are eligible for the GIS; ensure full retroactive payment of the GIS for all those who were shortchanged; and increase the surviving spouse's allowance to the same amount as the GIS.

As for the thousands of people who rely on old age security, the federal government has unfairly deprived, and is still depriving, these people of the money owing to them. In order to access the guaranteed income supplement, one must apply. Tens of thousands of seniors in Quebec have been cheated because they did not apply for the GIS as soon as they were eligible.

In closing, the Bloc Québécois supports Bill C-574 in principle, but believes it is important to propose various amendments in order to ensure, above all, that it applies only to federally regulated pensions plans.

• (1850)

[English]

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Speaker, I rise today to speak to Bill C-574, a retirement income bill of rights.

As reform to Canada's retirement system is a key principle to which the NDP is dedicated, I was pleased to hear that my Liberal colleague from York West had tabled a bill relating to pension reform. I guess in my haste, I thought it might be something around the Nortel situation, especially with the long-term disabilities. In fact, when the member spoke earlier today, she mentioned it. Therefore, I was a little surprised with the bill.

However, upon reading the bill, I came away concerned as to what the goal of the bill was.

The bill purports to create a retirement bill of rights within the authority of the Parliament of Canada, which sounds, in principle at least, like something both myself and my party, the NDP, would be pleased to support wholeheartedly. In fact, we proposed, and the House passed previously, a seniors' charter in this place, yet the government has not implemented that.

The provisions of Bill C-574 would apply to retirement plans established by employers that were federally regulated. We heard the Bloc's concerns regarding provincial jurisdiction and companies such as Air Canada, the Canadian National Railways and Bell Canada.

The bill seeks to create a number of individual rights related to pension income and retirement, such as the right to accumulate sufficient pension income for retirement, the right to determine how and when pension income should be accumulated, the right to the full, accurate and timely disclosure of the risks, which is a very

important part of the bill. However, I hear people in this place saying that these things already exist.

In principle, this sounds very good. Let us ensure that there is protection for seniors when they do make their investments. However, does this raise one nickel extra in pension value for seniors? I do not think so.

The clauses of the bill that brought about my concern, or kind of a wonderment if anything, are not so much to do with the bill's stated principles, but its lack of execution. As I read the bill, it seemed it must have been hastily put together, as if the drafters ran out of time and had to turn to an earlier draft.

Most of the bill's provisions are declaratory. For instance, it declares rights, but fails to amend appropriate legislation in order to establish them.

The bill calls for increased transparency with respect to the management of pension funds, even though most of these funds, again as the Bloc has indicated, are provincially regulated. It is a good thing again, certainly in principle, but Bill C-574 proposes no amendments to the Pension Benefits Standards Act, or to any other acts that would require amendment in order for the bill to accomplish its stated goals, such as the Canada pension plan, the Old Age Security Act or the Income Tax Act.

Members will know that the Pension Benefits Standards Act currently applies to pension plans of employees working for federally-regulated employers or businesses. Bill C-574 does not give any information nor clarifies how the rights created under the bill would apply to employers or employees regulated under the Pension Benefits Standards Act. The bill also does not propose any amendments to the Pension Benefits Standards Act.

Clause 4 of the bill states that every individual Canadian has the right to accumulate sufficient pension income in a retirement income plan, subject to any reasonable restrictions imposed by a federal law. That is in place now. These reasonable restrictions are not elaborated on nor the federal statutes that contain a number of the restrictions. Therefore, we are left to wonder just how these changes are purported to take place.

The bill is silent on defining what sufficient pension income means.

In the presentation of the bill, the member for York West talked about a goal of 70% of income, which is a goal that is lauded around the world, but very few countries, if any, reach that goal. However, what percentage of pre-retirement income do the Liberals feel is sufficient for Canadians to live a dignified retirement? Is it 60% Is it 50%? The bill does not tell us.

In addition, it seems the bill does not amend or refer to the Canada pension plan, the Old Age Security Act or the Income Tax Act, which also provide for pensions or contain provisions that regulate the amount an individual can transfer into a pension plan. One can only then assume, for example, that the maximum amount a person could transfer into an RRSP or the maximum contributions a Canadian could make to the Canada pension plan would not be changed by reason of Bill C-574.

Private Members' Business

•(1855)

Moreover the bill also would impose certain obligations on professionals in the financial services field who would administer retirement income plans or who would provide financial advice on retirement plans. Knowing that the financial services sector apart from banking is largely subject to provincial regulation, consequently it is not clear how this Parliament, through Bill C-574, could possibly regulate the financial service sectors.

For these reasons, it is difficult to understand the exact purpose of the bill and especially its financial implications when put into practice. For example, Air Canada has a retirement plan for its employees. If an individual decides to go to work for Air Canada, he or she would accept the work conditions and the benefits established under the collective agreement. It is not clear where the provisions of Bill C-574 would come into effect. Would the bill allow an individual to contribute more to Air Canada's retirement plan than what would have been provided under the employment contract or collective agreement? We do not know. It is difficult to understand how this could be done in a practical fashion.

In short, it seems to me that Bill C-574 should have been a motion. Nevertheless the NDP wants to encourage the other parties to work toward real reform on retirement income systems. In that spirit the, New Democrats will support Bill C-574 going to committee so we can take a closer look at actually what can be done with the bill.

In the meantime I would like to put forward some of the concrete proposals that we have put forward over the last two years such as eliminating seniors' poverty. The member for York West spoke of seniors' poverty. The poverty gap is about \$700 million and that could be put forward by the government by increasing GIS to close that gap.

We have talked about strengthening CPP/QPP. Ninety-three per cent of Canadians are already members of CPP/QPP. We want to phase in a doubling of it.

A national system of workplace pension insurance would be self-financing. It would be a mandatory insurance system funded by the plan's sponsors with a payout of up to \$2,500 a month.

Let us ensure that the companies in bankruptcies make good on the pensions they owe the workers. Today when companies go bankrupt, the shortfall in the workplace pension plan, which is called an unfunded liability, does not receive priority as a creditor. Workplace pensions are nothing less than unpaid deferred wages. Workers should have the right to receive these wages, especially when the company goes under.

Our Nortel act would put workplace pension plans in the same creditor category as bondholders and other investors.

In bankruptcies workplace pension plans may be wound up and converted into low interest annuities. Pensioners would often be better off if those plans lived on as "going concerns". We suggested creating a facility adjacent or part of the CPP, which could manage it, to adopt these pension plans.

I have heard the Liberals of late talking about the orphan plans, so I am glad to hear they have been listening to us.

It is time for the government to acknowledge that pensions are deferred wages. These wages should be there in their entirety when an employee retires. They are not bonuses paid to the workers at the end of their working lives. They are part of an agreed upon compensation package for hours worked.

Retirement security has long been a priority of the NDP. In fact, we heard members talk a few minutes ago about 1966. In 1927 the Independent Labour Party, a precursor to the NDP, proposed the first old age pension.

People who have been in this place for a few years will remember that it was the NDP's Stanley Knowles who fought for the Canada pension plan, and it was a minority Liberal government that put that in. If I recall correctly, that was in 1966.

Our party members will continue to use our leverage in this place until such time as all seniors are able to live out their retirement years with the dignity they deserve, that they have earned as part of helping Canada grow to be the great place it is today.

I do not want to totally fault what is coming forward because the words in the bill are good. It is just the actions that are required to implement it. How do we get to the place where we can actually increase the living standard of seniors today, right now. In my mind that is an increased old age security and GIS to deal with the ones below the poverty line of which close to 300,000, or over 60%, are single women. For me, that has always been a national disgrace.

•(1900)

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, I am pleased to have the opportunity to speak to Bill C-574. I want to congratulate my colleague. I do not think anybody in Parliament has done more work going around the country and understanding the need to strengthen and make our pension more robust than the member for York West.

One of the biggest issues facing Canadians today is the security of senior citizens. If they have gone past working age, what are they going to live on? It is an increasing problem. Among the saddest meetings we have as members of Parliament, certainly in my case, are with people who tell me they are retired or were planning to retire very soon but it has all gone up in smoke. What they thought was there is not. These are people who do not have the option of going back into the workforce, or if they do, their options are very significantly limited.

So I really want to congratulate my colleague from York West. She has worked hard. She has travelled extensively in a non-political, non-partisan way and has brought forward this very important bill.

We know that a significant number of seniors live in poverty. Canada as a country has done a pretty good job over the last 20 to 30 years of reducing poverty rates among seniors. Going back to the 1970s, we have reduced poverty rates among seniors pretty significantly. It has been on the rise again over the past few years, but the poverty rate among seniors has gone down very significantly.

Private Members' Business

The problem is that there are still groups of seniors, and it tends to be single women, who have very high rates of poverty. We need to take that into account. However, it is not just the lowest income Canadians. Many middle-income Canadians are having a really difficult time now dealing with retirement.

I can recall somebody in a private company where I used to work who told me the story of having come out of technical school years ago with a friend of his. While my friend went to work for a private company, a big, reputable company, his friend went to work for the City of Dartmouth. Thirty-five years later when they went to retire, the person who had the good pension plan and worked for the City of Dartmouth was very well situated, while my friend did not have very much because the pension plan simply was not as robust.

In many cases, back in those days, people did not look at a pension plan when they started working at the age of 18, 19 or 20. They looked at the salary and never really understood the implications down the road for themselves and for their families if they did not have a strong pension plan.

Then there is the case of Canadians who believe, for valid reasons, that they have a robust pension plan. They work for large, reputable, seemingly solid companies, in many cases world-leading companies such as Nortel. Ten years ago, who would have imagined that people who worked for a company such as Nortel would have trouble? Then when things go bad for the company, they are left holding the bag, and the bag happens to be almost completely empty.

So what do we do? What is the role of parliamentarians in this House? What role does the federal government have? First, the regulation of private retirement savings is in fact a shared responsibility, federally and provincially. Federally, we have the Income Tax Act. We can take some of the instruments that we have control of and make them better.

I want to refer to the issue raised by my colleague from the New Democrats who would say that this bill does not really do anything and that we have a \$700 million poverty gap for seniors. This is a private member's bill. I look at the work that members such as my colleague from Scarborough—Guildwood did on his private member's bill, Bill C-293, the development assistance act. Those of us in the House know that many Canadians may not know what a royal recommendation is. Very simply it means that, with a private member's bill, we cannot call upon the government to spend money. We can bring it forward, and we have seen many bills from the New Democrats and the Bloc, well intended bills, that required the spending of money, but they do not go anywhere.

Serious parliamentarians who actually want to make things better will craft a bill that is a road map to a better place but does not call on the government to spend money. In other words, some members in the House bring forward bills that can never be enacted, or they can be serious about it and provide a road map. Members can come to the House to make a point or to make a difference, and my colleague from York West is trying to make a difference.

The summary of the bill we are debating today, Bill C-574, is very simple. It says:

This enactment creates a Bill of Rights for a retirement income system that promotes the goals of adequacy, transparency, affordability, equity, flexibility, security and accessibility for all Canadians.

● (1905)

I think in many ways that says it all.

My colleague from York West, in a media release sent out about a month ago, indicated that as she presented the bill in the House of Commons, she noted that the legislation proposes:

to enshrine in law the notion that all Canadians have the right to contribute to a decent retirement plan and to be provided with up-to-date, unbiased and conflict-free information on their retirement savings.

There are 308 members of the House. Many of us have been in business, many of us have been employed, and there are entrepreneurs in this House.

There are a lot of people, and they are not foolish people, who think they are covered, as was the case with the Nortel workers and other people, who simply do not understand that if a company goes under, their retirement goes under as well.

They assume that this is all done above board and it is done with a third-party insurer. They do not understand the concept of self-insurance. I think the government has a role in this case to translate to Canadians what actually is the case so they are not fooled when things go bad.

Our Canada pension plan, established in 1966 under Prime Minister Pearson, was a good and noble goal. It is working. We have had problems. In the early 1990s, there was a severe underfunding of it. Jean Chrétien as prime minister, and Paul Martin as the finance minister, put it on sound financial footing. At the time, I do not think people fully understood how important that was. I do not think the credit was given, but that was a very important piece of both economics and social policy that made it possible for many people to have secure pensions.

Today, once again, we have significant barriers. The bill that we are debating today, Bill C-574, proposes to address that. To some, it may not do enough; to others, maybe it does too much. Maybe that is why it is a good bill, because it sets a road map for Canadians who are having issues with their pensions. It does as much as it possibly can within the restrictions of being a private member's bill. Many people are supporting it.

Government Orders

What does it do? The bill would do five things: create substantive, justiciable rights; give every person a chance to accumulate retirement income in a plan that will be there in the long term, because many Canadians simply cannot join a group pension plan right now; promote good administration of retirement income plans; ensure that members of retirement income plans regularly receive good, plain language information that they need about their plans; and set out in law the goals to which we aspire legislatively as they relate to retirement income.

We all know that Canada is heading into a demographic crunch. We heard from the member for York West her statistic that by 2036 there will be 10.9 million Canadians over the age of 65. It is my sure and fervent hope that I will be among them, because the alternative does not turn me on very much.

The other statistic that I will give people, just to give a sense of where we are going as a country, is from the Association of Canadian Community Colleges. They were in to visit MPs recently and they shared a statistic with us that really says it all. Today in Canada, 44% of all Canadians are not in the workforce. That includes senior citizens, children, the unemployed and those who are unable to work. By 2031, in 20 years, 61% of Canadians will not be in the workforce.

The challenges that presents to us are clear. If Canadians are not in the workforce, they are not producing as much tax revenue for the country that we are going to need; and clearly, at the same time, there is going to be more of a demand for things such as health care and social services.

Many of that 61% will have earned a retirement. I am not suggesting for a second that they should be forced to work. In fact, some of them may choose to work and we probably should make it as easy as possible for them to work if that is what they choose to do.

This is the demographic crunch that Canada is facing. If we do not do more to address the needs of that growing segment of the population, including myself, who are going to be over age 65 by 2031, and from the member for York West's statistics, 10.9 million over age 65 by 2036, then we will have a significant problem.

The time to address that is now, both for those who have a specific and urgent need, those who are hurting right now because there has not been sufficient legislation, but also for the many other Canadians who do not even realize that they are going to have a problem, who do not understand that their retirement is in severe jeopardy.

Those Canadians are going to be going to their members of Parliament in 20 years and saying, "I did not know. I was not aware. Nobody told me that we had this problem."

• (1910)

We could say in the bill that we should increase the guaranteed income supplement, but then it cannot be enacted. It would require the royal recommendation that so many Canadians go to bed thinking about every night. It simply cannot make a difference.

We either come to this place to make a point or we come here to make a difference. Bill C-574 makes a difference and I want to commend the member for York West for her hard and diligent work on behalf of Canadians.

The Deputy Speaker: The time provided for the consideration of private members' business has now expired and the order is dropped to the bottom of the order of precedence on the order paper.

Pursuant to an order made on Friday, November 19, 2010, the House shall now resolve itself into committee of the whole to consider Motion No. 8 under Government Business.

I do now leave the chair for the House to go into committee of the whole.

GOVERNMENT ORDERS

• (1915)

[*English*]

PENSIONS

(House in committee of the whole on Government Business No. 8, Mr. Andrew Scheer in the chair)

Hon. Gordon O'Connor (for Leader of the Government in the House of Commons and Minister of the Environment) moved:

That this Committee take note of the national discussion focusing on improvements to Canada's retirement income system, including the ongoing dialogue between federal, provincial and territorial governments and consultations with all Canadians.

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Chair, I appreciate the opportunity to start tonight's take note debate on retirement income security and pensions. Being someone of such young and tender years, I am sure you are going to enjoy all of this discussion that we will be having here tonight, because rest assured, we are concerned about your future as well.

Tonight's debate is another illustration of how important this issue has become and remains for all Canadians and all parliamentarians. As I have said before, while we may not always have the exact same solutions to these issues, I would like to think all parliamentarians share a common desire to help seniors and retirees in Canada for today and for tomorrow.

This is not a simple or straightforward issue at all. As we have seen in Parliament, especially this past year, there are widely different aspects of this issue. They include everything from private sector pension plans, taxation issues, bankruptcy legislation, the levels of public servants' pensions and much more, all equally worthy of our attention. To be sure, this past spring, the finance committee, of which I am a member, conducted a study on the broad subject matter of retirement income security. In those hearings, we heard the wide range of concerns associated with this issue, concerns that touched countless areas and multiple jurisdictions.

Government Orders

Personally, this is an issue I have had the honour to spend the last three years or so working very closely on, as the finance minister's parliamentary secretary. I know how truly important it is to Canadians. I have conducted town halls. I have chaired round tables. I have read countless handwritten letters. I have spoken directly to thousands of Canadians personally. I heard the personal and heart-wrenching stories. I heard the emotion and the anxiety in the voices of the people telling them. I know how important this issue is to them and the generations of Canadians that will follow, and our Conservative government knows how important it is that we address this, but we also know how important it is that we get it right.

Despite what some might say tonight, there are no quick or easy solutions. The federal government alone cannot find or be the only solution as well. The government action alone, in the absence of personal responsibility, is not the solution. We cannot pretend otherwise. We have to look at the issue from all angles, always aware of the implications of solutions that we may propose, implications on not only those directly affected, but also those indirectly impacted and the larger Canadian economy. We also must always involve Canadians through open and public consultation when exploring this issue. It is too important to exclude Canadians from this discussion.

Since 2006, those are the broad objectives our Conservative government has strived for as we worked to improve the lives of seniors and retirees in Canada, not only for today but for tomorrow as well. This has included everything from our work to reform federally regulated private pension plans to landmark tax relief for seniors and retirees and, most prominently of late, our work with the provinces and territories to address this issue in a collaborative and pan-Canadian manner.

With respect to our work with the provinces and territories, it has been based on both extensive, factual research and open, public consultation. Indeed, there has been extremely good co-operation over the past few years, as we have been able to narrow down what we think can work and what merits more study.

We also ruled out ideas we collectively determined cannot work. For instance, along with our provincial and territorial partners, we examined the notion of creating another supplemental, government-run pension plan. The verdict was unanimous. This was not a good idea. Ontario's Liberal finance minister, Dwight Duncan, has firmly and publicly rejected the supplemental plan as "very costly to set up and administer".

● (1920)

Indeed, during the finance committee study and elsewhere, we have repeatedly heard the same concerns from academics, labour and business.

For instance, the Canadian Institute of Chartered Accountants came out strongly against the supplemental plan, and said, "We believe that such initiatives would require the inclusion of significant incentives, costing deficit-laden governments scarce funds, and would further complicate the system".

Labour unions have been equally dismissive. For instance, the Communications, Energy and Paperworkers Union of Canada told the finance committee that a supplemental plan would not work. It

said, "As regards supplemental pension plans, our union experience shows that people do not spontaneously or easily contribute to a supplemental pension plan, even when the offer is attractive".

It is little wonder even my Liberal colleague on the finance committee, the member for Saint-Léonard—Saint-Michel, dismissed the idea. To quote him, "The only thing that will happen is that the people who have the money will voluntarily put it into the CPP, so I don't think we'll solve the problem".

I am confident that the spirit of co-operation and progress will continue later this year when federal, provincial and territorial finance ministers meet in my home province of Alberta in my riding of Kananaskis in December.

As I have said on numerous occasions, if we really want to tackle this broad issue as a federal government, we have to work with our provincial partners. The fact of the matter is that the overwhelming majority of pension plans in Canada, over 90%, are provincially regulated. Nevertheless, while the federal government cannot act on larger matters without our provincial partners, we can and have acted decisively on matters of exclusive federal jurisdiction.

First and foremost, last year we conducted the most comprehensive review of the framework governing private pension under federal jurisdiction in over two decades. We started that process back in January 2009 when we released a major research paper on federally regulated pension plans for public comment.

As our Conservative government believes that the Canadian public has the right to have their voices heard on this issue, we invited and listened to all who wanted to make their voices heard through public town halls and online consultations from May to March 2009.

Based on the tremendous feedback we received from Canadians from coast to coast to coast, we released the most comprehensive reforms in nearly 30 years of the federal pension framework.

Among those key reforms is: requiring an employer to fully fund benefits if the whole of a pension plan is terminated; establishing a distressed pension plan workout scheme under which employers, employees and retirees may negotiate changes to the plan's funding requirements; permitting the Superintendent of Financial Institutions to replace an actuary if they are of the opinion that it is in the best interests of the members or retirees; and, requiring the administrator to make additional information available to members and retirees following the termination of a pension plan.

I am happy to report that those reforms were welcomed and appreciated. Dan Braniff of the Common Front for Retirement Security described them as "an important milestone for creating greater security for many pensioners and plan members". He thanked us for taking this "very important step for better retirement income security".

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Those reforms represented one of many instances where we took the time and effort to get it right. Our Conservative government will continue along that path. We will listen to the views of Canadians and all parliamentarians here tonight as we work towards a long-term solution to improve the retirement income security of Canadians.

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Madam Chair, I would like to ask the parliamentary secretary what was the basis on which the decision was taken to ultimately destroy thousands and thousands of dollars in value to those lower income senior citizens who hold RRSPs?

In May 2010, the Government of Canada decided that for those who cash in RRIFs, registered retirement income funds, those funds would indeed be accountable to whether or not those citizens received the benefits of the guaranteed income supplement.

Prior to May 2010, if a senior pensioner were to cash in a RRIF, he or she could elect to have those funds deemed optionable under the terms and conditions of the old age security, GIS legislation. They were optionable, the same way that employment insurance and other pension income is currently now, to this day, still optionable.

But if a senior citizen cashes in a RRIF today, that income is no longer optionable and it is calculated against the means test of whether or not that senior citizen will gain access to the guaranteed income supplement.

As a result of this unannounced policy decision by the federal government, literally thousands, if not tens of thousands, if not potentially hundreds of thousands, of Canadian seniors who cashed in a RRIF so that they could pay for medical assistance or emergency care will now have that income calculated as to whether or not they will be eligible for the guaranteed income supplement next year.

They are not aware of this because the government did not ever make this known to any member of the public. They are going to lose their guaranteed income supplement, literally thousands of dollars out of the pockets of seniors citizens.

Why did the federal government not publicize this? Why, more importantly, did it take this decision?

• (1925)

Mr. Ted Menzies: Madam Chair, I am afraid I do not know all of the details on that, but I will certainly look into getting a fulsome answer for that.

What the government did recognize was the fact that those people holding RRSPs suffered a severe shock in 2008-09, seeing the value of their RRSPs drop drastically. For those who were required as of that date to roll those instantly, at the end of that year, into a RRIF, the government extended that two years so they would not be forced to roll their RRSPs at that low rate. It would actually provide them the opportunity to rebuild the value of those RRSPs.

The government recognized that they, through no fault of their own, saw the value of their RRSPs drop. It was market factors, blame whoever, it was not the seniors who should be blamed. The government recognized that and moved that date back two years so it would actually allow the seniors to regain value in their RRSPs before they were rolled into RRIFs.

[Translation]

Mr. Yves Lessard (Chambly—Borduas, BQ): Madam Chair, I would like to ask the Conservative member a question about a situation pertaining to private pension plans. One of my fellow members just asked about an aspect of public pension plans, and now it is time to look at private plans.

For economic reasons, some employers were unable to respect private pension plans either in terms of their contributions or the security of funds. We recently introduced Bill C-290, which asked the House to alter tax credits. The purpose of this bill was to help the employees of two companies in particular, the Jeffrey mine in Asbestos and Atlas Stainless Steels in Sorel.

I would like to understand the government's philosophy with regard to the existing protection for private pension plans. I would also like to know how the government intends to help those who lose money on their pensions.

• (1930)

[English]

Mr. Ted Menzies: Madam Chair, there are a lot of pension members who found themselves in most distressing situations especially with the downturn in the markets. We saw large pension funds that were losing millions of dollars a day. Some of those pension funds could have been topped up and should have been topped up, but the rules that were in place at that time, in fact the rules that had been in place since 1985, allowed them to take a pension holiday. If they were 85% funded when they had to report to OSFI, they were allowed to take a pension holiday. They were also not required to report to OSFI for three years. We did not realize how serious that was. That has been in place since 1985.

We recognize that challenge. I heard from many fund sponsors that if they were allowed to top up their contributions over the 100%, they would do that. We put in place that mechanism so they could over-fund for a rainy day to make sure they were funded in case of drops in value. As well we made sure that we required them to report every year so they would not get so far behind in their funding.

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Madam Chair, the parliamentary secretary talked about the difference between the increase in CPP and QPP and the proposal for a supplemental CPP and he pretty well discounted that. I note recently that Professor Kesselman and Jack Mintz also reached the same conclusions.

We have had discussions on the bankruptcy and insolvency, Companies' Creditors Arrangements Act, CCAA, situation of Nortel, AbitibiBowater and others. In all the dialogue we have had on those issues, there is a more immediate one which is the seniors in poverty that we keep discussing in this place. Does the government have any plans to increase old age security and GIS in the foreseeable future to help people who are in this severe situation?

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Mr. Ted Menzies: Madam Chair, I do need to recognize the member for Hamilton East—Stoney Creek. He indeed has done extensive consultations with people not just in his own riding, but he has travelled around and listened to people. We recognize his contribution. As he states, he and I have had many discussions both in the House and in my office. He is passionate about making sure that we make the right decisions. We are trying to put forward as a package what will work for the short term, whether it be changes that help seniors today, but also to make sure that the changes that we make will help young people going forward.

The one issue we have not talked about yet and I am sure it will come up is a report we are expecting very soon from the financial literacy task force that will provide us with some insight on how we need to educate young people. I referred to this in my opening remarks about people looking after themselves. We cannot take away the responsibility of the individuals to make sure that they make the right decisions to prepare for their retirement. It cannot just be government that looks after their retirement. People have to take some personal responsibility. There are extenuating circumstances that are beyond people's control. I talked about that in the downturn in the markets, but personal responsibility also has to be a part of this. That has to be factored into our discussions here tonight. How do we encourage young people to think about their retirement? How also do we encourage people to keep working longer?

I personally feel that there is no place in my future for retirement. Why should many other people who want to continue working be forced out of work? They have productive years. They want to contribute. There are many good years left in some of us old souls and we should be given a chance to keep contributing.

• (1935)

Hon. Judy Sgro (York West, Lib.): Madam Chair, it is great to be focused on pensions tonight. It helps to show Canadians that we are very serious about these issues and that we care.

In a country like Canada, it is unacceptable that senior citizens would be subjected to poverty and squalor during their retirement years. If Canadians are to take a more active role in retirement planning, then governments must also be prepared to step up and do their share.

That is a quote. On October 13, 2010, I presented a white paper to the leader of the Liberal Party. That paper took more than a year to write and it contained 28 recommendations for substantive changes to the various pension systems in Canada. That paper contained the words that I have just said. They represent the guiding philosophy that was used during the drafting of that paper. They are the basis for my actions and beliefs as they relate to pensions and pension reform in this country.

Canada is a nation rich with resources and potential and our citizens should be able to enjoy a measure of dignity during retirement. Contrarily, more than 200,000 Canadians over the age of 65 currently live well below the low income poverty line.

What that means is that after a lifetime of working to raise their families and pay their taxes, 200,000 Canadians are being forced to choose between buying groceries and paying the rent because their retirement income is simply too low to allow them to do both. While almost unbelievable in Canada, this is a daily reality for far too many. In response, the daily goal set by this or any government of Canada should be to immediately correct this wrong.

I would suggest it is shameful that the government seems ambivalent to the issues of inadequate pension security. We need to get serious about pension security, coverage and adequacy before we see more situations such as the one which is currently threatening 17,000 former employees of Nortel. That is 17,000 people who worked for a lifetime, paid their taxes and put money away for a rainy day, but despite their efforts saw their savings wash away because of inadequate legal protections. Shame on all of us.

I am not here to poke holes without offering my thoughts and ideas. That is what my white paper is all about. Historically speaking, prior to the Great Depression, most Canadian social services were delivered by a patchwork of religious, volunteer and charitable organizations. However, the reality is that today, in addition to being essential for basic living, many Canadians view pensions as defining elements of our national identity.

Where are we today? Most Canadian seniors are eligible for old age security and most former workers can receive Canada pension plan or Quebec pension plan benefits based on their contributions during the course of their careers. Those at the lowest end of the income scale are also eligible for the guaranteed income supplement. Alone, these mechanisms provide somewhere in the neighbourhood of 30% of one's replacement income in retirement.

In dollars, these plans pay a maximum of about \$20,000 annually, but the average payout continues to be significantly less. Current economics suggest that this will not be enough for most Canadians who will need private retirement savings to survive. All of us know that is not sufficient today, never mind 20 years from now.

A number of Canadians do have a private pension through their employers and/or take advantage of government tax shelters, such as RRSPs or the tax free savings account, but recent events have called the security of these private investments into question. With this, it is this last option that in many respects needs some of the most dramatic attention from government today.

In the past few years alone, we have seen a number of private companies become insolvent. Once that occurs, it would seem that employee pension plans are inadequately protected under Canadian law. The real life result is that thousands of hard-working Canadians, like the 17,000 former employees of Nortel, are being cast to the wolves and the government seems content to watch the carnage.

In fact, last week one witness at the industry committee suggested that Nortel employees can expect to take a "haircut at the neck" when it comes to their pensions. How is this acceptable?

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● (1940)

Despite repeated calls for action, the government seems willing to sit back and allow the markets to do as they will to many of these people. I will not support this approach and I am proud to say that my party is not prepared to sit back either.

On paper, it may seem as though Canada has already addressed the challenges presented by an aging population through the utilization of a range of public and private mechanisms. But, despite this apparent resolution, retirement income security, adequacy and coverage continue to be looming problems that require the immediate attention of business, labour, individual citizens, and governments at all levels. I very much hope all of us can work together to come up with some solutions as we move forward on this important issue.

The undeniable fact is that over the next 20 to 30 years, Canadian pension regimes will face a perfect storm of an aging population with longer lifespans and dramatically higher levels of personal debt, coupled with lower disposable incomes and global economic and market instability. Immediate steps must be taken in the short term if pension security, adequacy and coverage are to be attainable for the long term.

In an effort to ensure that Canada's retirement income system is prepared for these challenges, I have suggested adopting a multi-pronged, internally coherent strategy that will shore up our system while being mindful of several key principles.

First, we need to underscore the value of a functioning pension system. I strongly believe that a reliable retirement income regime is in everyone's best interests, as indicated by the parliamentary secretary.

Second, we should be rethinking the three pillars of the existing pension system. Canada has long prided itself on the success of its current retirement income system. The three primary mechanisms associated with that system are: old age security and the guaranteed income supplement; the Canada pension plan; and the various private plans in privately administered options. A fourth pillar includes private savings outside of tax-sheltered plans. These structures have provided a strong base. However, they will face new pressures as the national population continues to age over the next 20 years. Weaknesses must be purged and strengths should be expanded upon.

Third is the integration of existing systems. It is essential that the existing structure be examined holistically and with a multi-generational focus. Public and private structures should be integrated with the stated goal of providing more seamless coverage to the population.

Consideration must also be given to those who have traditionally fallen through the cracks. In particular, women, who statistically endure a greater rate of poverty due largely to factors involving longevity, employment type and tenure, must receive the attention needed to ensure retirement income security, adequacy and coverage on par with all Canadians.

With these principles in mind, and understanding the need to respect any relevant jurisdictional and partnership issues, my white

paper is proposing several specific recommendations to help ensure Canada's pension and retirement savings structures are fortified in a way so as to ensure they are prepared for the anticipated storm. Those reform proposals include measures such as: the establishment of a supplemental Canada pension plan; launching financial literacy measures; a review of the cost of living calculation; and the creation of a stranded pension agency.

All of the items in the white paper have been shared with the government. I am very hopeful that it will review those recommendations. Clearly, I would not be offended if it adopted several of them.

Many of these measures are also encapsulated in Bill C-574, the pensioners' bill of rights that I presented earlier and on which we had the first hour of debate.

While I am pleased to hear that the parliamentary secretary is going to support sending my bill of rights to committee, I look forward to working with all of the parties in the House to improve the pension system.

● (1945)

Mr. Mike Wallace (Burlington, CPC): Madam Chair, it is my pleasure to take part in tonight's discussion on pension reform.

The Minister of Finance and the Parliamentary Secretary to the Minister of Finance have spent a lot of time over the last number of years looking at this issue. I am fortunate enough to be on both the finance committee, which dealt with this issue last spring, and on the industry committee at present where we are discussing Bill C-501.

Parliament and this government have been engaged in this issue and we have made a number of changes over the last couple of years.

However, I am not absolutely sure about something. The member for York West has been sitting in on our industry committee on the issue of Bill C-501 but I cannot tell whether the Liberals are supporting that private member's bill. I wonder if the member could tell us. I know that is a private member's bill and probably an individual decision, but based on the work that she has done and whether that bill would actually help Nortel employees, will the Liberals be supporting it coming back to the House?

Hon. Judy Sgro: Madam Chair, yes, I have been attending the industry meetings dealing with Bill C-501, which I am sure we will hear more about as the evening progresses. We have had a lot of very important people come in and give testimony, whether it was Nortel pensioners, Bowater or the many companies across Canada that are very concerned about the impact Bill C-501 will have. As parliamentarians, I think we are all trying to make a difference and many of us have different opinions.

This bill is important. It will soon have an opportunity to be looked upon in discussion with the department. At the appropriate time, we will make the appropriate decision.

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Madam Chair, I was pleased earlier tonight to hear the member from York West express her concerns for the 200,000 seniors who live in poverty. I know she has been working with the Nortel workers, as have other members of this House.

In fact, I was on a CBC panel with the member from Markham—Unionville where I made the suggestion that the government should consider cancelling the next corporate tax breaks of about \$1 billion coming in January 2011 and put the money directly into old age security. The member from Markham—Unionville gave a flat no. I am curious as to what the member would say to that suggestion herself.

The finance minister seems to have a strong opinion here and so he is very helpful to the member I am sure.

Hon. Judy Sgro: Madam Chair, it is interesting to hear the member talk about the unaffordable tax cuts that the government of the day is talking about.

I would suggest that we reinvest that \$6 billion in tax cuts in people. I strongly believe our seniors deserve care. We have been talking about a family care program that would be an expansion of the compassionate care program for EI. This would allow individuals who have a seriously ill parent to take up to six months off to take care of their elderly relative.

I believe we should be investing our money in people and not in prisons and fighter jets. That is a clear philosophy, especially when we have a \$57 billion deficit that we have to work with.

There are some real opportunities in the future but investing in people is our priority.

Hon. Maria Minna (Beaches—East York, Lib.): Madam Chair, we all know that the old age security, GIS and CPP combined only replace about 30% of a senior's income. That leaves about 70% uncovered, which means, of course, that a lot of seniors are struggling and in the future it will get much more difficult.

The other plan that was supposed to help was the RRSP. Unfortunately, we all know that the RRSPs are really not working in our country. I think the average contribution to RRSPs is about \$1,000 or \$2,000 a year. Only about 10% of Canadians actually max out their RRSP limit, and that is only Canadians who are fortunate enough to have quite a high income. On top of that, we have to add in the fact that private pensions or company pensions are diminishing, while some of them are defaulting, which is a whole other issue. There is a lot of instability and a lot of problems.

I wonder if the hon. member could tell us what direction we really need to be going in to ensure Canadians have some stability in their pensions in the future.

• (1950)

Hon. Judy Sgro: Madam Chair, I did not realize this before, but while I was travelling around doing my consultations, as was the parliamentary secretary, I learned that in order for people to have a pension they must work for the labour union or the government.

I think that is very unfair. My bill of rights is about levelling the playing field. We need to provide more opportunities for people to contribute to a pension plan and the supplementary Canada pension would provide that opportunity. Everyone who has a social insurance number in Canada would automatically be enrolled in the plan but they could opt out if they chose.

That would allow everyone, from homemakers, caregivers, farmers and the self-employed, to put an extra \$100 into their

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supplementary plan. There would be no obligation on employers. It would be an individual's right to put that money in the plan. The plan would be well managed, be low risk and would have low management fees.

The reason some of the provinces did not support the plan was because of all the talk about the huge costs. However, Alberta and British Columbia were very much enthused about going in that direction. Unfortunately, they did not all have the adequate information to understand it fully. I am quite confident that with further discussion, they will be very supportive of that.

Mr. David Sweet (Ancaster—Dundas—Flamborough—Westdale, CPC): Madam Chair, I appreciate the opportunity to question the hon. member who I have worked with on several committees and for whom I have great respect.

I just have to comment on a statement that she made earlier. We have taken a lot of measures in the economic action plan, as well as with Advantage Canada, to ensure that Canada is the most competitive tax jurisdiction so we can attract companies here. Tim Hortons returned to Canada. In the city of Hamilton where my riding is, Canada Bread has built a multi-million dollar facility that I think will create hundreds of jobs.

The member was talking about tax breaks and this whole notion of them being given to companies. Is the member not aware of the correlation between attracting corporations that create jobs and that create an opportunity for people to contribute to pensions so that they can actually get those defined benefits later on?

Hon. Judy Sgro: Madam Chair, I have always been involved in economic issues and economic development attracting jobs.

We currently have the lowest corporate tax rate, even lower than in the U.S. We hear people compare us to that. I must say that under the Chrétien-Martin years, we gave the biggest tax cuts to the corporations of over \$100 million.

We are well aware of the fact that we need a healthy economy but we also need to have healthy people who can contribute to a variety of different plans that will encourage them to save for the future.

As I indicated earlier, we will have 10.9 million seniors in another 26 years. The fiscal capacity of this country will be under enormous strain. The social infrastructure will be unable to bear that, unless we get Canadians involved in saving money.

The TFSAs that came out on a voluntary basis, which was a Liberal recommendation that was implemented by the government, which I congratulate it on, had \$16 billion put into it in one year. I believe that if the vehicles are provided, people will invest and save their money.

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[Translation]

Mr. Luc Desnoyers (Rivière-des-Mille-Îles, BQ): Madam Chair, I think that it is important to talk about retirement today. When we look at the economic crisis we have just gone through, we see that hundreds of thousands of workers have been affected and/or have lost their pension. This has had a serious impact on workers.

When plants close or lay off huge numbers of workers, these people find themselves unemployed or in precarious part-time or temporary jobs. Workers who have been laid off and are in unstable jobs, as I said, can no longer pay into any sort of pension plan. They cannot save any money anymore, because they no longer have enough money to save for a comfortable retirement.

The economic crisis also brought us face to face with a pension crisis, something we had not been confronted with in many years. When I talk about a pension crisis, I am referring to pension plans that have been changed, abandoned and lost. We talked about workers from Nortel, AbitibiBowater, the Jeffrey mine and Atlas Steel, to name a few. We could name dozens and dozens of companies that have been forced to change or abandon plans. For example, Nortel workers are losing their pension plan altogether.

People who are close to retirement and are faced with this sort of situation are in serious trouble, because they cannot retire with sufficient income to allow them to live in dignity, face the future and keep on going.

Right now, there is only one segment of society that can afford a registered retirement savings plan. Roughly 27% of people can afford an RRSP in addition to their regular plan. It is devastating.

The Bloc Québécois has made a number of important demands over the years. The Bloc Québécois has always supported initiatives for retirees and seniors in Quebec. It will continue to support measures that will help retirees and seniors.

One of the many things we have done is introduce Bill C-290, to provide compensation to retired workers who have been cheated and whose pensions are cut off when a former employer declares bankruptcy and fails to fulfill its obligation to contribute to the employees' pension plan.

The Bloc Québécois was dismayed to see this bill defeated by the Liberals and the Conservatives. The bill set out to protect the retirement income of workers at a company in bankruptcy. Once again, the Liberals and Conservatives are demonstrating their profound indifference toward workers, especially retirees.

The Bloc Québécois will ensure that retirees are not cast aside by the Conservative government. We have not stopped promoting to the government a series of solutions to protect retirees. We have presented a solid plan with a number of income protection measures, namely that the federal government follow Quebec's lead and take trusteeship over the pension plans of federally regulated bankrupt businesses. This would prevent these pension funds from being liquidated while the markets are at their lowest. We also proposed introducing preferred creditor status for disabled employees who lose their benefits following an employer's bankruptcy and amending the investment act to keep the threshold for automatic review of foreign acquisitions at \$300 million. Such a measure would ensure

that companies like Nortel would not be sold off at a discount to the detriment of retirees.

The Bloc Québécois is also making major efforts to improve the GIS.

• (1955)

Another proposal is the elimination of the six-month delay for the wage earner protection program. Thus, victims of massive layoffs followed by delayed bankruptcy would be eligible for the severance they are due.

We are also proposing that the contribution limits for pension funds be increased to 125% of the break-even point. This measure would encourage the establishment of a significant pension reserve. The government went back to this after trying to pass the buck to the provinces.

The Bloc Québécois supports supervision of pension plans subject to federal jurisdiction to help avoid high-risk investments, such as investments in the company. Furthermore, companies with insolvent pension plans because of stock market downturns generally have five years to replenish their funds. To counter the effects of the downturn, the government has increased this time frame to 10 years in order to give companies some breathing room, prevent bankruptcy and protect both workers and pensioners. The Bloc Québécois approved this exceptional measure that fosters the survival of businesses.

We are asking for minimum funding requirements to make pension funds less sensitive to market fluctuations. As we can see, there are a number of proposals that should be added to the government's agenda to improve pension plans, should there be one in future.

Canada and Quebec have various pension plans: old age security, guaranteed income security, the Canada pension plan and the Régime de rentes du Québec, which falls under Quebec's jurisdiction. It is important to respect Quebec's legitimate right to its own pension plan.

A number of citizens' groups, retiree organizations and unions, such as the Canadian Labour Congress and the Fédération des travailleurs et travailleuses du Québec, are calling for significant changes to the Régime de rentes du Québec and the Canada pension plan, as well as an increase in the guaranteed income supplement. They believe it is vital that the government move forward with pension fund security reform. We must heed this request by various organizations and propose important changes.

Only the Canada Pension Plan and the QPP were not affected by the recent economic crisis. Other plans were all affected in different ways. As advocacy groups were saying, the advantage of the CPP and the QPP is that they are transferable, universal and indexed. These groups are calling for benefits to be increased from an average of 25% of a person's salary to 50%, since 25% is clearly insufficient. Doubling benefits would help lift retired workers over the poverty line. When future CPP and QPP benefits are increased, the guaranteed income supplement must also be substantially increased at the same time.

The CPP and QPP are secure, stable and indexed, and their administrative costs are minimal compared to those of financial institutions in Quebec and Canada. Improvements such as these would significantly reduce the incidence of poverty among the seniors and retirees who benefit from these pension plans.

We are saying yes to improvements to the public plan. We must conduct an in-depth review of what is being proposed and ensure that all the necessary analyses are conducted. The Canadian Labour Congress and the federations have approaches worth considering.

● (2000)

In conclusion, the proposal, which involves gradually increasing QPP and CPP benefits by increasing contributions and raising the limit on pensionable earnings, is an approach that should be thoroughly examined. It must be done right, through meaningful consultation—

● (2005)

The Deputy Chair: The hon. member for Hamilton East—Stoney Creek.

[*English*]

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Madam Chair, my friend from the Bloc was speaking earlier about his concerns about companies that have gone under for a variety of reasons, such as AbitibiBowater's and Nortel's issues.

I have said before that we insure our homes, cars and ourselves. Is it not common sense that we should ensure our pensions? The NDP has proposed a national pension insurance plan, which would be funded by premiums paid by the plan holders. I am wondering if the Bloc would support such a measure.

[*Translation*]

Mr. Luc Desnoyers: Madam Chair, the Fédération des travailleurs et travailleuses du Québec is calling for some type of insurance to protect pension plans. We need to take a closer look at the approaches proposed by the Fédération des travailleurs et travailleuses du Québec and by other unions in Quebec to determine how to protect pension plans.

Mr. Yves Lessard: Madam Chair, first I would like to thank my colleague from Rivière-des-Mille-Îles for his speech. He spoke about the two types of plans. I would like to ask him about the guaranteed income supplement, a public plan for seniors that he mentioned briefly, which is available to individuals whose old age pension income is too low.

Can he tell us why, under this government and the one before it, people who were entitled to the guaranteed income supplement did not receive it?

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Mr. Luc Desnoyers: Madam Chair, I thank my colleague for his question.

Seniors must apply to receive the guaranteed income supplement. Unfortunately, a number of retired seniors were shortchanged by these two governments, by both the Liberals and the Conservatives. They did not receive the guaranteed income supplement because they had not applied. We are obviously calling on the government to make this automatic, to ensure that individuals are automatically registered for the guaranteed income supplement once they are entitled to it and have reached the required age.

[*English*]

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Madam Chair, sometimes the principle of do no harm should guide the government members when they consider what bold actions are required to assist senior citizens so that they have stable pensions. But do harm they did, as I explained earlier to the House. The decision to amend Canada Revenue Agency policy on how registered retirement income funds are handled for the purposes of calculation of the guaranteed income supplement will cause huge, huge grief and insecurity for our senior citizens.

Seniors may not be aware of this change in May 2010, because certainly there has been no government publicity. Now, should they withdraw, say, \$10,000 from their registered retirement income funds, RRIFs, to be able to adapt to or handle a major medical emergency like a heart attack or having to give care to a family member, the consequence is that \$10,000 over and above the minimum annual that is required for withdrawal from a RRIF is all calculable for the purposes of whether or not that senior citizen will receive the GIS the following year. In addition to that, by not allowing that \$10,000 to be considered optionable income in 2010, they will lose their GIS in 2011 and they will also lose certain provincial benefits that are tied to the GIS, such as a drug card. For the sake of a \$10,000 withdrawal, those senior citizens will lose upwards of \$17,000 to \$25,000, and they do not even know they are about to lose it. This is wrong.

When we talk about the big scheme of pensions, we also have to consider the little details. That is a huge detail that is being lost by the government.

● (2010)

[*Translation*]

Mr. Luc Desnoyers: Madam Chair, as I said earlier, the guaranteed income supplement needs to be amended. As the Canadian Labour Congress, the CLC, and the FTQ are currently proposing, we need to increase both at the same time to ensure that payments are made by the Government of Canada and not the provinces. We need to undertake an in-depth study of all current proposals and ensure that we are looking to the future. We can no longer be confronted with the same things that we were confronted with during this crisis, where ordinary workers lost their houses, their retirement funds and their right to live with dignity.

Government Orders

It is unfortunate, and this situation needs to be corrected as quickly as possible. Proposals are currently being submitted by various retirees' organizations and unions. We need to act quickly and study things thoroughly. Every day that passes, retirees are suffering. Workers in Quebec and Canada are suffering. It must stop.

[*English*]

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Madam Chair, I am most pleased to take part in the debate on those pension reforms that are needed to protect and enhance the lives of Canada's seniors as they live out their sunset years.

From my reports, the House will know that over the last 19 months, I have been crossing Canada, holding some 39 community meetings, so far, on what I call the listening to seniors tour. I want to assure the House that these seniors have been very quick to tell me of their fears and their concerns about the future.

Today far too many of our seniors are forced to live in fear, just one crisis away from financial catastrophe. Seniors are worried about their private pensions and how they might be significantly less than what they were told they would be, or, as in the case of companies like Nortel, where there was a significant loss to the amount of pension income, they worry if they will have a pension at all going forward.

The genesis of my listening to seniors tour was when I was visited by a prominent group of seniors. One of my guests stated that seniors felt invisible to their government. This group also wondered why the government had given \$14 billion a year in corporate tax breaks while, as they said, doing nothing for them.

The government will argue that there were things done over the past five years on behalf of seniors and some of that is factual. However, from the point of view of the seniors, they do not see that immediate impact for them.

One of the things we heard today was the corporate tax rate in Canada as compared to the United States. I may be incorrect but it is my understanding that the corporate rate in the U.S. 36% and we are nose-diving to 15%, and we are taking the fiscal capacity out of the government to respond to seniors needs.

Last fall, I told the House something worth repeating. It is the story of a senior who came to my office. He had a letter from the government saying that his pension had been increased 42¢ a month. I am pleased that the finance minister is here to hear this. This man was so upset, he had tears in his eyes. He said, "Not only does the government not give a damn about seniors, but it goes out of its way to insult us by sending us a notice that cost more to post than what it cost in the increase to the government". He was very concerned.

We faced down the worst recession in years and some credit should go to the government, but Canadians throughout that process were vividly reminded of why we had a social safety net in the first place.

I am pleased to see the government has taken an interest in reviewing the benefits paid under old age security, GIS and CPP. I have to stress that this has also been done with an eye to increasing benefits for seniors.

Repeatedly tonight we have heard references between 200,000 and 300,000 seniors who live below the poverty line. An economist at the Canadian Labour Congress reported that an annual infusion of about \$700 million would raise all seniors above the low income cut-off, what is more commonly known as the poverty line.

We heard the Bloc speak about a motion that it had before the House calling for an increase in GIS.

The 200,000 or 300,000 living below the poverty line is a very sobering statistic, but when we consider of that number, 60% are single unattached women, many of them women who never participated in the Canada pension plan because they stayed at home, this is nothing short of a national disgrace. We can do so much more and we must do much more for all senior Canadians.

Today only 38% of Canadian workers have workplace pensions. Nearly one-third have no retirement savings at all. Earlier today the Liberals presented a bill on guaranteeing a charter for the rights of seniors to save. For the one-third of Canadian workers who are outside the umbrella of having a pension plan and cannot save at all, we have to question what the charter would do for them.

● (2015)

More than 3.5 million Canadians are not saving enough in RRSPs, and I am sure the finance minister could back that up. They are not taking advantage of the opportunity that is presented by the government. Seventy-five percent of private sector workers are not even able to participate in a registered retirement plan. Clearly the notion that retirement savings can be adequately accounted for through the purchase of RRSPs has not worked out and requires urgent government action.

In June 2009 the NDP opposition day motion started, in a very public way, a national discussion on the future of our retirement security system. Members in this place today are continuing that discussion.

Part of the discussion from our perspective centred around increasing CPP and QPP funds. I would remind members that CPP and QPP are self-financing, so it then becomes a question of whether Canadians are prepared to pay more for security in their senior years as part of a secure public pension plan. Canadians certainly face insecurity today in the context of their private options, like RRSPs or defined contribution plans, that leave them uncovered or victimized by the market.

We believe it would also be a benefit to beef up CPP. That would be the cheapest way for Canadians and the government to pool risks, take the burden off individuals and secure their senior years. Any voluntary supplemental CPP system would simply not meet the needs of Canadians any more than what an RRSP has done in the past. The NDP believes it would be better to use the resources of CPP and QPP to enhance a retirement system.

I would like to discuss the need that Canada has for a pension benefits guaranteed fund.

Government Orders

Federal leadership is urgently needed to set about working with the provinces to develop a pension insurance regime. This must be done to ensure workers actually receive the retirement benefits they have earned, even if their employer goes out of business.

As I said, we insure our cars and our homes and we have deposit insurance to cover our savings. Why not insure our pension plans? The system would be funded by contributions from federal workplace pension plan sponsors administered by the federal government and designed to ensure efficiency and fairness to all parties.

Another notable model that is worthy of study is the American Pension Benefit Guaranty Corporation, and there are some issues with that. Similar to the Canada Deposit Insurance Corporation, the Pension Benefit Guaranty Corporation is not financed through tax revenues but by premiums paid by sponsors of defined benefit plans, assets from plans that are taken over, recoveries from refunded pension liabilities from plan sponsors' bankruptcy estates and through investment income.

Canada may choose not to follow the American model, but it could create some form of pension insurance uniquely its own or a hybrid of other plans, such as those in Switzerland, Sweden, Germany and Japan and even the Netherlands, which is probably not an option that we would look at here. The government of the Netherlands insures the plans.

Once a guaranteed plan is successfully combined with funding rules or other protection measures, it can effectively perform as a last resort benefit protection measure.

Another clause in our opposition day motion called for ensuring that workers' pension funds would go to the front of the line of creditors in the event of bankruptcy proceedings. My colleague from Thunder Bay was responsible for putting forward Bill C-501. He has worked hard on that file, trying to protect the pensions and severance of workers across the country.

Canadians need to know that there will be a level of pension income for their retirement to ensure that they will spend their final years with financial security and live in dignity.

● (2020)

The Deputy Chair: Perhaps the hon. member can complete his comments following questions and comments.

Questions and comments, the hon. member for York West.

Hon. Judy Sgro (York West, Lib.): Madam Chair, I know the member frequently raises issues to do with the old age security, issues about which we all care very much. We continue to deal with seniors every day, those who are living either below the poverty line or on a low amount of money. Frankly, most Canadians would be quite embarrassed to find out that if their parents do not have a private pension, they try to cope with \$12,000 or \$14,000 a year or, if it is a couple, maybe \$22,000 a year.

Clearly for a country as rich as ours, we need to do better on that issue. I know the member has raised that periodically.

Has he reviewed the recommendations in the white paper that I recently put out and sent to all members? Clearly the NDP members got an early copy of it because someone else leaked it. Since they

had that copy, I would like to know what his comments are to the white paper.

Mr. Wayne Marston: Madam Chair, I am struck by one of the things the member just talked about, and that is the \$22,000 on which people live. I was in Elliot Lake when a woman came up to me and told me she lived on \$1,160 a month, exactly what the member said.

We have differences on some points here or there, but everyone in this place is trying to find a way to improve the lives of seniors. Therefore, I am glad to hear her bring forward her points today.

The leaked document has not been leaked onto my desk, so I cannot respond to it. However, people know what the problem is. The problem is seniors do not have adequate pensions. If they are living on old age security and GIS, they do not have enough. Eleven hundred dollars a month does not do it. Therefore, we have to do something about that.

Madam Chair, you said I had a bit of time left so I could turn to my last page.

I want to talk about the fact that the NDP has put forward a plan, a seniors' retirement income security plan. We have talked about increasing the GIS to lift seniors out of poverty, strengthening the CPP by doubling it if we can reach that goal, adopting a plan to take in stranded pension funds and a national pension insurance plan. If we were to work on those four points, we would be well under way to making a better life for seniors.

● (2025)

Hon. Jim Flaherty (Minister of Finance, CPC): Madam Chair, I will comment on the remarks of the member for Hamilton East—Stoney Creek.

There is this assumption made by Liberal members, and by the NDP member, that somehow we have two classes of people in our country: people who employ people and people who work for other people. It is just nonsense.

If they actually knew what was going on in the country, they would know that the biggest producers of jobs in are ordinary Canadians who run small and medium-sized businesses. They would know that if they paid attention in their own ridings, they would stop this false nonsense talk against employers and they would stop their nonsense talk saying that we should not reduce taxes on employers.

Of course we should. Why? It is the fastest way to create more jobs in Canada. We know that small and medium-sized businesses are the job generators. They are the job generators in the riding of the Liberal member for York West. They are the job generators in the riding of the member for Hamilton East—Stoney Creek. This is vitally important.

I was appalled earlier to hear the member for York West try to take credit for the working income tax benefit, known as WITB, and the tax-free savings account. The Liberals had 13 years in government and they did neither of those things. We became the government and we implemented both of them, despite the fact that we are in a minority Parliament. That is good public policy for Canada and I would hope the Liberal member opposite would acknowledge that.

Government Orders

Mr. Wayne Marston: Madam Chair, I was pleased to hear the finance minister talk about taxation. We have had taxation in Manitoba under the Doer government. Lorne Calvert and other NDP governments across Canada balanced the books repeatedly, over and over, but at the same time they took care of the social welfare of people.

If we want to talk about a corporate tax rate that is competitive with the United States, fine. However, the Americans are at 36% and we are dropping to 15%. Where is the competition? That is ridiculous.

The Conservatives are taking the fiscal capacity out of the country to take care of our seniors. They are taking \$14 billion to \$16 billion a year out of the fiscal capacity to do what is necessary for a better country. That may be humorous to them, but because of it people are suffering.

Mr. John Rafferty (Thunder Bay—Rainy River, NDP): Madam Chair, I would like to change tack a bit and not get into all the arguments they are having. This is a question for the member that I hope he can answer at some length, if we still have time.

Today marked the third day of committee hearings on my bill, Bill C-501, which is an act to protect pensions for six million Canadians and their families right across this country. While there are some problems and some difficulties, we are working on them, and I hope that all the parties are working together on this.

One of the things that happened today was that we had a lot of witnesses from industry. They seemed very concerned that defined benefit plans are going to disappear or they are going down. They said, “Woe is me; what are we going to do?” I suggested an alternative and I would like the member to make a comment on it.

The alternative was the we have the best pension plan in the country that we can be part of, and it is the CPP. The Canada pension plan is the best pension plan we have. Everybody can participate. Everybody can be protected and, most importantly, the government cannot get its hands on the money.

I would like to ask the member if he would expand on his thoughts about the CPP and the value that it will have on an ongoing basis as we move forward in this debate.

Mr. Wayne Marston: Madam Chair, in fact I originally proposed Bill C-476, the Nortel bill. It was not timely and the member took it over and brought it to committee, for which I thank him and for the work he has done on it.

It is very clear that we have a system in Canada. The old age security system, which started in 1927, was to end poverty. The CPP was intended to do the same thing. Both have worked reasonably well over the long term, but the reality is that going forward, as the member for York West was saying a few moments ago, with the number of people who are going to be facing retirement in the coming years, it is essential that we build and expand that foundation. By taking the core assets of CPP and increasing them over 35 years, we can double the portion that is available.

In Hamilton, U.S. Steel right now is trying to take away the defined benefit plan for steelworkers, and that is happening in multiple workplaces across the country. If we lose the defined

benefit plan, what is going to catch these people if the market is down when they do retire? We have to work on that foundation.

• (2030)

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Madam Chair, picking up on the issue of GIS and the penalty that will be imposed upon senior citizens when, for an emergency medical need, for example, they have to cash out \$10,000, a relatively small figure but huge to them in their needs, could the member comment on whether or not he is satisfied that the government has looked at all aspects of the needs of senior citizens and considered the fact that there are not two classes of seniors, those who pay taxes and those who do not pay taxes? There is quite a diversity and quite a range of senior citizens who have various needs.

A lower income senior citizen cashing out an RRIF may never know or understand that as a result of that decision, he or she is going to lose thousands of dollars in future years' income, because it will negatively affect his or her eligibility for GIS and whether or not he or she is eligible for a drug card.

With the hundreds of millions of dollars the federal government spends on advertising, why—

The Deputy Chair: Order, please. I would like to give equal time to the hon. member, less than a minute, 45 seconds.

Mr. Wayne Marston: Madam Chair, I agree with the member that seniors are going to feel very much blindsided by what has happened to them on this file.

I will give an example of something I discovered when I was elected, which the Liberals had done, and that was the disability tax credit that they were not promoting to people who were entitled to have it. There are hundreds of people in my riding who now have the disability tax credit because we informed them.

The government's job is to make sure the people are well informed on what is happening to them, and I agree with the member that in this particular case, they were not.

Hon. Diane Ablonczy (Minister of State (Seniors), CPC): Madam Chair, I am pleased to have this opportunity to share with the House actions taken by the government to help ensure that older Canadians have the supports they need to enjoy a good quality of life and a secure sense of well-being.

Our government recognizes the important contributions seniors have made and continue to make to both the economic and social fabrics of our nation. Seniors are living longer and healthier lives than ever before.

Recently, David Butler-Jones, Canada's Chief Public Health Officer, issued his report, “Growing Older—Adding Life to Years”. The report highlights the state of Canadian seniors' physical and mental health, as well as their economic and social well-being.

Government Orders

The good news is that Dr. Butler-Jones came away from the study with an overall positive outlook on Canada's aging population. He noted that people, by and large, are actually aging well. He says aging is a vibrant time and while sometimes there are infirmities along the way, people live life well, are engaged in their communities and contribute to society. It has never been better, says Dr. Butler-Jones.

This very encouraging observation is met with the reality, he says, that as Canada faces a larger older population, efforts made toward healthy aging need to be managed in more effective and meaningful ways. This is precisely what the federal government, in collaboration with provincial, territorial and municipal governments, intends to do.

The federal government also intends to ensure that older Canadians have necessary financial supports. We understand that financial security largely contributes to a secure sense of well-being. That is why, since 2006, this government has implemented several key measures to reduce the tax burden on seniors.

To date, our government has provided more than \$2 billion in annual tax relief for seniors. That is more than \$2 billion each and every year. Some of these measures include implementing pension income splitting; increasing the age credit twice, first in 2006 and then again in 2009, benefiting more than two million seniors; doubling the maximum amount of pension income that may be claimed under the pension income tax credit from \$1,000 to \$2,000, which removed 85,000 seniors from the tax rolls completely; increasing the allowable earnings exemption from \$500 to \$3,500; allowing registered retirement income fund annuitants to reduce the minimum amount required to be withdrawn for the 2008 tax year by 25%; and increasing the age limit for registered retirement savings plans from 69 to 71 years of age, allowing more flexible, phased retirement arrangements.

As we can see from that long list, we have been working hard to deliver real financial benefits for Canadian seniors, but our actions have not stopped there. Our government introduced the tax-free savings account, which is especially useful for seniors as withdrawals from it are GIS exempt. Today, over 90% of seniors are receiving support from the GIS and OAS, which provides over \$33 billion in assistance to seniors each year.

As well as increasing supports, we have improved service delivery to better ensure that seniors receive the benefits to which they are entitled. The application processes for the Canada pension plan and old age security have been simplified and updated, allowing seniors easier access to these important supports.

Furthermore, by introducing automatic renewal of the guaranteed income supplement under Bill C-36 in 2007, eligible seniors no longer have to reapply for this benefit every year. While these financial supports and the delivery of these benefits are important, we have made significant progress in a number of other ways.

• (2035)

In 2007, our government created the role of Minister of State for Seniors to be a voice for older adults at the cabinet level. That same year we established the first ever National Seniors Council, which provides advice to the federal government on matters related to the well-being and quality of life of seniors. This fall the council held

round tables across the country to gain perspective from Canadians on retirement and labour force participation among seniors and on intergenerational relations. The council will produce a report and recommendations on these topics in the spring.

One of the NSC's past studies was on elder abuse, an issue that this government takes very seriously. In budget 2008, we committed \$13 million over three years to the federal elder abuse initiative to help educate all Canadians to recognize the signs and symptoms of elder abuse. With an aging population, it is important that Canadians be aware of this type of mistreatment and be empowered to stand up and to speak out.

Through this initiative, we are working with the provinces and territories as well as professional organizations and community support groups to take measures to help prevent the exploitation of older Canadians. One way that community groups are helping to get this message out is through funding from the new horizons for seniors program, a program so successful and in such high demand that we increased its annual funding to \$40 million in budget 2010, so that seniors can continue to be provided with opportunities to be active and engaged in their communities. The new horizons for seniors program also assists seniors to be active leaders and mentors in their communities. They are best able to achieve this through programs that foster inclusion, good nutrition and physical activity.

Bill C-40, which creates National Seniors Day on October 1 of each year, received royal assent just last week. This day will give Canadians an opportunity to collectively celebrate the continued contributions of older Canadians.

I would like to commend my colleague, the Minister of Finance, who has been working hard with his provincial and territorial counterparts to help ensure that older Canadians continue to enjoy a sound, reliable retirement income system. I can assure members that this federal government wants seniors to continue to help create a vibrant and successful Canada. We want our policies, programs and services to encourage and support seniors to remain active, healthy and engaged in their families, workplaces and communities.

We remain committed to ensuring that older Canadians receive the benefits to which they are entitled, that they stay financially secure in retirement and that they remain free from abuse and hardship. We also remain committed to ensuring that Canada is prepared to deal with the demographic shift that is upon us. Right now one in seven Canadians is a senior. In the year 2031, it will be one in four. The so-called boomer apocalypse will have profound impacts on the social and economic fabrics of our nation.

Government Orders

We need to be honest with ourselves and each other as leaders, policy makers, policy influencers, advocates and Canadians that the choices we make today will not only affect the baby boomer bubble but also our children, grandchildren and their children. It is our responsibility to ensure that we leave them a Canada that is just as strong and vibrant as the one we have enjoyed.

Our government will lead in preparing for the future with the well-being of seniors and of all Canadians as our goal.

● (2040)

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Mr. Chair, I would like to follow up on some of the comments and questions I had earlier regarding the treatment of senior citizens who elect to cash out a registered retirement income fund, RRIF. I am speaking of those who are required to do so not as an option or something they choose to do to purchase a luxury item, but specifically and especially those who have to cash out a RRIF, above and beyond their minimum annual requirement, to meet a medical emergency or some other need within their own family.

Currently under the guidelines that have been adopted and created by the Government of Canada, as of May 2010 for anyone who elects to cash out a RRIF, that income will be calculated in whether or not the person is eligible for the GIS, guaranteed income supplement.

That was never what this program was intended for. If someone is drawing employment insurance while over the age of 71 and needs a RRIF, that money is optionable. It is not impacting on the senior's eligibility for GIS, but if he or she draws money out from his or her RRIF, the individual could lose a lot of money. That was never what was intended when we promoted private citizen investment in RRSPs.

Why has the government done this? Will it see fit to correct it and put it back to the old rules?

Hon. Diane Ablonczy: Mr. Chair, I heard the member bring this issue up before.

These are issues that we continue to examine. As the seniors cohort grows, we are going to need to make sure that any anomalies in the system are addressed. We have done that in other ways, as well. We will continue to do that.

I thank the member for raising this issue. He knows it is being examined by the government. We are grateful in this country that we have a very low rate of poverty among seniors. It used to be almost 25% at the end of the 1970s, and today it is less than 6%. We have been tackling this issue successfully. We are proud of it.

We have one of the lowest poverty rates among seniors in the developed world. That does not mean there is not more to do, but it does mean that progress has been good. We will continue to be committed to it.

● (2045)

Mr. Claude Gravelle (Nickel Belt, NDP): Mr. Chair, I really do not have a question but I do have some comments. Maybe the Minister of State for Seniors could comment.

I heard something tonight that was rather disturbing. A while ago I heard the Minister of Finance say that the Liberals and the NDP are

obsessed with thinking there are two classes of Canadians. That is quite the statement to make.

Then I heard the Minister of State for Seniors say that seniors have the support they need. Well, a \$1.50 raise in their pension is not the support they need.

Then she went on to quote, I believe it was Dr. Butler-Jones, who said that people are aging well and that they are coping well. In reality, they are aging in poverty.

I would ask the Minister of State for Seniors, the next time she runs into Dr. Butler-Jones and the Minister of Finance, to grab them by the hand, get away from Bay Street and take a walk on Main Street, Canada. They will see two classes of people, and they will see seniors living in poverty.

Hon. Diane Ablonczy: Mr. Chair, I am sorry that my colleague opposite has such a negative view of life.

In fact, Dr. Butler-Jones is the Chief Public Health Officer of Canada. He has tremendous expertise. His report has been very positive. There are obviously always exceptions, and we want to make sure that we support all Canadians.

If the member had been listening, he would know that the rate of poverty among seniors has fallen dramatically in this country. It is among the lowest in the developed world. Less than 6% of Canadian seniors live in financial need. We continue to address their needs with a number of measures that I have already outlined in my remarks.

Canada is a great country. It is a country that cares about all citizens. It is a country that continues to look for ways, and has a commitment to support every member of society. We will continue to do that. For the member to suggest otherwise is simply unfair to a great country that is doing extremely well and will continue to work hard on behalf of all citizens.

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Chair, I know the minister has been working with and visiting seniors. In fact, at my invitation she attended a seniors complex that was actually trying to raise money to build an assisted living seniors home in Bragg Creek. I appreciate her making the effort to come out on a day that should have been the Sabbath for her. However, she came out anyway.

Perhaps the minister could reflect on how challenging this is. I am troubled by some of the comments made tonight that we are going to fix this and we are going to fix it right now. Let me read a quote by the finance minister for Ontario, Dwight Duncan:

I have always felt this is going to be a long process. We have to look at moving toward a better integrated national pension system, both private pensions as well as the public pensions.

I wonder if the minister could say whether that is what she has been hearing from the many seniors she has been meeting with across the country. Let us not make a mistake; let us make sure we get it right. Is that what the minister has been hearing?

Hon. Diane Ablonczy: Mr. Chair, my colleague mentioned retirement income security. There is a concern about that across the country, particularly in light of the recent recession and some of the difficulties that savings and investments encountered in that period.

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I have had the privilege of attending some of the round tables on retirement income security. People understand that there are ups and downs in investments and savings. They understand that this is a long-term landscape. They want to make sure there is more security for people in retirement but they also want, as my colleague said, to ensure that leaders do not rush into arrangements which may turn out to be unsustainable or ill-considered in the long term.

It is difficult sometimes to not see the magic bullet appear right away. I commend my colleague who has spent countless days and hours attending round tables and public meetings listening to Canadians. He himself has been a tremendous leader in that regard and has shown a real commitment to the well-being of seniors.

I am confident that my colleague, the Minister of Finance and other leaders will get this right. I know they are working hard to do that.

• (2050)

Hon. Judy Sgro (York West, Lib.): Mr. Chair, given the fact that the Minister of State for Seniors does not seem to have an awful lot of compassion when it comes to the 6% who are still living below the poverty line and given the fact that the government has lots of money for fake lakes, the G20 and all of the rest of it, why is it that the Minister of State for Seniors has not been able to get enough money to help the 200,000 people who continue to live below the poverty line?

Hon. Diane Ablonczy: Mr. Chair, I know my colleague has a real concern for seniors. The member will know that the GIS was increased in 2006 and again in 2007. We continue to examine ways to assist the small cohort of people who truly live in very difficult and desperate circumstances. We recognize that. We are working with the provinces and territories to address it.

I know the member will also be working with other members of the House to look at this issue. I think there will be some movement on that on an ongoing basis until we can ensure that all people have the kind of security they need.

Ms. Judy Foote (Random—Burin—St. George's, Lib.): Mr. Chair, I rise to speak to this very important matter for all Canadians, not just for seniors and retirees.

In 1927, Liberal Prime Minister William Lyon Mackenzie King presided over the establishment of Canada's first old age pension plan. In the true spirit of Liberal values, the Liberal Party of Canada took a historic step by enacting this legislation and set a trend that would continue. Next it was Louis St. Laurent who delivered the Old Age Security Act. Then in 1963, another Liberal prime minister, Lester Pearson, began working on the Canada pension plan.

As has been pointed out by my colleagues, the Liberal Party of Canada has a collective legacy of valuing the long-term pension security of Canadians. It should be noted that all of these Liberal prime ministers were opposed by the Conservatives of the day. The Conservative Party has a progressive history of opposing improvements to Canada's pension plans and ignoring one of the most vulnerable groups in society. The Conservatives would rather allow our seniors and pensioners to fend for themselves. Quite frankly, this is simply un-Canadian.

While we have an old age security and pension system that has served Canadians well in the past, the Liberal Party recognizes the need to change and improve upon the system that we have grown and nurtured over the years. That is why we are fully supportive of Bill C-574, which is known as the retirement income bill of rights.

It is clear that the next 20 to 30 years will present serious challenges to Canadian pension regimes. An aging population, long natural lifespans and record levels of personal debt will be compounded by lower disposable incomes and continued global economic instability. If we are to plan for the future security of our pensioners, seniors and other vulnerable members of our society, we have to act now. We must act with decisiveness to ensure the viability of our pension security systems in the long run.

There are a number of principles that the Liberal Party of Canada has developed through its expert working group on retirement income security. The first is the inherent value of functioning pension systems. The Liberal Party understands that a robust and dependable retirement income regime is in everyone's best interests. It is really quite simple. Canadians, in fact all people, are happier and more productive during their working life when they are assured of a steady income upon retirement. Subsequently, there is less strain on other social services such as welfare, housing and health care.

There is also the question of dignity. Statistics show that poverty is a very real factor in Canadian society, particularly in the population over 65 years of age, and any suggestion that that is not the case is foolhardy. No one should be living in poverty. It does not matter if it is 6%, 10%, 20%. No one in this day and age in this country should be living in poverty.

Rising costs of basic living are claiming more and more of the income of seniors and retired Canadians. Higher taxes, higher home heating costs, higher transportation and health care costs all point to the need to adjust our current retirement income regime to meet these basic expenses. No Canadian who has worked a lifetime should face the difficult decision of having to pay for medication or to pay the heating bill.

The Liberal plan as laid out in Bill C-574 would ensure that our seniors would not have to deal with such choices, that they would in fact be able to live in comfort.

What the Liberal Party plans to do is to revisit the pillars of the Canadian retirement income system. Traditionally these pillars are: old age security, the guaranteed income supplement, the CPP, or QPP in Quebec, and the various privately sponsored tax-deferred plans. While these Liberal pillars have provided for a strong system in the past, they need to be enhanced in the face of new pressures such as an aging population and the instability of global markets, to name just two things.

What we need to do is to shore up the strengths of the current system while purging its weaknesses. What we propose is a holistic approach to strengthening the current system. Unfortunately for millions of Canadians, only the first two pillars of the system can be relied upon in retirement and old age.

Government Orders

• (2055)

Most Canadians will qualify for old age security and the guaranteed income supplement, as well as the CPP or QPP. However, a Statistics Canada report released on May 25 of this year reports that 75% of private sector employees in Canada did not have a registered pension plan at the end of 2008. That is 75%. Let us keep that number in mind.

This number means that millions of Canadians face dismal prospects after a lifetime of working and contributing.

Every year, I hear from a growing number of my constituents who are affected by clawbacks in their guaranteed income supplement. Every July, I receive many calls from seniors when their incomes are assessed and adjustments are made. If they have an increase in their annual income, such as a CPP increase, this results in a reduction of the guaranteed income supplement.

Let me give an example of how this directly impacts seniors. One lady in particular stands out in my mind. Mrs. Marion Russell of Stephenville Crossing in my riding is 70 years of age and a widow who worked her entire life. Because of an increase in her CPP, she lost the \$4.51 she received in GIS. But more importantly, she lost her provincial drug card, her card that enabled her to have access to those medications that she needs in her old age to deal with health issues that she faces on a daily basis. This is simply unacceptable. That a minor increase in CPP could result in the loss of her GIS and her drug card should be cause for concern for everyone.

That is why we are here tonight having this take note debate. That is why my colleagues and I are fighting for our seniors and pensioners.

That is not all. As we speak, there are seniors in my riding and across this country who are sitting in malls to stay warm because they cannot afford to keep their homes heated. There are seniors who are malnourished because they cannot afford good food to keep them healthy.

We know for a fact that right now Canadians are more dependent on food banks than at any other time since the Great Depression.

In January of this year, I had the opportunity to meet with many of my constituents at a town hall meeting in Stephenville to discuss seniors issues and pension reform. I was joined by my colleague, the Liberal critic for seniors and pensioners. What we found was not surprising. People are concerned that the pension plans they have paid into all their lives are not going to be there when they retire. Too many people are simply unable to cover the basic costs of living on CPP and GIS alone. When adjustments are made to their income, many people stand to lose what precious little resources they have, by way of clawbacks to their payments.

The Liberal Party has been pressing the government for reforms to make retirement easier and more secure. We have been consulting with our constituents and Canadians across the country to develop a plan that will facilitate safe and secure savings for retirement.

The Conservatives, on the other hand, are failing to live up to the rights of Canada's seniors and future pensioners by neglecting to undertake much needed pension reform. Today, 1.6 million seniors in Canada are living on less than \$15,000 annually. In less than 10

years, one in five Canadians will be over 65. This presents an immediate challenge and we need to act quickly with solid pension reforms.

Given the rising debt load of Canadians and the increased cost of basic living, it is simply unrealistic to expect Canadians to survive with any dignity on old age security and CPP alone.

That is why we are recommending that pension reform should now include private savings outside of tax-sheltered plans. Public and private structures should be integrated with a goal of providing more coverage to Canadians who run the risk of falling through the cracks as the situation now exists. In particular, what we are proposing will benefit women who statistically endure greater rates of poverty because of factors involving longevity, employment type and tenure.

Other specific pension reforms the Liberal Party is calling for include a supplementary Canada pension plan to give Canadians the option of saving more for retirement, allowing employees with stranded or abandoned pensions following bankruptcy the option of growing their pension assets in the Canada pension plan, and protecting vulnerable Canadians on long-term disability by giving them preferred status as creditors of bankruptcy.

• (2100)

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Chair, I listened with interest to my hon. colleague across the way talking about this very serious issue that we are discussing tonight. If I heard correctly, she suggested that the Liberals would address all facets of the pension system.

My first question is, would that be in discussion with the provincial and territorial partners? My sense from her comments is that the Liberals want to just go it alone. We all know that constitutionally that is not possible. So I am hoping that the Liberals have actually spoken to some of their colleagues in the provinces to make sure that what they are suggesting would work. I would hazard a guess that provincial colleagues, ministers in other provinces and territories, would not agree with that.

Secondly, the hon. member used the number of 75% of Canadians not having registered pension plans. That is an interesting comment but does not take into account that many Canadians have prepared otherwise for their retirement, whether it is with their business or a second or third home for rental that they would sell and use for their retirement. Have the Liberals taken that into account?

Have the Liberals taken into account how effective it would be if we continued to lower taxes for Canadians so they actually have more money to save?

Government Orders

Ms. Judy Foote: Mr. Chair, I appreciate the comments from my colleague, but let me reassure him that as a Liberal Party and as the official opposition, everything we do in terms of trying to improve things for Canadians we do in consultation. We would not for a minute think that we could just barrel through and not have consultations with the provinces and territories.

In fact, to suggest that maybe they would not be receptive to any kind of improvements does not speak very well in terms of what this member thinks of the provinces and territories and their leadership on this particular file.

Clearly, we will be doing everything we can and we have had ongoing discussions in terms of consultations on this particular issue. Those consultations will continue to exist.

To suggest that there are other ways that people can compensate for not having a pension, we all know that having access to a pension that is secure is the security that Canadians look forward to having so that they can live in comfort in their retirement and not be at the beck and call or the whim of what is happening in the marketplace.

• (2105)

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Chair, I think if we asked Canadians whether they would support the NDP approach, possibly supported by the government, to double the CPP, to take their CPP payments from \$908 a month to \$1,800 a month, phased in over 35 years, with a 2.5% increase on behalf of the employee and a 2.5% premium on behalf of the employer to pay for it, guaranteed, I think they would take that option over this Liberal approach.

The Liberal approach is a supplementary voluntary pension, which I believe has been around now for about six months and going nowhere. I do not think anybody is taking the idea seriously out there. How they expect a voluntary pension to provide equity over the long term is beyond me.

In making the plan voluntary, it tends to be the people with money, richer people, who can afford to get into it and benefit. The poorest people do not actually take advantage of it. So whatever program we have has to be a compulsory program.

I would like to know when the Liberal Party is going to see the light, get on board with the majority, and move together to improve the pension system in this country for the long-term benefit of the residents of Canada.

Ms. Judy Foote: Mr. Chair, I acknowledge the comments made by my colleague. Let me say at the outset that we support an expansion of the CPP.

The idea of the supplementary plan is to enable Canadians to make a contribution themselves, to be able to do so without the employer being involved. The employer can certainly make a contribution if they wish, but at the end of the day, Canadians should be able to contribute to a plan of their own making. That is what we are about here and that is the Liberal plan. It is to respond to the needs of Canadians, especially those who do not have a pension plan and would like to have the opportunity to be part of a pension plan that they have directed themselves.

Hon. Judy Sgro (York West, Lib.): Mr. Chair, let me just elaborate a bit.

Women would benefit from a supplementary Canada pension plan. They are the ones who bear children and they are the ones who end up having to take time off work to raise their children. Women are predominantly the caregivers to parents, so they are the ones who have to leave their employment. Ultimately, when a woman gets into her own retirement years, she has nothing to depend on other than the current OAS or GIS and very little in the CPP.

Would the member like to elaborate on how she sees a supplementary plan benefiting women?

Ms. Judy Foote: Mr. Chair, in many cases, women stay at home to raise their families. In these cases, they are not able to contribute to a pension plan. They have no private pension plan to pay into.

A supplementary pension plan would provide Canadians, women in particular, with the opportunity to have income in their retirement years and not just CPP or GIS. They would have access to the kind of income that would enable them to live comfortably and to provide for themselves and not live in poverty. That is an issue certainly for all Canadians, and particularly for women, but for seniors overall.

No one wants to see a senior living in poverty. Today, by and large, with an annual income of \$15,000, they are trying to make ends meet. They are trying to heat their homes and buy medication. That is impossible to do on an income of \$15,000 and live comfortably as well.

In a lot of cases we are talking about seniors with an income of maybe \$15,000 per person or \$30,000 a couple. When one of those individuals dies, the spouse is left behind with all the expenses of running a home but with a much reduced income.

• (2110)

Mr. Mike Wallace (Burlington, CPC): Mr. Chair, it is my pleasure to be taking part in this take note debate this evening.

The Ontario Liberal finance minister was quoted as saying in May of this year, in the *Hamilton Spectator*, that Canada has one of the best post-retirement income systems in the world and a dramatic lowering of instances of old age poverty.

We are trying to learn from each other here tonight. I wonder if the member would agree that there is no easy solution to the pension issue. Would she agree that it is a very difficult issue?

The Parliamentary Secretary to the Minister of Finance has been working with all finance ministers across the country on this issue. There is no single, simple solution. What is important and tends to be forgotten here that we need to work together with the provinces. Rather than the Government of Canada running the show, in actual fact the government only controls about 10% of registered pensions. The rest are controlled at the provincial level.

What recommendations would the member make to involve the provinces, including the Liberal finance minister in the province of Ontario?

Ms. Judy Foote: Mr. Chair, I am a former provincial politician who served in a cabinet for eight years. I would be the last person to ignore provincial involvement in terms of dealing with this serious issue on behalf of Canadians.

Government Orders

Of course, we all need to work together. We all need to make sure that we get the best possible deal when it comes to pensions for seniors and retirees.

I would just remind my colleague that the federal government regulates pensions. We need the government to be at the table. We do not need it dragging this out year after year. For two years the government has been saying that it is going to produce something, that it is going to bring something to the table. We are still waiting to see what that will be.

Pensioners do not have the luxury of time. They are living now in poverty. They cannot make ends meet. We really need the government to acknowledge this, to work with us, to work with the provinces and to put in place a pension scheme that is acceptable and workable for all seniors in our country.

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Chair, as the member of Parliament for Renfrew—Nipissing—Pembroke in the beautiful Ottawa valley, I am pleased to participate in this take note debate on pensions on behalf of the constituents in my riding and on behalf of all Canadians.

First I commend the hard work and countless hours of my fellow caucus colleagues, the Minister of Finance and the member for Macleod, for the thought and consideration they put into the pension file on behalf of Canadians. By working together, we can accomplish great things for all Canadians.

When I speak to residents in Arnprior, Barry's Bay, Laurentian Hills and all points in between, particularly seniors and those on fixed incomes, they share with me what many are feeling about their retirement. I asked to participate in this debate to let them know that I am listening, their government is listening and that we are engaged in providing the right response based on their needs.

Before I review the progress to date on pension reform, I want to say that less than 10% of pension plans are federally regulated. In other words, 90% of pension plans in the workplace in Canada are regulated by the provinces.

While my federal colleagues and I are prepared to show leadership in the area of pensions, when it comes to such things as tax assisted retirement savings, like RRSPs and our new tax free savings account, efforts to improve Canadians' retirement security requires provincial co-operation.

In May 2009, along with provincial and territorial governments, we conducted and completed a review of the Canada pension plan. Reforms to CPP to allow greater flexibility in how Canadians retire were unanimously agreed to by all governments as part of that review. These reforms include the removal of the requirement for individuals to stop working or reduce earnings for two months in order to take up CPP and permitting more low earning years to be excluded from the pension calculation.

As I stated earlier, less than 10% of pension plans are federally regulated. That is why we raised the issue at the annual meeting of federal, provincial and territorial finance ministers in late 2008 and, early in 2009, set up a joint federal-provincial research working group to conduct an in-depth examination of retirement income adequacy.

In October 2009, based on the tremendous feedback received, comprehensive regulatory changes to improve the federal pension framework were released.

In December 2009, we convened a summit of our provincial and territorial counterparts to discuss the important findings of this group.

Working together, governments agreed to move forward and study policy options to address the issues identified in that indepth research.

The tremendous feedback from Canadians informed discussions at the federal, provincial and territorial finance ministers meeting in June 2010. From that process, we came up with proposed targeted improvements for further discussion with provincial and territorial partners, such as: tax changes to allow multi-employer pensions; promoting financial literacy; and, a modest enhancement to the Canada pension plan defined benefits. These proposals will build on our system's strengths, which include a healthy balance between government and private sector involvement.

Our Conservative government has also introduced landmark changes to ease the tax burden on Canadian seniors since 2006. These measures will provide nearly \$2 billion annually in tax relief to seniors and pensioners, including the tax fairness plan that introduced pension plan splitting for the 2007 and subsequent tax years and increased the age credit amount by \$1,000 for 2006 and subsequent taxation years. Budget 2006 doubled the amount of income eligible for the pension income credit, from \$1,000 to \$2,000 as of 2006.

● (2115)

Budget 2008 announced significantly more flexibility for seniors and older workers with federally regulated pension assets that are held in life income funds to use their retirement savings when and how they require.

Clearly, our Conservative government is working to protect seniors and pensioners. While others play catch-up, we are delivering results.

My riding of Renfrew—Nipissing—Pembroke is home to CFB Petawawa. Friends and family are welcoming home soldiers who are completing their current mission in Afghanistan. I welcome home all our returning soldiers from Afghanistan and I wish them all a Merry Christmas.

In addition to being home to CFB Petawawa, the upper Ottawa valley is the retirement home of choice for many of our military members who fell in love with the Ottawa valley while being posted here and now call the area their permanent home. I take a special interest in the women and men in uniform and an equally special interest in our military veterans.

Government Orders

It is important to bring to the attention of our women and men in uniform the work our government has undertaken to build on the pensions and income support our grateful nation provides to our veterans. Our government introduced the enhanced New Veterans Charter Act to address some of the deficiencies left over from the old government and its decade of darkness, a policy of ignoring the needs of soldiers and veterans.

Our goal in the enhanced New Veterans Charter act is to make changes to the New Veterans Charter to address concerns raised by stakeholders like veterans and their families. We listened and we have acted. The legislation would improve access to monthly benefits for seriously injured veterans up to \$1,609 per month for life; would introduce a separate monthly \$1,000 supplement for life to help our most seriously injured or ill veterans and provide flexible options for receiving a lump sum disability award; and giving veterans the choice on how they choose to receive the award by choosing either a lump sum payment, annual installments over a number of years or a combination of both.

Our government's efforts to promote financial knowledge are important, especially for our seniors, veterans and youth beginning their careers. I am pleased to assist constituents who require assistance to navigate through the many options and the array of services available to them. Having financial knowledge includes having the correct information.

As a member of the government, I am held accountable for what the government delivers and the costs to Canadians for the delivery of the services like pensions. Individuals who never had a chance to be in government are not accountable and will say and promise anything. It is particularly distressing for veterans to receive misinformation regarding something as serious as a person's means of support in retirement.

I have listened to members of the opposition confuse veterans about their pensions using terms like clawback, when in fact veterans are receiving every dollar they are entitled to. I am absolutely open to hear ways to improve pensions for everyone but it is not in anyone's interest to confuse a discussion on pensions with misinformation.

What is also important is to ensure that whatever is decided by Parliament about pensions is good public policy. A disturbing trend is the situation where Parliament will work to do its best to develop fair and equitable pension legislation only to see our hard work unravelled by a business with deep pockets. It can afford to hire some big Toronto law firm to find some loophole to not pay or reduce the pensions its employees worked hard for and thought they were entitled to.

The employees are hard-pressed to be able to afford to defend themselves from this form of what could be called legalized theft. The last thing workers want to do is spend their retirement fund defending the pension they thought was theirs. It is a sad state of affairs when a business would rather pay thousands of dollars to a Toronto law firm that profits from this practice than be concerned for the well-being of their employees when they retire. I oppose this practice and will not hesitate to defend workers from the erosion of their pensions by this means.

● (2120)

Pension rules are complicated.

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Mr. Chair, the hon. member said that her government has acted and is prepared to act for seniors.

I have a very simple, straightforward question. Over the course of this evening, I have raised the serious state facing senior citizens as a result of the change the government implemented in May 2010 to amend, by order of Human Resources and Skills Development Canada, the way the government handles voluntary withdrawals that senior citizens may make from registered retirement income funds, RRIFs, with respect to the way those withdrawals affect eligibility for the guaranteed income supplement.

I have explained in detail during the course of this evening how the government's decision will cost seniors tens of thousands of dollars as a result of that policy change. I have asked if the government would amend the policy to bring it back to the way it was prior to May 2010.

Will the hon. member commit on behalf of her government that it will see the error in its ways and bring the policy back to the way it was so that senior citizens do not lose their GIS if they have a medical catastrophe and need to make a voluntary withdrawal of their RRIF? Before, senior citizens could simply option that money but they no longer have that option. They will lose their GIS. That is not treating seniors fairly.

● (2125)

Mrs. Cheryl Gallant: Mr. Chair, I understand the member opposite has asked that question five times in the last two and a half hours and has been promised a thoughtful response from the Parliamentary Secretary to the Minister of Finance.

Our government's regulatory reforms introduced late last year provide greater clarity for employees and employers, as well as increasing retirement security for many Canadians.

We took concrete steps to enhance protections for pension plan members, reduced the volatility of defined benefit plans and made it easier for participants to change their pension plan arrangements.

Our government's framework for resolving plan specific problems means fewer employees and employers will find themselves in court fighting with each other where nobody wins except the lawyers.

[*Translation*]

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Chair, I understand that the member for Humber—St. Barbe—Baie Verte is asking the question again because the government keeps side-stepping it. I will ask the Conservative member a simpler question about one aspect of the pension system for seniors: the guaranteed income supplement my colleague talked about.

Government Orders

Can she tell us why people who are entitled to this supplement, which the government is somewhat familiar with, are not receiving it? There are 108,000 such people in Canada and 42,000 in Quebec. Does she know why they are not getting the guaranteed income supplement?

[*English*]

Mrs. Cheryl Gallant: Mr. Chair, for people to actually qualify for GIS, they first need to apply for it.

The reforms introduced by our government are comprehensive and they address many of the concerns raised by Canadians. Our government is committed to this.

I will vigorously monitor Canada's pension systems and make updates and reforms as new cases present themselves. Taken together, the consultations and reforms introduced thus far demonstrate our government's sustained commitment to improving Canadians' retirement security, a commitment to retirement security I am proud to share.

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Chair, we hear the government speak to us regularly about the fact that it only has jurisdiction over 10% of the pensions of our country. The government has legislative authority over the old age security, the guaranteed income supplement and CPP, just to be clear on what we are talking about here.

Recently, Professor Kesselman, a pension expert, agreed with the NDP's proposition to increase CPP with a goal of doubling it over 35 years. Professor Jack Mintz, who was part of the task force of the government, agreed with Mr. Kesselman.

Having that before us, I am just curious as to whether the member has any knowledge of how soon we can expect the government to start to move on this particular portion of the file.

• (2130)

Mrs. Cheryl Gallant: Mr. Chair, I would like to start with the first part of the member's question. He correctly stated that the federal government is responsible for 10% of Canada's pensions. Federally regulated pensions are for companies such as Air Canada and other federally owned agencies. Aside from those, the provincial governments are responsible for regulating them.

Mr. Mike Wallace (Burlington, CPC): Mr. Chair, my colleague is absolutely right. One of the issues facing all Canadians, whether they are seniors or not, is financial literacy.

During the last break, there was a pre-retirement public meeting held in my riding and about 125 people came out. Service Canada gave a presentation and indicated that Canadians have to understand that they need to apply for certain things before they can get them, such as GIS. A person applies once and qualifies and it continues from there on in based on one's income every year.

When we look at all of the things that the government has done, from income splitting to doubling the age credit, to the change of age in converting RRSPs to RIFs and what has been done with the tax-free savings account, a whole list of things has been done. What should an individual from her riding do to find out about the government programs that are in place today because of this government so they can access what is rightfully available to them if they qualify?

Mrs. Cheryl Gallant: Mr. Chair, my constituents in Renfrew—Nipissing—Pembroke are concerned about their retirement and their concerns are always my concerns.

In answer to my colleague's question, I invite them to call or come to my office and I will ensure that they are receiving all the benefits they are qualified to receive. I must commend my hon. colleague on taking the initiative, being proactive and holding a group meeting to discuss these concerns so that people can better understand.

Our Conservative government is focused on meeting the needs of all Canadians, from their first job to when they are able to enjoy a well-deserved retirement with a good pension.

Hon. Judy Sgro (York West, Lib.): Mr. Chair, I know the hon. member spends a lot of time working on these issues.

We have certainly heard a lot about bankruptcy in the last two years. Thousands of people from Nortel and AbitibiBowater have complained, and rightfully so, about losing their pensions. As the member talks about championing so many other issues, what has she done within the confines of her own government to ask the government to respond and make some changes to the Bankruptcy and Insolvency Act to help protect the very people who are about to be on the street?

Mrs. Cheryl Gallant: Mr. Chair, there are a number of retired and former Nortel employees in my riding and we have been advocating on their behalf. Nortel is one of the 90% of companies in Canada whose pensions are provincially regulated. We need to find a solution together with our provincial partners to ensure this type of tragedy does not happen again.

[*Translation*]

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Chair, I feel it is important to take part in this take note debate on Canada's retirement income system, especially since workers in my riding and most members' ridings have been affected by a very unfortunate situation in recent years, especially the past three years.

It used to be that we were especially concerned about people who had no private pension coverage. When people without private pension coverage reached retirement age—65 for most people or 60 for people who qualified for the Quebec pension plan—they received public pension benefits, of necessity. But few of them had enough money to retire.

Government Orders

Two things happened. With the economic crisis, the economic structure or the problems experienced by companies weakened many pension funds. But they were also weakened when one of the major stakeholders was denied a role in managing pension funds. In the past 10 years, pensioners themselves have been excluded from managing many plans. When companies started tampering with pension plans to try to refloat them, if I can put it that way, by giving the employer a contribution holiday or restricting coverage, one stakeholder was missing every time. So when it became necessary to take measures, most of the time, they were taken and the people who were affected right away were those who were receiving private pension benefits.

This is a reflex that is relatively normal under the circumstances and abnormal in other situations. It is normal because we have a survival instinct. We tell ourselves that we will be retiring later, so we will have time to make up for the shortfall in the fund. We do not worry about the people who are receiving their pension when we make this decision.

I would like to remind members of two specific examples, Atlas Steels in Sorel and the Jeffrey mine in Asbestos. These people ended up in a situation in which the union and the employer agreed that the employer's contributions could be suspended or, in some cases, they agreed upon exceptional measures that meant that insufficient contributions were being made to the pension fund. At Atlas Steels, in Sorel, pensioners saw their pension benefits cut by 20%, 30%, 40%, 50% or 60%. That is huge. You are entitled to receive an amount every year because you and your employer contributed. But then all of a sudden your pension goes from \$27,000 a year to \$13,000 or \$14,000 a year. That is terrible.

These situations happened—and this has not been brought up yet this evening—because a key player was disregarded, someone with an opinion on such situations and especially on the management of a pension fund.

We introduced Bill C-290 to partially fix this situation by creating a tax credit.

• (2135)

This tax credit would allow anyone whose benefits were cut to recover approximately 22% of the money they lost. That is not very much, but it is still a significant amount for people who do not earn much to begin with. But, contrary to expectations, some of the Liberals voted with the Conservatives to deny workers from Jeffrey mine in Asbestos and Atlas Steels in Sorel the right to this measure, which would have helped alleviate financial difficulties.

This evening we are debating measures to confront the new realities of pension plans. However, there is still some ambiguity because no action is coming out of all this talk.

I would like to give an example of the elements of the public pension system. There is old age security for seniors, which is their income security. For many of them, it is insufficient because it is their only income. So the guaranteed income supplement was created to give seniors a decent income on which to live. But then what happened? Some of the people who are eligible have been beaten up by life and a large number of them are marginalized. Some of them are isolated by poverty, others by their low level of education or

training or simply because they do not know their rights or have communication problems.

In 2001, we learned that 183,000 people in Canada were in that situation, including 81,000 people in Quebec. Since then, the Bloc Québécois has been on the attack. Our colleague at the time, Marcel Gagnon from Shawinigan, the member for Saint-Maurice—Champlain, led a crusade that allowed us to find many of these people. However, 42,000 have not yet been reached. So they are the people we are talking about.

Our Conservative colleague was saying earlier that seniors only have to apply once. However, in order to apply that first time, they need to know they are entitled to the supplement. The government, on the other hand, knows they are entitled to it, so why not just give it to them?

Over the years, the government has misappropriated a great deal of money, \$3.3 million to be precise, that belongs to some of our most vulnerable seniors. That money belongs to them. We need to start with measures like that one. We also need to look at the possibilities being discussed right now in Quebec by unions and seniors' advocacy groups, which are proposing increasing the income provided by public pensions. In Quebec, some people have suggested doubling the Quebec Pension Plan with appropriate deductions and contributions to make that possible. This would give people who are working and do not have a private pension plan the opportunity to participate in a group plan that will guarantee them at least enough income to live with a little dignity when they retire.

This is what people should take away from this evening's debate: we need to take a close look at what we are doing wrong and remain open to what we can do better.

• (2140)

[English]

Hon. Judy Sgro (York West, Lib.): Mr. Chair, let me congratulate my colleague on the issue. I would like to ask him a couple of questions.

Clearly, in the white paper that I recently issued, and I believe his party has a copy of it, with the 28 recommendations, we talk about the supplementary Canada pension plan. We also talk about how we support the expansion of the Canada pension plan. We also support the whole issue of people having a longer period of time to be able to collect their Canada pension plan if they are late collecting it.

Is the member aware that there is a group of people on long-term disability who are appearing before the Senate on Bill S-216? These people are former Nortel workers. Since Nortel has gone bankrupt, there is nobody left to pay their monthly disability benefit premiums to continue their long-term disability benefits. It is a very serious issue in Canada that I believe has been raised as a result of the unfortunate incident with Nortel.

Government Orders

I would like to hear what the member thinks of this. Of course this bill must be passed before the House rises in order to have any effect and help these poor disabled people. When the bill was at committee last week and ready to go to clause by clause, the Conservative senators adjourned the meeting and left these people high and dry there, trying to get a bill passed that could help them by paying their premiums as a result of the Nortel incident.

I wonder what the member thinks about those particular actions and about how the Conservative senators have just abandoned these people.

• (2145)

[*Translation*]

Mr. Yves Lessard: Mr. Chair, I would first like to thank and congratulate my fellow member for all of the time and effort she has put into addressing this issue. Like her, I was taken aback by the casual attitude toward a situation that I believe is urgent.

During the economic crisis in Canada, special, emergency measures were put in place to address issues related to municipal infrastructure and the automotive industry. Far fewer measures were taken with regard to the forestry industry. When people lose their jobs or retirement income, it constitutes a severe economic crisis for them that calls into question their ability to provide for themselves and their families.

When we fail to urgently and immediately resolve a problem that falls under our responsibility and to see what we can do to help these people and do right by them, we are not respecting our obligations. We are merely accentuating the effects of the economic crime to which they have fallen victim.

[*English*]

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Chair, our pension critic, the member for Hamilton East—Stoney Creek, is fond of saying that we ensure our cars, so why can we not ensure our pension funds.

Actually, it is not as complicated as it sounds. In 1987, after two or three property and casualty insurance bankruptcies, the provinces across the country got together with the industry and set up a compensation fund. Right after that, the life insurance companies did the same thing. We have travel acts in Ontario, Quebec and British Columbia, where if we do not get the trip we paid for, if the agency goes bankrupt, we are compensated. Canada has all sorts of examples of how we should be doing this.

We can insure our trips and we insure our cars and our houses. Why in the world can we not insure our pension plans?

I would like to ask the member. I am sure he agrees with the idea. Why is the government dragging its feet on this issue?

[*Translation*]

Mr. Yves Lessard: Mr. Chair, that is a very good question. Under the regulations, pension plans are required to have a compensation fund of 15% to 20%. I think the legislation did not allow compensation funds to exceed 20% of the plan requirements as such. We have to make sure that the rules governing these plans uphold this requirement at all times and that provisions are implemented to ensure compliance.

Any time the rules have been broken it has been because one of the two contributors—usually the employer—has been allowed to take a break from contributing. That should not happen. Other sources should be found to support the plan, especially when the employer is going bankrupt, if there is bankruptcy, to ensure that workers are the first creditors in line to receive all the money or assets left to hand out.

• (2150)

[*English*]

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Chair, the member from the Bloc raised earlier the issue of the guaranteed income supplement.

The government knows the people's age and it knows how much money they make. Would it not be nice if the bottom of the assessment said that in the future they may qualify for this and they should check it out, or something to that effect? It should be that simple because it is an entitlement really.

We heard the member for York West talk earlier about the Nortel situation with the LTD workers. The LTD workers at Nortel had a problem because, instead of premiums being paid to an insurance company, the company was self-insured. That is why when the assets went down there was a problem.

We have talked in the House under one of the bills I proposed, Bill C-476 and now C-501, about protecting workers' assets in their pension funds at the time of bankruptcy and insolvency or the CCAA because corporations are hiding behind CCAA, in particular, to get out of their responsibilities to the pensioners.

I am very curious. Would the Bloc be supportive of Bill C-501, which was before committee today?

[*Translation*]

Mr. Yves Lessard: Mr. Chair, given the number of bills, I am trying to recall it. I probably know it, but with only the number to go on I am having difficulty.

However, we will support any measure that could counter this flaw that has been introduced along the way and that has weakened pension plans.

As I said a little earlier, there is supposed to be oversight, but it is not respected, just as there is no respect for the guaranteed income supplement. The government knows who is entitled to it, but it does not give it to them. If a disabled person falls out of his wheelchair, he is unable to get back up even though he has his wheelchair. Will we leave him there? Common sense dictates that we will not. We will support him and help him up.

Government Orders

Some people do not know that they are entitled to the guaranteed income supplement. However, the government knows. These people live in poverty. They do not have enough to eat because they spend all their income on rent. This is a fact. Why do we not do the same thing? Why do we not go out and help them? They must be told that they are entitled to it. We must tell them it is theirs, and give it to them. If there are doubts, we can write to them. If we have doubts, we can ask them if that is their situation. Most of the time, there is no question about it. We know it, just as the government knows that it misappropriated \$3.3 billion, which came from the pockets of these people.

[*English*]

Hon. Lisa Raitt (Minister of Labour, CPC): Mr. Chair, today I rise to speak on a subject that is personally important to me and equally important to all Canadians, which is their retirement. After many years spent in the Canadian workforce building the Canada that we have today and caring for their families, Canadian seniors deserve to have the benefit of a top notch retirement system that will support them through their retirement. One of the best ways to support our seniors is by cutting taxes and leaving money in their pockets. I am proud to say that our Conservative government has delivered on lowering taxes.

Now there are many examples that I can provide on what this government has accomplished for retirees over the past four years. We have increased the age credit amount by \$2,000, saving seniors hundreds of dollars. We doubled the pension income credit, the first time it was ever increased. We increased the age limit for maturing pensions and RRSPs from age 69 to 71, allowing seniors to save longer for their retirement. We introduced the tax-free savings account, the most important savings tool to be introduced since the RRSP. Seniors benefit immensely from this account. It provides them with a savings vehicle after they must withdraw their money from their RRSPs and RRIFs.

Finally and perhaps most importantly, we introduced pension income splitting, one of the most important tax changes for seniors ever instituted and one that seniors of Halton indicate to me over and over again has been incredibly important to them, because for many seniors this means thousands of dollars off their taxes every year. Clearly, we are getting things done for seniors, and the seniors in my region of Halton, as I indicated, are telling me this.

Our Conservative government also has a strong record when it comes to retirement income. The global recession exacerbated the fears of many Canadians about the adequacy of their retirement savings. As markets plummeted around the world, so did the savings of many Canadians. But our government listened to the concerns of Canadians and we granted special one-time relief to help them get through this time. We reduced the mandatory minimum RRIF withdrawal by 25% so that Canadians could hold onto their savings for better times.

Our government continues to listen to the concerns of seniors and Canadians across this country. As Canada's labour minister, I am concerned as well with the aging workforce in Canada, so I am listening to older workers who are calling for elimination of the mandatory retirement age. These are issues that are of concern to Canadians. As an elected official and a minister of the Crown, I also regard them as a concern.

Seniors make up nearly 15% of the population of Canada. Canadians are living longer, and increasingly they are becoming more concerned about their retirement incomes and their financial stability past the age of 60 or 65. Not only is an aging workforce concerned with pension but workers are also asking to continue in the workforce longer and employers are benefiting from the years of experience and the knowledge that these older workers bring to the table. These are all important issues for me as Minister of Labour and as well for this government on the whole.

That is why this government is also working toward providing a more permanent solution to the retirement income system, and we begin this by doing what our government has always done. We listen. I know some opposition parties want us to act recklessly and without the proper research, but our government is not going to make changes that will affect generations of Canadians without careful consideration and thorough review. The file is too important to too many Canadians to do otherwise.

In that vein, the Parliamentary Secretary to the Minister of Finance criss-crossed this country and listened to the concerns of pensioners and consulted widely on the proposed solutions to federally regulated pensions. Based on what he heard from Canadians of all walks of life, our government came up with new regulations for federally regulated pensions last October. These regulations and these reforms struck an important balance. They provide the necessary improvements while not harming the current system.

• (2155)

Specifically, our government put in place a regulatory framework to enhance the protections for plan members, to reduce that funding volatility for defined benefit plans, make it easier for participants to negotiate changes to their pension arrangements, improve the framework for defined and negotiated contribution plans and modernize the rules for investments.

These reforms were well received by seniors across Canada. In fact, Susan Eng from Canada's Association for the 50Plus praised them and said, "I'm happy...when you look at something like this you see a lot of positives... we're looking at some of the changes that they've proposed, they sound great".

The National Association of Federal Retirees said they were "pleased to hear that the Government of Canada is taking action to strengthen the pension framework and enhance benefit security for some workers and retirees".

Dan Braniff of the Common Front for Retirement Security joined the choir and said, "I wish to congratulate... [your government] for the proposed reforms to the Canada Pension Act. This is an important milestone for creating greater security for many pensioners and plan members...We also wish to show our appreciation for the excellent work of your [Parliamentary Secretary]...who travelled across Canada and obviously listened to the voices of pensioners... Thank you for taking this very important step for better retirement security at this very critical time".

Government Orders

I know everyone in the House joins Dan Braniff and others in their praise for the parliamentary secretary who, quite frankly, did an amazing job on behalf of all Canadians.

Our government also acknowledges the fact that less than 10% of Canadian pension plans are regulated by the federal government. This is clearly an area of joint responsibility that requires the support, consideration and co-operation of the other provinces. This is a fact that opposition members should keep in mind when they propose measures. We need to support the engagement of the provinces. Indeed, our Conservative government is working collaboratively with the provinces to bring forward realistic and effective solutions.

The first thing we did was put together a joint federal-provincial-territorial working group on pensions to examine the issues. To ensure we got expert advice, we created a research working group with the well-respected academic, Jack Mintz, as chair. After reviewing the research, all federal and provincial governments agreed to examine options to improve Canada's retirement system.

Our government and provincial governments across Canada consulted with Canadians on ways to improve our pan-Canadian retirement income system. Last June we met with Canadians and brought forward innovative proposals for our indepth review. We continue to work with the provinces with these proposals collaboratively. Let me be clear. We will not impose unilateral solutions on the provinces.

Our Conservative government has accomplished much on the pension front. We reduced taxes for seniors and pensioners. We performed the first review of federally-regulated pensions since 1985. We have smart solutions to strengthen our federal pension framework.

Instead of resting on our laurels, we are actively and constructively working with the provinces to propose pan-Canadian solutions. Going forward, we will continue to work with the provinces to move forward on pension reform.

Canadians can rest assured that we will continue to work in their best interest to improve our retirement income system.

• (2200)

Hon. Judy Sgro (York West, Lib.): Mr. Chair, I thank the minister for speaking tonight. I certainly know she is very sincere in her comments.

The consulting has been going on for two years. Several times I asked the Minister of Industry about changes to the Bankruptcy and Insolvency Act or the pension issue. He would often tell me to wait, that it was coming, or that he would do something. I also asked what could be done on the Bankruptcy and Insolvency Act when it came to Nortel and so on.

I would be interested to hear from the Minister of Labour just what influence she has exercised with the Minister of Finance and the Minister of Industry to try to deal with the terrible situation that Nortel and AbitibiBowater have found themselves in.

Second, when we talk about the RRIFs, that is good. It is certainly a recommendation in the white paper that I put out. However, it is still only seniors who are withdrawing.

The fact is, many of them have not recovered from the impact of the income trust debacle when it was promised there would be no changes. However, immediately upon being elected, income trusts were one of the first things where the rug was pulled out from under them. We can talk about the good things that the government has done such as income splitting and a few other things, and praise is due. However, income trusts have hit seniors immensely.

We have been waiting for two years now for some sort of comment back on pension reform. Clearly it takes working together with the provinces to make any of these things happen.

I would be very interested to know what she has done to attempt to get her government to do something about the Bankruptcy and Insolvency Act, or if not that, a stranded pension agency, or something that is going to help many of the people we are dealing with today.

Hon. Lisa Raitt: Mr. Chair, I am quite pleased to answer that question in the context of what I have done as Minister of Labour.

As the member knows, in labour we have a very privileged perch in that we get to speak to both employers and organized labour employees. They come together around the same table. In fact, tonight there was a meeting of the ministerial advisory committee on labour relations and there was a discussion of pension issues. People gave me their feedback and points of view on the matters.

There is no question that employers, employees with organized unions and non-unionized employees all share the concern about the future of pensions. They understand and respect that there is a process around what we are trying to accomplish and that we have but one chance to get it right. That is why we are taking more time in order to get the job done correctly.

The other aspect of discussing it from a labour point of view is we look at some of the other programs we have put in place that have helped in the same vein. We introduced the wage earner protection, for example, which dealt with certain aspects that we did not expect to encounter with respect to bankruptcies of companies. It has been a very successful program. I appreciate the member giving credit where credit is due in terms of that, the TFSA and what we have done with respect to income splitting.

The process I laid out in my remarks is important to think about as well. I appreciate the fact the member acknowledges it is not always easy to collaborate with all of the provinces. However, we are moving in the right direction and are going to get to the right spot.

• (2205)

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Chair, I know the minister has dialogued with the Canadian Labour Congress and others. In fact, I was speaking with the secretary treasurer tonight and I know they are in discussions around doubling CPP, which the NDP is recommending.

Government Orders

I want to take us to a different place at this point in the conversation. I and the member for York West have repeatedly raised the issue of seniors living below the low-income cutoff, the ones living in poverty. Between 200,000 and 300,000 people are living below it.

Since the government has come in, it has lowered the tax rate. The corporate tax rate was at 22%. The comparative American tax rate is 36%. When the regime of corporate tax breaks has ended, we will have a 15% tax regime in Canada for corporate taxation.

With regard to people living below the low-income cutoff, the next stage of cuts in January 2011 will be approximately \$1 billion to \$1.2 billion. If we set that aside and say that corporations can survive quite well with the regime that would keep them in the area of 16% or 17%, would the government consider setting aside that tax break and invest that \$700 million annually into the GIS to get those seniors above the poverty line?

Hon. Lisa Raitt: Mr. Chair, I truly appreciate where the member is coming from. I was raised by senior citizens on Cape Breton Island and am very well aware of the issues surrounding the cutoffs and the amounts of pension and old age supplement that are available when trying to raise a family.

I am very proud that this government has taken action by taking 950,000 people off the tax rolls by dealing with those things. That is really going to the heart in a lot of cases of the poverty issue.

With respect to the broader question on what we plan to do on taxation of corporations, the fundamental truism is that we need corporations in order to generate jobs. One way to ensure we have employers generating jobs and creating growth is by having the most competitive tax regime we possibly can in the world. That is what is going to create jobs for us and drive our economy.

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Chair, something I do not think has received enough notice this evening is one part of what the ministers of finance, coming out of the Charlottetown meeting, wanted to discuss further, and that is financial literacy. The finance minister has put in place a task force that will report very soon, hopefully before the end of the year.

We are talking about current issues, and I am sure the minister will share this, being a parent. At what age do we teach our children about financial and economic literacy so they do not fall into the same trap that some people do when they have not prepared for their retirement?

I spoke to an economist at Purdue University last week who suggested that the U.S. research said that we needed to educate these young people in financial and economic literacy between the ages of four and twelve. I was a little surprised by that, seeing as we do not legislate or we cannot get involved in education, which is a provincial matter.

Does the minister have any ideas as to how we can deal with that? How we catch these kids? How can we teach them the value of a credit card, the costs of a credit card, the financial responsibilities that go along with that and the need to prepare for their retirements?

● (2210)

Hon. Lisa Raitt: Mr. Chair, I very much appreciate the parliamentary secretary giving me what is almost like a slow fastball in terms of a question tonight. I am the mother of two young sons, nine and six, and had this issue happen on the weekend.

We were at a charity event for the Hospital Foundation in Milton. One of my sons won, as the prize, a bank account with one of our chartered banks. It allowed us to have the conversation about financial responsibility, the importance of saving and the importance of thinking about the future.

As Minister of Labour, I have the opportunity to talk to youth groups because we are very much focused on the safety of our children and the first workers out there. One of the opportunities I take is to talk about what their plans are for the future and what their plans are fiscally in terms of where they want to be in the future and what kinds of things they want to have. I certainly do not want our generation to be the last one that does better than our parents. I want my children to do better than me, moving forward.

I very much appreciate the focus that the consultations have had on financial literacy. I hope we all do our part to ensure that our children understand the importance of the money they earn, the taxes they pay and the respect for the taxpayer, which we have on our side of the House.

Hon. Larry Bagnell (Yukon, Lib.): Mr. Chair, I commend the Liberal member for York West for all her tremendous work over the last few years in moving the pension agenda forward in Parliament.

Pensions have been a major priority for the Liberal Party and myself for the last few years. The party has already announced substantial proposals to improve the Canadian pension plan system.

As members may know, I was at the union press release in Whitehorse for its proposals and release of the CPP.

I am going to do something this evening that no other speaker will do. I am going to list four specific problems with existing pensions or proposals for improving pension plans. The government could act on these four problems or not. I predict that all the government members who speak tonight will wax eloquent on their support for pension improvement. We will see if it is just rhetoric from how they deal with the four problems people are expressing that I raise this evening.

The first is the simplest as it only requires providing some more required details on the government's announced plans to improve the Canada pension plan, CPP. However, as all members of Parliament are aware, the CPP is intricately interwoven with the Government of Canada's superannuation plans for the military, RCMP and government employees. There are complicated calculations bouncing payments between superannuation and CPP, depending on the retirement ages that people choose to receive their benefits from these pensions.

Government Orders

Dorothy Drummond and our Seniors' Information Centre want to know how the government plans to integrate their new CPP proposals with these plans. On the website announcing the CPP changes, the government does not explain how the new CPP will be integrated with the Public Service Superannuation Act or the Canadian Forces Superannuation Act.

Seniors and elders want to know this and I am confident the government will be coming forward with all these details, as it should, before Christmas.

Problems number two and three deal with aspects of military pensions. Problem two deals specifically with reservists' ability to be eligible for pension benefits. Reservists across the country owe a debt of gratitude to reservist Mark Evans-Ehrlich for preparing the following comments.

Remembrance Day is still fresh in our minds. Canadians demonstrated deep concern for the welfare of our veterans. Veterans spoke out about their needs. The work of Remembrance continues. Systemic injustices need fixing.

Reservists serve Canada. These men and women give us unique service. Reservists step away from the safety and security of their families, communities and employment, put on military dress and dedicatedly take up military arms on behalf of Canada.

Few other Canadians place themselves in harm's way for Canada like this. About 25% of Canada's Afghanistan forces are reservists. What would we do without them? They are veterans.

Reservists take care of Canada. They do their part. Parliament's role is to reciprocate, to be fair to them. That is our role. That is our least service to them. Ensure the rules of their service make sense, rather than offend common sense.

Military reservists deserve one simple, fair and reasonable change to one pension rule. The previous Minister of the Treasury Board confirmed, in writing, that the laws of in the Public Service Superannuation Act, combined with the Canadian Forces Superannuation Act, have just one pension eligibility rule that applies to all the Canadian Forces, and for all federal employees.

That rule is that a person must work continuously for six months for pension benefits to apply. This is a huge barrier for reservists. The six months of consecutive service rule is only fair to persons working long continuous time periods. Almost everyone in service to the Government of Canada qualifies under that rule, except reservists. That is simply wrong.

This rule should not apply to reservists for their service to Canada. They serve shorter periods of time, a sequence of weeks, or of months is the norm. Very few serve six continuous months and longer. So this rule shuts almost all reservists out of superannuation benefits for the time they serve Canada.

That is what happens when only a full-time rule exists and applies to those whose service is by its nature part-time. This one size fits all rule defies common sense. Whether this situation was intended, or was intentional, which would be terrible, it is systemic unfairness. It is wrong. It is a flaw. It can be corrected simply, Parliament can correct it. Reservists need their own rule.

●(2215)

This issue is ripe for all party support. All parties support basic fairness for our troops, the full-time and the part time. To start collective thinking on this, I propose two months of consecutive service as the standard for reservists. It would accord with part-time service. It would be a vast improvement. It seems fair.

The cost would need to be determined. I expect it would be well within our means; a cost we must afford.

In fairness to our serving reservists, making the two month service rule retroactive must be considered. It would allow reservists to buy back service periods of two consecutive months or more. Their service to Canada is as dedicated as our service. They stand on guard for us all.

He thanks the government for looking into and solving this problem quickly out of respect for these reservists who dedicate so much for our nation.

Problem three is also related to the military and the people in the forces should thank the navy reservists for bringing the point forward. The fact is that the government has severely short-changed members of our forces by not providing sufficient human resources staff to compute and calculate the military pensions for regular forces and reservists in a timely fashion. Members of the forces are waiting months to have their requests to buy back pension time calculated. This is totally unacceptable and I hope the government will act quickly to deal with this problem that is hurting employees of our armed forces who sacrifice so much for us.

The fourth and final issue is a very serious set of problems the government has created for its own government employees with the centralization of Public Service Superannuation Act services.

I provide information from the Yukon government and employees' unions. Presently, the Yukon government employees are part of the public service superannuation plan. The Yukon government, at no cost to the federal government, does a lot of the calculations for employees approaching retirement, looking to buy back service, start benefit payments or collect survivor benefits. Now, all of this is being taken away and being centralized in New Brunswick, thousands of miles from my constituents who previously could just walk in to a local office and get the answers they needed as they prepared for retirement.

The Yukon government has noted that some wait times have extended as long as four to five months between an employee's retirement date and the receipt of pension or benefits. How would the minister or her staff or the parliamentary secretary or the employees in the lobby providing answers feel if their income was interrupted for four or five months because of their government's disastrous mistake? These are the most vulnerable seniors who can least afford these long delays in getting their payments.

Government Orders

The Yukon government may be late in getting information on whether the employee is eligible for severance annuity or allowance, which just exacerbates the situation and seniors' financial precariousness.

The employees cannot attend pre-retirement seminars as they cannot get their personal information in time. These employees could also build up huge future deductions from their limited cheques because of delay in information that puts off for months buy back deductions, which then accumulate to huge amounts. Other benefit entitlements and information and survivor benefits will also likely be delayed.

These unacceptable delays and lack of effective timely service is no way to treat senior citizens, those government employees who have dedicated their lives to providing important services for us all.

It is up to the federal government to move quickly to solve these four administrative problems. They are not difficult to solve. They could be fixed fairly easy. However, as a result of these problems, the government is hurting our most vulnerable Canadians, military and government employees, senior citizens who have done so much for our country and who do not deserve to be treated like this in their sunset years.

● (2220)

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Chair, I thank the member for Yukon for raising the issue of the military because there has not been a lot said in the debate tonight regarding them.

He raised the issue of military superannuation and the CPP, which is important, but he made mention of a new CPP. The proposition, as I understand it, is not for a new CPP but a growth of the core assets of CPP over a period of 35 years which, if at the rate that we would like to see, would ultimately cause the payout of CPP to go from \$908 a month to over \$1,800 a month.

In my mind, that period of time and with people of goodwill in this place, we would be able to deal with the concerns he has about that balancing between the military superannuation and the CPP. What I hear in this place are people who are willing to come together to try to overcome issues like that.

The member's party has proposed a voluntary supplemental CPP. My concern is that, if 63% of Canadians today have no pension and no savings, they are the generation that is also living on credit. They are people who have not had a record of savings for a variety of reasons. It strikes me as very unlikely that the supplemental CPP would be any different for them than the RRSP system is today and as ineffectual for them in their future. We need to act wisely on this. As the government has said repeatedly, it is necessary to give solid consideration to the outcomes.

I reported earlier tonight that Professor Kesselman, who is an expert on pensions from out west, has endorsed the NDP's view in a discussion that there seems to be a consensus coming on increasing the CPP. Jack Mintz, the head of the task force itself, has agreed with that.

On balance, why is the Liberal Party still holding on to this idea of a supplemental CPP that will not apply to these particular people?

Hon. Larry Bagnell: Mr. Chair, the member raised two very good points.

His first point on the integration of the CPP and the military superannuation was a very good point. When we talk to the people in the legions, it is incredible how animated Red Grossinger and Wayne Wannemaker can get about what they feel is a slight against their service to their country. As the member said, there seems to be a will in Parliament to raise the amounts so that discrepancy does not occur anymore.

I have always been for expanding the Canada pension plan. We are for an expanded Canada pension plan, plus the supplementary plan.

I think the voluntary Canada savings account has \$16 billion. Therefore, to some extent people do invest in these voluntary options. Personally, I am willing to look at any option that will help those 63% of people who the member quite correctly outlined do not have adequate pensions at this time.

Hon. Judy Sgro (York West, Lib.): Mr. Chair, I applaud my colleague from Yukon. About every two or three days, I get an email or a question about something to do with pensions. The member is very connected to his riding and I know he is very concerned about the people in his constituency having a better future and a more positive future.

I would like to ask him for his comments on the recently released white paper document, which was as a result of 18 months of work with an expert working group across Canada. It contains 28 recommendations, one of which was the issue of the cost of living, which has been raised a couple of times by the member. Even though there is a difference between different provinces and different territories, there is one flat cost of living across the board. I would like the member to comment on that.

I also would like the member to comment on the supplementary pension plan program. The fact that \$16 billion has gone into TFSAs, which is the tax free savings account, on a voluntary basis, proves that if we provide a good vehicle people will contribute.

The supplementary plan is an automatic enrolment with the ability to opt out. If people are employed they can contribute to Canada pension plan but if they are not employed they cannot. Therefore, the supplementary plan would provide farmers, the self-employed, caregivers and women who are at home with a vehicle to contribute toward their pension.

I would like to hear a comment from my colleague on that.

● (2225)

Hon. Larry Bagnell: Mr. Chair, I would like to thank the member for York West for her tremendous work on pensions over the years. I would like to make two comments related to her question.

The first is related to a unique issue that I have not mentioned tonight. It came from an aboriginal first nation that would like to provide tax-free support to its very poor elders. It suggested that other governments can give certain tax-free benefits, so why can it not? This should certainly be up for discussion.

Government Orders

She mentioned the cost of living. As the official opposition critic for the Arctic and the north, this is a very important point. People may appear to have similar wages right across Canada, but the cost of living in the high Arctic, for instance, is two to four times what it is elsewhere in Canada. In the north people can pay \$20.00 for a jug of milk. People living in the northern parts of provinces who may appear to be equally as wealthy as everyone else can be living in abject poverty, with very limited pensions. Imagine the cost of heating when temperatures dip to 30° and 40° below zero, or the cost of shipping food by air all that distance. Those are things that definitely have to be taken into consideration for the seniors and elders of northern Canada and the Arctic.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Chair, I have certainly enjoyed the member's speeches over the last couple of years.

When it comes to the issue of pensions, doubling the CPP from \$908 a month to \$1,800 a month phased in over 35 years is the solution almost everybody I talk to agrees with. I cannot find anybody who agrees that a supplementary voluntary pension plan is the way to go. The Liberal Party should recognize that. The idea has been out there for six months. It is not getting traction anywhere. There is no real support for it. It is time to give it up, get on board with the majority and support the idea of increasing the CPP.

Even the government, after all of the hearings that it had, has agreed that increasing the CPP is the way to go.

We should all be working together here. Voluntary plans do not really work. Only people who have money who are thinking in terms of retirement will invest in these plans. Other people will simply spend the money on other things. At the end of the day, we would have a very uneven system. We would have people who are very poor who do not have pension plans and other people who have extra resources who have decent plans. That is not a very good way to plan retirement in this country.

The errors and mistakes that we have in the system right now, it is the Liberal governments in the past that have set up all the pension schemes we have right now. And here—

• (2230)

The Chair: Order. I am going to stop the member there because we are almost out of time. I will give the member for Yukon a chance to respond.

Hon. Larry Bagnell: Mr. Chair, I have a couple of points in response.

First, it is not an either/or situation. The Liberals are in favour of expanding Canada pension plan benefits. I think I just mentioned that, but I will mention it again.

As I said, I was at the Canadian union's announcement and I was quite supportive of expanding Canada pension plan benefits.

For those who do not have that, the supplementary system has been approved by the Canadian Federation of Independent Business and about 22 other organizations, as was mentioned by the member for York West. There is an example of a recent plan in which \$16 billion was invested very quickly. People do invest in voluntary plans when they have no other option.

We are providing both options: increasing the Canada pension plan and, personally I hope, also increasing the old age supplement, and also offering a supplementary plan for those who do not fit into the other plan.

Mr. Russ Hiebert (South Surrey—White Rock—Cloverdale, CPC): Mr. Chair, I am pleased to have this opportunity to speak in the debate on pension and retirement income issues and to speak to what our Conservative government has accomplished in this important area in recent years.

My riding of South Surrey—White Rock—Cloverdale has one of the highest concentrations of retired Canadians of any community in the nation. Therefore, I am particularly pleased to participate in this debate which is focused on improvements to Canada's retirement income system, including the ongoing dialogue between federal, provincial and territorial governments and consultations with all Canadians.

Let me start by stating that our government shares the deep-rooted concerns of many Canadians about their retirement security. We understand the importance of a secure and dignified retirement, especially after a lifetime spent building a better Canada through hard work.

For that reason we have been aggressively focused on working to improve our retirement income system. Indeed, we have already taken major action to strengthen Canada's retirement income system.

What have we done? In recognition of their lifelong contributions to our country and our government's core belief that Canadians should keep more of their hard-earned money, we dramatically lowered the federal tax bill for seniors and pensioners.

Since forming government in 2006, our enviable record includes more than \$2 billion in annual targeted tax relief, such as: an increase to the age credit amount by \$2,000; doubling the amount of income eligible for the pension income credit; increasing the age limit to 71 for maturing pensions and registered retirement savings plans; introducing the tax free savings account, which is particularly beneficial to seniors as it helps them meet their ongoing savings needs on a tax efficient basis after they are no longer eligible to contribute to an RRSP.

Jonathan Chevreau, a noted financial commentator, has declared the TFSA is “a welcome tax shelter for Canadian seniors”.

Another thing we have done is we have provided pension income splitting since 2007 and subsequent taxation years. Jamie Golombek, managing director of tax and estate planning at CIBC and a financial commentator has noted, “pension splitting is probably one of the biggest tax changes in decades, in terms of the amount of tax savings this can mean for pensioners”.

Government Orders

What is more, our record also includes important improvements to several specific retirement income supports, such as dramatically increasing the amount working seniors can earn before facing a clawback under their guaranteed income supplement, allowing them to keep more of their hard-earned money. As well, we have increased the flexibility for seniors and older workers with federally regulated pension assets that are held in life income funds.

What else have we done? We have taken major steps to reform the legislative and regulatory framework respecting federally regulated private pension plans. Indeed, this represented the most significant reforms in nearly 25 years.

Announced in October 2009 after extensive cross-country and online public consultations held in the months beforehand, the reforms included: enhancing protections for plan members; allowing sponsors to better manage their funding obligations; making it easier for participants to negotiate changes to their pension arrangements; improving the framework for defined contribution and negotiated contribution plans; and modernizing the investment rules.

These key reforms were warmly applauded across Canada. A diverse and broad group of public interest groups ranging from the National Association of Federal Retirees, the Association of Canadian Pension Management, the Canadian Institute of Actuaries, CARP, Canada's Association for the Fifty-Plus, the Common Front for Retirement Security, the Canadian Life and Health Insurance Association, and even the Canadian Labour Congress all welcomed and expressed their pleasure with these changes.

A *Globe and Mail* editorial heralded the reforms as a “good step”.

Even John Manley, former Liberal member of Parliament, finance minister and deputy prime minister, declared them to be “significant reforms that will enhance protection for plan members”.

However, those reforms to federally regulated private pension plans were only one step in a much larger process.

That leads to the final area where we have made some improvements. We are focused on improving retirement security and pensions in Canada by working with our provincial and territorial partners.

● (2235)

While many Canadians may not realize it, the vast majority of pensions are regulated by the province. Only 10% are regulated federally. In other words, the federal government only has the constitutional authority to make laws related to the private pension plans of federally regulated workers, such as those who work for the airlines, chartered banks and so on, which employ less than one in ten workers in Canada.

That is why to address larger pan-Canadian concerns about pensions, we have been examining the relevant issues with our provincial and territorial counterparts in a co-operative and constructive manner, not by imposing unilateral or fragmented solutions as some would have suggested even here tonight.

In the words of Ontario Liberal finance minister Dwight Duncan, “Our preference is a pan-Canadian solution as opposed to each province on its own”. We have demonstrated this recently by

establishing a joint research working group on retirement income adequacy, and by holding numerous federal-provincial-territorial summits on this issue.

We also believe that the Canadian public has a fundamental right to be involved in and at the centre of this debate. That is why we have ensured that Canadians from coast to coast to coast have had the opportunity to have their voices heard in person and online. From March to May 2010, we invited public input through round table discussions, expert conferences, online consultations and public town hall meetings to gather feedback directly from Canadians.

Even labour organizations, such as CUPE, typically not supporters of our government, have been forced to begrudgingly admit that we have conducted “a serious public policy discussion”.

Following these extensive and necessary consultations, the findings strongly suggested that we explore opportunities to build further on the strengths of Canada's retirement income system. As a result, we agreed, along with the provincial and territorial governments, to explore a set of innovative improvements. While no final decisions have been made at this point, options are under study and development for further review when federal, provincial and territorial finance ministers meet again at the end of 2010.

Clearly, our Conservative government is taking a leadership role in addressing the concerns surrounding retirement income adequacy. However, as with many issues, there is always more that could be done.

As a member of the Commons finance committee, I have had the opportunity to hear a great deal from experts on the issue of retirement savings in recent months. We have been given countless suggestions, but I would like to focus on a few that will not cost our government much, if anything, but may improve the long-term prospects for many future retirees.

First, we can work toward making RRSP contribution limits fairer for Canadians without pension plans. The incomes of non-salaried Canadians vary widely from year to year, and the self-employed and small business employees are often challenged to achieve the same savings as those with employer-contributed pension plans.

One solution may be to base RRSP contribution limits on an average income, allowing the carry forward or back of earned income above the annual limit to maximize RRSP contributions.

Another solution may be to adopt a lifetime savings limit, so that workers can obtain the necessary retirement savings at any point in their lifetime.

Government Orders

Another approach to helping those without an employer-provided pension could be to allow for the creation of pooled pension plans. Delinking employment from pension plans and allowing workers to participate in pooled pension arrangements would allow many Canadians to access greater retirement security at no cost to taxpayers.

We had a couple of suggestions regarding lost RRSP contribution room, which impacts the ability of Canadians to maximize the full benefit of RRSPs. RRSP contribution room is lost when workers make withdrawals due to financial hardship, a lost job or other circumstances during their working lives. Restoring that RRSP contribution room when withdrawals are made would allow workers to replace their retirement savings once their personal crisis was past, and ensure that the funds would be there for their golden years.

RRSP contribution room is also lost when those who do not contribute to RRSPs early in life lose the value of their contribution room through inflation. This probably applies to most Canadians, as mortgages and children tend to be major expenses earlier in their earning years as workers, and their RRSP contributions are often delayed.

• (2240)

By indexing their unused RRSP contribution room to inflation, we could introduce additional fairness for these Canadians.

Another suggestion we heard concerned allowing Canadians greater diversity in the choice of their registered foreign investments. More diverse investment opportunities spread and reduce investment risk and could lead to greater returns for investors.

However, the number of stock exchanges where Canadians can invest retirement savings is currently limited. Currently, foreign stock exchanges must apply to be listed to sell securities to Canadians. Expanding the list of stock exchanges worldwide would increase the diversity of Canadians' investment portfolios.

The Chair: I am going to have to stop the member there. His time has expired.

I will open the floor up now to questions and comments. The hon. member for York West.

Hon. Judy Sgro (York West, Lib.): Mr. Chair, I know the hon. member is well aware from the work he does in committee of all the things that have been done by his government, but what about the things that have not been done?

We have heard all year about the Bankruptcy and Insolvency Act and what has happened with Nortel, AbitibiBowater and others. Has the member come up with any suggestions on things that he would support and has he advocated to the government for some of the changes that would have helped the 17,000 Nortel people who, in another few weeks, will end up with very little income? That is one question.

My second question is that I would be interested to know what the member's thoughts are on the mandatory retirement age and what he thinks should happen when he is moving along that avenue.

My third question is about the stranded pension agency. One issue is that pensioners are being forced to liquidate their savings now as a result of the bankruptcy. It would have been a very simple thing for

the government of today to do. I actually thought the Minister of Industry was going to do it in order to help many of those people.

I would be interested in the member's comments.

Mr. Russ Hiebert: Mr. Chair, my colleague from York West has raised a number of questions and I will do my best to answer as many of them as I can.

She started with pensions that are regulated provincially. It is important to recognize that we are very concerned about these individuals, but we also have to recognize the limits of our jurisdiction. As has been mentioned many times this evening during the question and answer period, we are working with the Province of Ontario to address the concerns she has raised, but we have to recognize that a court has made certain decisions and that the provinces ultimately have the prerogative to decide how they will address this. We will be working with them in whatever way we can to facilitate that.

She also raised the question about mandatory retirement age. That is a very interesting question. I think many Canadians, although they do not want to be told when to retire, would like to have the option of deciding for themselves when they would like to retire. I know from an earlier conversation with the Minister of Labour that she is in fact consulting Canadians on this issue at the present time.

• (2245)

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Chair, throughout this debate and over the last 18 or 20 months I have been curious about the government's view. When I was listening to the member talk about the TFSA's, pension income splitting, and what a retired senior who is working can earn before there is a clawback, it occurred to me the lens the government has been looking through is a different lens from the one the rest of us have been looking through.

In my community of 500,000 people, Hamilton, there was an exposé called "Code Red" in the local paper, which said that 20%, or 100,000 people, live in poverty in that community. That gives us a different lens.

The things I hear the government talking about are things it has acted upon with finances. It says it only accounts for 10%. But it has legislative authority over old age security, GIS and CPP. Will the government not raise the GIS to support seniors living in poverty?

Mr. Russ Hiebert: Mr. Chair, it is an honour to serve with the member for Hamilton East—Stoney Creek on another committee.

Government Orders

With respect to his question, it is important to note that this government has taken 950,000 Canadians off the tax rolls. The average family in Canada saves more than \$3,000 a year, thanks to the tax cuts of our government. We have cut over 100 taxes in every way that the government collects taxes, whether it be personal taxes, consumption taxes, business taxes, excise taxes and more.

Regarding the tax free saving account, the Minister of Finance was before our committee today and noted that more than four million Canadians had taken the step of saving in this fashion.

I want to note what Peter Aceto, chief executive officer of ING Direct, said with respect to the TFSAs. He said, "We think the tax free savings accounts are a great gift the government has given to Canadians to help them save. It is the most important thing that has happened in that regard since RSPs were introduced 50 years ago".

Mr. Mike Wallace (Burlington, CPC): Mr. Chair, I want to quote a Liberal member from earlier this evening, not in this debate but in a debate regarding a private member's bill on pensions. That Liberal member said, "We either come here to make a point or we come here to make a difference". In my view he is absolutely right, and this government has made a difference. The Liberal approach is to always try to make a point, but they never actually make a difference.

This government has made a difference. I have a long list which includes the introduction of pension income splitting, the increase in the age credit amount by \$2,000, doubling the amount of income eligibility of pension income to \$2,000 from \$1,000, and the list goes on and on. We talked about RRIFs.

The point is we are making a difference. My colleague spoke about what we are hearing at committee. I happen to sit on the same committee. There were a number of suggestions.

Is it not important that the parliamentary secretary and the Minister of Finance consult with all Canadians, including those in the—

The Chair: I am going to have to stop the member there to allow the member for South Surrey—White Rock—Cloverdale a chance to respond.

Mr. Russ Hiebert: Mr. Chair, it is an honour to serve with the member on the finance committee. He is one of the shining lights on that committee, as is the parliamentary secretary.

The member raises a good point. He has listed the things that our government has done as accomplishments. I listed some of those as well.

It is important for Canadians to recognize that when it comes to consultation, we are setting a higher standard than perhaps any previous government has done in terms of inviting Canadians to provide us their input, whether it is on pension reform or prebudget consultations on the next budget.

We are listening to Canadians in a way that I do not think has ever been done in this place. I am proud of the fact that our government is setting such a high standard in this regard.

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Mr. Chair, the member spoke of the importance of the integrity of a

third tier of the retirement income system in Canada, which is the self-directed, self-contributed registered retirement savings plan.

The Conservative member emphasized how essential that tier, that key plank was to the overall security of the retirement income system in our country and basically implied to Canadians, through the House, that messing with that was a mistake. Yet the government messed with it.

The government messed with it in May 2010 through a functional and guidance order to staff when dealing with applications for the guaranteed income supplement. It changed the rules. It fundamentally changed the message to Canadians about the safety and security of their investments, which they thought they were making when they were in their working lives and which have now changed now that they are in their retiring lives.

I want to hear from the member, not whether the government is reviewing the situation and not whether it is assessing the situation. The government made a decision in May 2010 to eliminate tens of thousands of dollars in value from RRSP and RRIF contributions by amending the orders for RRIFs and it did so without any thought or even giving one word of advice or information to seniors—

• (2250)

The Chair: I will have to stop the member there.

The member for South Surrey—White Rock—Cloverdale has less than a minute.

Mr. Russ Hiebert: Mr. Chair, I have to say that I am astonished that the member would have the nerve to stand up six times in the course of one evening and ask the exact same question when he very well knows that, as far as we can tell, there is no substance to this question. As he knows, the parliamentary secretary has already committed to find an answer to this question.

Perhaps the member is at a loss on the subject matter to ask any additional questions, but to raise the same question six times, I think, is going a little too far.

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Chair, on June 16, 2009, the New Democrat motion calling for action on pensions passed with unanimous support of this House. The motion provided that, in light of the legitimate concerns of Canadians that pensions and the retirement security may not be there for them in their retirement years, the Government of Canada should begin work with the provinces and territories to ensure the sustainability of Canadians' retirement incomes. This should be done by bringing forward, at the earliest opportunity, measures such as: expanding and increasing the CPP, OAS and GIS; establishing a self-financing pension insurance program; ensuring workers' pension funds go to the front of the line of creditors in the event of bankruptcy; and, protecting CPP from imprudent investment practices by ceasing the practice of awarding managers performance-based bonuses and recovering those bonuses for 2009.

Canadians have been pleading for action on safeguarding and improving pension benefits. Yet a year and a half after voting for these measures, where is the government action?

In the time I am allotted I will speak to just a few of those agreed actions that have not yet occurred.

Government Orders

First of all, I wish to share a little of my personal experience in assisting seniors in my riding.

This summer, in response to a number of tearful calls to my office from distraught seniors, I did some house calls. I found it deeply troubling to find seniors who have worked hard all their lives, many of them widows of retired farmers, struggling to get by on their meagre savings and pensions.

We have, over the past few months, hosted sessions for seniors to provide information on pension and disability benefits. However, from the majority, the message I have taken away from these sessions with seniors is that they do not just want more information, they want the government to respect their contribution to society and provide greater pension support.

A senior wrote to me a few weeks back to remonstrate that this October seniors' OAS rose a maximum of six-tenths of one per cent; a mere 10¢ a day. He despaired that many seniors received zero increase due to clawbacks. He requested that an MP from any party rise in the House to thank seniors for their support of the economic recovery program, as among the few to have increased taxes are seniors. He specified the HST in Alberta and clawbacks.

On behalf of this gentleman I stand here in the House to thank all of Canada's seniors for all they have contributed and for their patience and forbearance.

We need this government to stand up for those who have worked for a lifetime contributing to our prosperity, yet are left struggling just to get by in the last years of their lives. Considering the state of the economy and minimal pension supports forthcoming, it is sadly probable, given the lack of government action, that even more will fall between the cracks.

Canadians need more than endless consultations. This is a time of restraint due to job losses; increased taxes, and that includes the HST; as well as seniors and far too many families living on fixed income. Canadians need the federal government to make them a priority. Tax cuts continue to be extended to major corporations while a growing number of working, retired and laid-off Canadians struggle.

Why am I and all New Democrats calling for an increase in CPP pensions? Why the call to inform seniors of the benefits they are entitled to?

A September 2010 poll commissioned by CUPE reports 66% of Albertans support expanding the CPP. More than 11 million Canadian workers, 68% of the workforce, have no workplace pensions. There are eight million Canadians who are reported to have no private pension plan or RRSP. The vast majority of Canadians rely on public pensions and private savings for their retirement.

With only 31% of Canadians contributing to an RRSP last year, the government merely calls on Canadians to set aside more savings for retirement. Where, pray tell, are the majority of middle income, let alone low income, Canadians to find that extra cash?

Canadians' meagre savings are fast being depleted by rising costs for basic services: electricity, fuel, food, accommodation, extra school fees and new taxes.

●(2255)

Over 266,000 seniors are barely surviving at poverty level incomes. Given today's cost of living, it is a struggle for anyone to have quality of life on \$16,000 a year.

It has been estimated that, by 2030, two-thirds of Canadian retirees will not have enough retirement income and are looking at relative poverty. Alberta's situation is the worst in Canada, with Albertans only able to replace 45% of their income in retirement. In my province of Alberta, more than half of senior families have no private pension. Among those without pensions, only 38% have RRSPs or registered investment funds.

For Canadian women, access to basic living support, or frankly any pension at all, is all the more critical.

In budget 2009, the government set women workers further back by killing measures ensuring equal pay for work of equal value for federal workers.

Canadian women are still not receiving the equal treatment they deserve, as they receive almost one-quarter less than what men receive on every dollar of income.

Almost half of Canadian workers are women, 60% of whom are over 50 years of age.

Three-quarters of Canadians living in poverty are women and children.

We all know that it is the majority of women who set aside their working careers to look after children at the front end, and at the back end to look after their aging parents. As a result, they qualify for less pension benefits than men, and that is the case for those lucky enough to have any pension plan at all.

By doubling the CPP, we could lift many Canadians out of poverty. We have the money. It is a political choice to grant yet deeper, unneeded corporate tax cuts or to allocate the dollars to quality of life for seniors.

Another proposed solution would be to allow for voluntary contributions to top up CPP. While the government has talked about this option since last June, so far it has not acted. The right to choose to invest in one's CPP is an important one, given how many lost their life savings through private RRSPs.

Government Orders

Yet another example of the government ignoring the will of the House and reneging on its own undertakings to act expeditiously to protect pensions is the delayed action to protect workers' pensions in the event of bankruptcy.

When the government failed to act, our party did. My NDP colleague, the member for Thunder Bay—Rainy River, introduced Bill C-501. The bill would ensure that pensions for employees of private companies that go bankrupt are granted priority over large creditors. This is a critical measure for Albertans, as the province has suffered the highest rate of bankruptcy during this recession, including small and medium-sized companies, an increase of 82% in one year.

Workplace pensions are nothing less than unpaid, deferred wages. Workers have a right to receive them.

Bill C-501 is currently before industry committee. I strongly urge support for the expedited completion of the review and a vote for it by all parties, including those in the other place.

In summary, the first step is to recognize the pension crisis. It was presumed that this occurred in the passage of last year's motion. The next step is for the government to take action on the many sensible measures put forward in this House. Canadians are still waiting.

• (2300)

Mr. Mike Wallace (Burlington, CPC): Mr. Chair, my colleague talked about a variety of options. New Democrats are offering one option, that CPP be doubled, which my colleague mentioned in her speech.

My colleague is talking about a crisis presently in the pension system. Would she not agree that a doubling of the CPP would take 20 to 30 years for true effect in terms of providing a stable pension income for Canadians? Would she not agree that the government needs to do things other than doubling it at this point, because it would not affect the immediate needs?

Ms. Linda Duncan: Mr. Chair, it sounds as though there is some semblance of admission from the other side that in the future the doubling of CPP is actually necessary and that, by stalling, it will take a lot longer to benefit anyone.

Why does the government not step up and take the additional measures? It should stop further unnecessary deep cuts to large corporations' tax rates and take that money at least for the coming year and put it towards our seniors, who deserve it.

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Chair, at this time of night we are a bit shaky in our presentations.

I want to say to the member for Edmonton—Strathcona that on June 16, 2009, when we passed the NDP's opposition day motion on pensions, there was a unanimous vote in this place. Clearly, people realized it was time for a discussion on pensions.

So we began that national discussion and the parliamentary secretary was criss-crossing the country, as I was. I do not know whether I have ever related this story to the member or not, but when I came to the member's riding, a woman took me aside and told me that she makes about \$1,160 a month and in Edmonton, to get by, she has to go to a food bank.

I have been trying strenuously in this place to get it across to the government that, yes, there is a place for the measures that the government has taken on TFSAs, income splitting and other things. Nobody is arguing that point. But the government has to take that lens and put it over on the people who are struggling.

The member for Burlington just talked about the timeframe it would take to increase the CPP. If we got our great wish and it was doubled, it would take 35 years. There is no doubt of that.

There has to be an immediate response to poverty among seniors, and that simply is infusing \$700 million directly into the GIS right away.

Ms. Linda Duncan: Mr. Chair, I would like to thank the hon. member, not only for his excellent question but for his undaunting efforts on behalf of seniors and retirees in Canada to bring them out of poverty and to give them the support that they duly deserve.

Absolutely we should be using every measure conceivable to improve the CPP, to improve the GIS. Frankly, this issue that has come up earlier this evening is to let people know the benefits they are entitled to. It is pretty astounding to discover how many people are suffering away in their homes and nobody has taken the time to actually tell them about the benefits, including a lot of the disability benefits.

I have to add, though, that I was stunned in this House to hear members on the other side actually stand and profess that by lowering corporate taxes they are actually going to benefit the seniors.

Are they suggesting that 80-year-old retired widows should apply for a job at one of these corporations because they are going to create more work? I am frankly just astounded at some of the replies that I have heard.

• (2305)

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Chair, I cannot sit idly by and let a statement such as that last one go unanswered.

Does that hon. member not understand who holds pension funds, who contributes to pension funds, wherein pension funds are invested, where RRSPs gain their money from? That is an incredibly naive statement for that hon. member to make.

That is what fuels the economy in this country. That is what people's RRSPs are invested in: companies that make a profit. If we took the advice of the NDP and ran every company, every business, out of this country, the RRSPs would go with them. The RRSPs would be in the toilet. Then we would have the pension crisis that the hon. member refers to.

It is incredibly naive for any individual, some learned person who stands in this House and professes to understand the economy, to make such a statement that if we chase the companies away from this country, chase the job creators out of this country, we would have any pension fund left whatsoever, that we would have any bank that would want to fund RRSPs. We would then have a pension crisis.

I realize there is no question in that, just a clarification of fact or reality.

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Ms. Linda Duncan: Mr. Chair, I have to say that I am astounded by the member's comment, equally.

First, he is fearmongering. I do not see any major corporations running away from Canada when they already have the lowest corporate tax rate in the western world, already a lower corporate tax rate than the United States of America. This is complete balderdash.

The point that we have been trying to raise all evening is that those on the other side simply do not appear to understand that there is a rising percentage of Canadians who do not have the money to buy RRSPs. They seem to be completely unaware that in the crash of the economy under their watch, a large number of Canadians lost their life savings in these supposedly sound RRSPs, which is precisely why they are calling upon us to plead the case to double the CPP.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Chair, I am a bit disappointed in the government for not moving quickly enough to establish an insurance scheme to insure pension funds.

Property and casualty insurance companies across Canada could form a fund back in 1986 or 1987 to take care of any bankruptcies in the property and casualty insurance business. If houses burn down and a company goes bankrupt, the rest of the companies in the country get together to resolve the situation, pay the claims and bail the company out. That same situation happens with life insurance companies. It is about time the government looked at that as an option.

I would like to ask the member if she would agree with that analysis and whether we could collectively encourage the government to look into that as an option.

Ms. Linda Duncan: Mr. Chair, I concur, of course, with the member's analysis. However, I would like to digress and go in another direction.

We have a lot of people who are having to rely on their retirement incomes because they are losing their jobs.

The government is failing in its watch in a number of areas that are seriously affecting people's retirement income, and that includes the matter of foreign investment.

When corporations come to this country from another nation and sign on to so-called agreements that the government puts forward, either the terms are not strict enough or the government is not bothering to watchdog those agreements. A lot of Canadians are losing their jobs and this is part of the crisis.

We need much broader action by the government to protect the income of Canadians, protect the jobs of Canadians and protect their future retirement earnings.

• (2310)

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Mr. Chair, I encourage the hon. members opposite to stick around. They will learn something here tonight. This will be my seventh try at getting some bits of information into these guys heads, so here goes.

Canada introduced registered retirement savings plans in 1957 and, ever since then, we have been encouraging Canadians to try to

invest in registered retirement savings plans for their own retirement. We told our seniors of today, when they were making these investments yesterday, that this was an investment that the government would never mess with. We promised tax savings and other advantages to those who proactively plan for their own retirement by investing in RRSPs.

In May, however, that message fundamentally changed when the government secretly, without any notice, implemented changes to the old age security and guaranteed income supplement programs by the policies guiding each respectively, by way of what is known as functional guidance and procedures amendments to staff.

Whenever staff were dealing with registered retirement income funds for the purposes of guaranteed income supplement, allowance for the spouse and allowance for the widow or widower, the Conservative government's orders were that Human Resources and Skills Development Canada staff were to include the withdrawals of RRIF income when calculating GIS eligibility. In other words, the Conservatives were either knowingly or negligently wiping out tens of thousands of dollars in benefits formerly available under the rules as they applied to RRSPs and RRIFs.

In so doing, Human Resources and Skills Development Canada staff did not even bother to inform seniors before these changes were made, and to this day, even in the debate in the House tonight, they are still denying they did it. Specifically, the changes to the old age security and guaranteed income supplement programs policy no longer allow for the discretionary or emergency spending of these investments by way of lump sum withdrawals from RRSPs or RRIFs without consequence to eligibility for the GIS.

Let me take a moment to explain this so the government gets it and understands what it did.

When a person has invested in an RRSP, at the age of 72 he or she must convert those funds into an RRIF. Under the rules of calculating whether or not a citizen is eligible for the guaranteed income supplement, which is income-tested, they take all the money that they made from various pension sources, not including OAS, old age security. What they did is they took those rules and said, "Listen, we never used to calculate". When someone took a lump sum from the RRIF to pay for cancer treatment or medical costs related to a heart condition, or if they needed to make an emergency investment in a car to be able to care for a fellow family member, they could option that money out. In other words, they could ask the government, when it was making the calculation of the GIS, to take that RRIF lump sum withdrawal that they made and, because it was a one-time-only withdrawal, to calculate their eligibility for the GIS as if they never made it.

For years and years, the government allowed that to occur, but in May it said, "We are not going to do that anymore. If people make a lump sum withdrawal from their RRIF, they are now going to lose their GIS".

Here is what that means. In a court case, if the government is taking any comfort from a court case, here is what a judge said:

I do not wish to leave this matter, however, without expressing the hope that the government might give consideration to proposing an amendment to the Act that would give some relief to persons in the Appellant's position. There are occasions when recipients of the guaranteed income supplement find it necessary to withdraw funds from a registered plan to meet an urgent need for cash—

The Chair: I know the member is going to be terribly disappointed, and unfortunately we cannot even seek unanimous consent to go for another four hours, because of an order made

Government Orders

earlier, but it being 11:15, pursuant to Standing Order 53.1, the committee will rise and I will leave the chair.

● (2315)

(Government Business No. 8 reported)

The Deputy Speaker: Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 11:15 p.m.)

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