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(HANSARD)

Tuesday, March 27, 2012

—

Speaker: The Honourable Andrew Scheer

CONTENTS

(Table of Contents appears at back of this issue.)

HOUSE OF COMMONS

Tuesday, March 27, 2012

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1000)
[*English*]

CONFLICT OF INTEREST CODE

The Speaker: Pursuant to section 15(3) of the Conflict of Interest Code for Members of the House of Commons, it is my duty to lay upon the table the list of all sponsored travel by members for the year 2011, as provided by the Conflict of Interest and Ethics Commissioner.

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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)(b) I have the honour to table, in both official languages, the government's responses to two petitions.

* * *

BUSINESS OF THE HOUSE

Hon. Peter Van Loan (Leader of the Government in the House of Commons, CPC) moved:

That notwithstanding any Standing Order or usual practice of the House, following Oral Questions today, a Member from each recognized party, the member for Bas-Richelieu—Nicolet—Bécancour and the member for Saanich—Gulf Islands may make a brief statement and the time taken for these statements shall be added to the time provided for Government Orders.

He said: Mr. Speaker, there have been discussions among the parties and I anticipate unanimous consent.

The Speaker: Does the hon. Government House Leader have the unanimous consent of the House to propose the 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)

PETITIONS

THE ENVIRONMENT

Mr. David Tilson (Dufferin—Caledon, CPC): Mr. Speaker, I have a petition from people all over Canada who are concerned with the megaquarry in Melancthon township in Dufferin county, which would be largest open pit quarry in Canada, at over 2,300 acres.

They are concerned with quite a few items in this matter. One concern is that in the proposed megaquarry application, there are distinct issues relating to the use of water operations based on NAFTA considerations, which may have a substantially negative financial implication federally and provincially.

They are asking that the Government of Canada conduct an environmental assessment under the authority of the Canadian Environmental Assessment Act on the proposed Highland Companies megaquarry development.

• (1005)

AFGHANISTAN

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Madam Speaker, I have several petitions to present this morning.

The first one is a request to the House to inform the Canadian public of the number of civilian casualties inflicted by Canadian troops in Afghanistan and that the House report the numbers of military casualties, including serious injuries, to the Canadian public. The petitioners request that the House keep the Canadian public informed of the cost of the war to Canadian taxpayers and the House act to bring our troops home forthwith.

NATO

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): My second petition is in regard to NATO, and our NATO review of nuclear weapons policy.

Petitioners point out that NATO states still rely on policies involving nuclear weapons for their defence. There are no ongoing multilateral negotiations for an agreement to eliminate these weapons of mass destruction. A model nuclear weapons convention has been filed before the UN General Assembly as a discussion document to encourage progress toward nuclear disarmament. Therefore, the petitioners demand that the Government of Canada call for an urgent review of NATO's nuclear weapons policy to ensure that all NATO states fulfill their obligations and negotiate and conclude an agreement for the elimination of nuclear weapons.

Routine Proceedings

[Translation]

MEAT INSPECTION

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Madam Speaker, the third petition supports Bill C-322.

Whereas Canadian horse meat products that are currently being sold for human consumption in domestic and international markets are likely to contain prohibited substances, the petitioners call upon the House of Commons in Parliament assembled to bring forward and adopt into legislation Bill C-322, An Act to amend the Health of Animals Act and the Meat Inspection Act (slaughter of horses for human consumption), thus prohibiting the importation or exportation of horses for slaughter for human consumption, as well as horsemeat products for human consumption.

This petition comes from Quebec.

[English]

The fourth petition I have is dealing with the same subject. The petitioners call upon the House of Commons to bring forward and adopt into legislation my Bill C-322, An Act to amend the Health of Animals Act and the Meat Inspection Act (slaughter of horses for human consumption), thus prohibiting the importation or exportation of horses for slaughter for human consumption, as well as horse meat products for human consumption.

NUCLEAR WEAPONS

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Madam Speaker, the last is a last short petition to establish a department of peace.

The fact is that 27,000 nuclear weapons still exist, and the number of countries possessing nuclear weapons and the threat of nuclear weapons is still increasing. Of the 26,000 nuclear weapons held by the United States and Russia, 3,000 are on a 15 minute launch on warning status and threaten to destroy our world due to potential technical systems failure. Of today's modern nuclear weapons, 50 could kill 200 million people. There is no medical response to the effects of a nuclear war. Prevention is the only answer. The petitioners call upon Parliament to establish a department of peace that would reinvigorate Canada's role as a global peacemaker that holds the abolition of nuclear weapons as a top priority.

[Translation]

THE ENVIRONMENT

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Madam Speaker, I have the honour to present two petitions today.

The first group of petitioners note that the proposed Enbridge northern gateway pipeline would require overturning a moratorium that has been respected by the federal government and the Province of British Columbia for 40 years, and is very important in preventing transport by supertankers. The petition was signed mainly by residents in my riding of Saanich—Gulf Islands, but most British Columbians are also saying no to supertankers.

● (1010)

[English]

CANADIAN BROADCASTING CORPORATION

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Madam Speaker, the second is a very timely petition, as we look at a federal budget later this week. It is presented on behalf of a number of residents of Saanich—Gulf Islands and a number of Ontario towns, looking to the federal government to protect stable base funding, on a sustainable basis, to ensure that our public broadcaster CBC/Radio-Canada is protected so that it can continue to provide excellent service across this country.

ABORTION

Mr. Ron Cannan (Kelowna—Lake Country, CPC): Madam Speaker, I rise to table a petition on behalf of several of my constituents of Kelowna—Lake Country, as well as on behalf of my hon. colleague for Abbotsford, the Minister of International Trade.

Canada is the only nation in the western world, in the company of China and North Korea, without any laws restricting abortion. As the Supreme Court has said, it is Parliament's responsibility to enact abortion legislation. The petitioners are calling upon Parliament to speedily enact legislation which restricts abortion to the greatest extent possible.

PENSIONS

Mr. Scott Andrews (Avalon, Lib.): Madam Speaker, I am here today presenting another petition calling upon the government not to change the age of OAS from 65 to 67. Another 200 names from my riding have been added to this petition.

This particular policy announcement, which we suspect will come in the budget, has no basis whatsoever. The old age security system is sustainable over the long haul. This increase in the age will only hurt low-income seniors.

The petitioners are calling upon the government not to proceed with this particular policy.

IMMIGRATION

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Madam Speaker, I table a petition today with respect to a policy announcement by the government on November 4 to establish a super visa. The petitioners are asking that the government revisit and reconsider the issue of how one can qualify for a super visa and, in particular, the requirement to have health insurance for a minimum time period of one year, which can cost thousands of dollars.

The concept of a 10 year super visa is good. It is the criteria that is disallowing hundreds if not thousands of people across Canada from being able to acquire one for their parents or grandparents in their homeland that needs to be revisited.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC): Madam Speaker, if Questions Nos. 452, 454, 455, 456 and 457 could be made orders for returns, these returns would be tabled immediately.

Routine Proceedings

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

[Text]

Question No. 452—**Mr. Tyrone Benskin:**

With regard to social and cooperative housing facilities: (a) what steps is the government presently taking, or does it anticipate taking in the next 12 months, to renew or extend the long-term operating agreements upon which social and cooperative housing organizations across Canada depend, given the impending expiry of funding arrangements established under Section 56.1 of the former National Housing Act, Section 95.1 of the Canada Mortgage and Housing Corporation (CMHC) Act, and agreements entered into by the federal government and Quebec government pertaining to Article 61 of Quebec's National Housing Law; (b) will the government immediately commit to the renewal of the Renovation and Retrofit of Social Housing component of Canada's Economic Action Plan; (c) what is the government's long-term strategy to ensure the immediate health and survival of social and cooperative housing organizations subject to long-term operating partnerships with the federal government in the event these agreements expire; (d) what impact assessment has the government undertaken to verify the broader impact of expiring long-term operating agreements on the economy, job creation, and the affordability of residential housing for low income Canadians; (e) what steps has the government taken, or will take in the next 12 months, to develop and implement a coordinated strategy with provincial and municipal authorities for the funding of social and cooperative housing; and (f) what is the government's plan to ensure the future construction and maintenance of social and cooperative housing across Canada?

(Return tabled)

Question No. 454—**Mr. Raymond Côté:**

What is the total funding allocated by the government to the constituency of Lotbinière—Chutes-de-la-Chaudière between fiscal year 2006–2007 and the current fiscal year, broken down by (i) department or agency, (ii) activity, (iii) amount?

(Return tabled)

Question No. 455—**Mr. Frank Valeriote:**

With respect to the "Projects Map" (located at the following link: <http://www.actionplan.gc.ca/eng/map.asp>) on the "Canada's Economic Action Plan" website: (a) what is the total number of place marks, icons or symbols that have been uploaded to the project map since the project map was created; (b) what is the total number of place marks, icons or symbols that remain on the project map since the project map was created; (c) what is the total number of place marks, icons or symbols that have been removed from the project map since the project map was created; (d) for the answers to each of (a), (b) and (c), what is (i) the date it was uploaded to the project map, (ii) the date it was modified on the project map, (iii) the date it was removed from the project map, (iv) the geographic coordinates (latitude and longitude), (v) the location, specifying the address, city, riding, and province, (vi) the Project ID or the name of the project or program, (vii) the name of the related initiative, (viii) the description of the project, (ix) the address of the website containing additional information about the project, (x) the date of the funding announcement, (xi) the total project cost at the time of the announcement, (xii) the value of the federal contribution to the project at the time of the announcement, (xiii) the company or companies who were contracted in association with the program or project, specifying the amount of funding each was to receive for its services and the final amount they received for their service, (xiv) the final amount of the project cost, (xv) the final amount of the federal contribution that was delivered; (e) for all projects or programs listed in (d)(vi), did the projects or program meet the government's completion deadline and, if not, why; and (f) for all projects or programs listed in (d)(vi), (i) was the government's approval of any project or program subsequently withdrawn and, if so, why and on what date, (ii) were any of the projects or programs that the government had approved for funding subsequently cancelled and, if so, why and on what date?

(Return tabled)

Question No. 456—**Mr. Frank Valeriote:**

With regard to television advertising (commercials) which promotes Canada's Economic Action Plan: (a) how many television advertisements have been (i) created in total, broken down by year, (ii) given an identification number or name or a Media

Authorization Number (ADV number); (b) what is the identification number or name or ADV number for each advertisement listed in (a)(ii); and (c) for the answers to each part of (a), (i) what is the length (minutes and seconds) of each advertisement, (ii) what is the cost for the production or creation of each advertisement, (iii) what companies were used to produce or create each advertisement, (iv) what is the number of times each advertisement has aired, specifying total number of times and total length of time (minutes and seconds), broken down by year and by month for each advertisement, (v) what was the total cost to air or publish each advertisement, broken down by year and by month, (vi) what criteria were used to select each of the advertisement placements, (vii) what media outlets were used to air or publish each advertisement, broken down by year and by month, (viii) what was the total amount spent per outlet, broken down by year and by month?

(Return tabled)

Government Orders

Question No. 457—**Mr. Frank Valeriote:**

With regard to farms and farming in Canada: (a) what is the government's definition of (i) individual farms, (ii) family farms, (iii) family farm corporations, (iv) non-family farm corporations; (b) for the answer to each part of (a), for each of the fiscal years from 2000-2001 to 2011-2012, across Canada as a whole and broken down by province and territory, what is the total number of (i) individual farms, (ii) family farms, (iii) family farm corporations, (iv) non-family farm corporations; (c) for the answer to each part of (b), and for each of the fiscal years from 2000-2001 to 2011-2012, across Canada as a whole and broken down by province and territory, what is the total number of farms by farm type based on the North American Industrial Classification System (NAICS) farm-typing categories; (d) for the answer to each part of (b), and for each of the fiscal years from 2000-2001 to 2011-2012, across Canada as a whole and broken down by province and territory, what is the total number of individual farms, family farms, family farm corporations, non-family farm corporations owned entirely by (i) a Canadian citizen, (ii) a Canadian corporation or company with a head office in Canada, specifying the name of the corporation or company, location, address, city, and province of the head office; (e) for the answer to each part of (b), and for each of the fiscal years from 2000-2001 to 2011-2012, across Canada as a whole and broken down by province and territory, what is the total number of individual farms, family farms, family farm corporations, non-family farm corporations owned entirely by (i) a non-Canadian citizen, (ii) a foreign corporation or company, specifying the name of the corporation or company, the country in which the head office is located and if they have a branch office in Canada, specifying the location, address, city, and province of the head office; (f) for the answer to each part of (b), and for each of the fiscal years from 2000-2001 to 2011-2012, across Canada as a whole and broken down by province and territory, what is the total number of individual farms, family farms, family farm corporations, non-family farm corporations owned in part by (i) a non-Canadian citizen, (ii) a foreign corporation or company, specifying the name of the corporation or company, the country in which the head office is located and, if they have a branch office in Canada, specifying the location, address, city, and province of the head office; (g) for the answer to each part of (b), (d), (e), and (f), for each of the fiscal years from 2000-2001 to 2011-2012, across Canada as a whole and broken down by province and territory, what is (i) the total area owned in hectares, (ii) the total farmed area in hectares, (iii) the total area in hectares rented or leased from others, (iv) the smallest and largest farm in hectares owned, farmed, rented or leased from others, (v) the type of farming conducted based on NAICS farm-typing categories; (h) for the answer to each part of (b)(ii)(iii)(iv), (d)(ii)(iii)(iv), (e)(ii)(iii)(iv), and (f)(ii)(iii)(iv), for each of the fiscal years from 2000-2001 to 2011-2012, across Canada as a whole and broken down by province and territory, what is (i) the average reported annual revenues, profits, and losses, (ii) the total amount of federal taxes collected, broken down by the different types of federal tax applicable, (iii) the total amount of Scientific Research and Experimental Development Tax Credit (SR&ED) claimed and the total amount refunded; (i) for the answer to each part of (b)(ii)(iii)(iv), (d)(ii)(iii)(iv), (e)(ii)(iii)(iv), and (f)(ii)(iii)(iv), for each of the fiscal years from 2000-2001 to 2011-2012, across Canada as a whole and broken down by province and territory, what is (i) the total number sold or ownership that was transferred to a Canadian citizen, (ii) the total number sold or ownership that was transferred to a Canadian corporation or company with a head office in Canada specifying the name of the corporation, location, address, city, and province of the head office; (j) for the answer to each part of (b)(ii)(iii)(iv), (d)(ii)(iii)(iv), (e)(ii)(iii)(iv), and (f)(ii)(iii)(iv), for each of the fiscal years from 2000-2001 to 2011-2012, across Canada as a whole and broken down by province and territory, what is (i) the total number sold or ownership that was transferred to a non-Canadian citizen, (ii) the total number sold or ownership that was transferred to a foreign corporation or company, specifying the name of the corporation or company, the country in which the head office is located and if they have a branch office in Canada, specifying the location, address, city, and province of the head office; (k) for the answer to each part of (h) and (i), for each of the fiscal years from 2000-2001 to 2011-2012, across Canada as a whole and broken down by province and territory, what is (i) the total area in hectares sold or ownership that was transferred, (ii) the total farmed area in hectares sold or ownership that was transferred, (iii) the largest farm in hectares owned and/or farmed which was sold or ownership that was transferred, (iv) the total number of farms sold or ownership that was transferred by farm type based on the NAICS farm-typing categories; (l) for the answer to each part of (d) e), (f)(ii), what is the total area and farmed area owned by each corporation for each of the fiscal years from 2000-2001 to 2011-2012 across Canada?

(Return tabled)

[English]

Mr. Tom Lukiwski: Madam Speaker, I ask that the remaining questions be allowed to stand.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

FINANCIAL SYSTEM REVIEW ACT

The House proceeded to the consideration of Bill S-5, An Act to amend the law governing financial institutions and to provide for related and consequential matters, as reported (without amendment) from the committee.

[English]

SPEAKER'S RULING

The Deputy Speaker: There is one motion in amendment standing on the notice paper for the report stage of Bill S-5. Motion No. 1 will be debated and voted upon.

[Translation]

I shall now propose Motion No. 1 to the House.

MOTION IN AMENDMENT

Mr. Peter Julian (Burnaby—New Westminster, NDP) moved:

Motion No. 1

That Bill S-5 be amended by deleting Clause 212.

He said: Madam Speaker, I am pleased to rise in the House to talk about our amendment, which seeks to delete clause 212 of Bill S-5, which reads:

The Superintendent, any Deputy Superintendent, any officer or employee of the Office or any person acting under the direction of the Superintendent, is not a compellable witness in any civil proceedings in respect of any matter coming to their knowledge as a result of exercising any of their powers or performing any of their duties or functions under this Act or the Acts listed in the schedule.

This clause is a concern for us. This aspect of the bill gives the institution immunity with regard to the transparency of its decisions. This is something that affects us and with which we disagree.

● (1015)

[English]

When we talk about Bill S-5 in its ensemble, I would like to say that the NDP is supportive of Bill S-5 and will be voting in favour of the bill. However, I would like to mention our concerns about the process regarding the bill and the results that are before us today.

The government is obliged to make revisions to the Bank Act and revisions to financial institutions on a regular interval. It is very important for the government to actually look at the situation of the banking industry in our country, look at its impacts on ordinary families and to hold a broad degree of public hearings to come forward with a bill that provides those substantial revisions to the Bank Act while protecting the fundamental stability of our financial institutions. The government has failed to do that.

Government Orders

The NDP has been the foremost advocate of maintaining strong and rigorous financial accountability around our banking system. Members will recall the many times when the previous Liberal government and the current Conservative government talked about weakening those regulations we ensured that we had rigorous accounting within our banking system. It has always been the NDP that has stood foremost for stability in our banking sector and ensuring at the same time that there are rigorous regulations that apply.

It is because of the defence that the NDP has mounted in the House of Commons that we continue to have stability in our financial institutions. When we compare it to some of the others around the world, when we look at what happened in Iceland and the meltdown that occurred in the United States, we can understand the risk that comes when the government moves to reduce regulation in our banking sector.

We certainly are the strongest proponents in the House of having rigorous regulation governing our banking sector. Anyone on the other side who doubts that only need look at *Hansard* over the past few decades to see that tradition which we have established in Parliament.

We also believe in protecting the public interest and the interests of ordinary families. The way Bill S-5 was brought forward, the fact that very few were even aware that these revisions to the Bank Act were taking place, the fact that the bill originated in the Senate, that it was brought forward in the House at a late time and had to be adopted in April did not allow for rigorous analysis of our current banking sector. That simply did not happen.

The finance committee did have some hearings. I want to get back to some of the comments that were raised in the few hearings the finance committee had on the subject. However, the reality is, when a bill is brought forward at a late date, when the deadline is a fixed date in April when the bill has to be adopted, although the NDP has co-operated, we have raised concerns about how remarkably late and how few public hearings could be held into what is such an important matter. Some of the witnesses who appeared before finance committee raised these issues as well.

The coordinator of the Canadian Community Reinvestment Coalition flagged the fact that with record first quarter profits we have seen in the banking industry, banking profits are up 5.3% compared with 2011. These profits have occurred while raising bank fees and cutting jobs in the sector. The coordinator of the Canadian Community Reinvestment Coalition also said that past government actions have been ineffective in ensuring Canada's big banks are not making excessive profits from gouging customers, cutting services and failing to lend to job-creating Canadian businesses. This view was also shared by Option consommateurs in Quebec. Jean-François Vinet said that the bill does nothing to protect consumers from criminally high interest rates on credit cards.

This is why we object to how the government has brought this bill forward at a late date, in a scattered fashion, without any real intent to get public feedback on revisions to the Bank Act.

● (1020)

It is the end of March and this bill needs to be adopted within a few weeks' time, and yet, there are issues around how ordinary families are impacted by the Bank Act and by the government's failure to take action. We feel that is profoundly unfortunate.

We are not talking about a situation that is unimportant. Under the Conservative government, we see that Canadian families are experiencing a record level of household debt, a level of debt that we have never seen in our entire history. People might say that Tory times are tough times. It is very true that under the Conservative government, Canadians are poorer, when we look at the high debt levels and the real wage reduction that Canadians have experienced over the last year or two.

It is a matter of broad concern to us that while Canadian families are struggling under a record level of debt, the government did not choose to bring forward in a public way revisions to the Bank Act to allow Canadians to have their say on what is happening with the current structure of the Bank Act and financial institutions and how current levels of high interest rates are impacting them.

Bank of Canada Governor Mark Carney warned that the ratio of debt to income will rise within Canada from an already alarming record 153% that was reached last year. Many think it will approach the landmark 160% hit by the United States before the United States tipped into crisis more than three years ago.

We are talking about a crisis level in household debt. We are talking about a crisis level in how Canadian families that we represent in communities across the country from coast to coast to coast are coping with these record debt loads. A not unimportant element of those record debt loads is the high interest rates that are charged by the financial institutions.

Bill S-5 originated in the Senate and was brought to the House of Commons at a late date and after very little public input. The finance committee was not allowed to conduct the kind of public hearings that could lead to changes in the Bank Act. As the few consumer representatives that were able to come before the finance committee stated very clearly, nothing in the revisions contained within the bill deals with the fundamental questions that we have been raising in the House on what Canadians are feeling from coast to coast.

Every single member of the NDP caucus is acutely aware of the crisis levels of household debt. We have raised the issue in the House, and yet the government does not seem to think it is important. These record levels of household debt, unparalleled in our history, that Canadian families are experiencing seem for the Conservatives to be a normal manner of living.

Given the profound job loss that has been experienced over the past few months, the tens of thousands of jobs lost and the reduction in real wages that Canadian families have experienced, we think that the government should be looking to help Canadian families.

Government Orders

We brought forward a series of amendments in committee to address some of the issues that we felt were not being addressed by the process around Bill S-5. I have already mentioned the lack of public input, the late date at which the entire process was begun, the late date by which the government brought the bill from the Senate to the House of Commons, allowing for scant debate.

Understanding as we all do that there is a fixed deadline when the bill has to be passed, we endeavoured to bring forward a series of amendments. Every single one of those amendments was refused by the Conservative government. We think the Bank Act revisions should be treating Canadian families—

The Deputy Speaker: Order. Questions and comments. The hon. member for Winnipeg North.

• (1025)

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Madam Speaker, I found the member's comments somewhat interesting as he tried to portray the NDP as some sort of saviour of the banking industry. We all know that is not quite true. I can appreciate that many New Democratic MPs want to be Liberals; they just do not want to proclaim themselves as Liberals.

Having said that, I am wondering if my colleague recognizes that the banking industry in Canada in comparison to other countries around the world is doing exceptionally well. There is no doubt about that. However, those regulations were put into place by individuals like Jean Chrétien and Paul Martin. They are the ones who built the banking industry to the degree that it is envied around the world. Instead of trying to rewrite history, would the member acknowledge that it was in fact Liberal Party administrations that built the system we have today, which is the envy of the world? That is the reality.

Mr. Peter Julian: Madam Speaker, the member is new to the House and I am going to give him the benefit of the doubt because he obviously was not in the House of Commons when the former Liberal government pushed to deregulate the banking sector and pushed for bank mergers. It was the New Democratic Party in the House of Commons that fought that, with the support of the public across the country from coast to coast to coast. We pushed back at the Liberal government that wanted to deregulate and promote bank mergers.

Every single member of the NDP has continued to support rigorous banking regulation. That is what we stand for because it protects the public interest. That is why we have been such a vocal team in the House defending rigorous banking regulation. After we have seen what has happened—

The Deputy Speaker: Order. Questions and comments, the hon. member for Western Arctic.

Mr. Dennis Bevington (Western Arctic, NDP): Madam Speaker, my colleague is on the right track when he talks about the state of Canadian home debt. He could have mentioned as well that our housing market is in a bubble. The price of housing has escalated to a point where, if the interest rate moves up over the next couple of years, many young Canadians will be severely impacted by it. We are in a situation now where, with any change in world politics, we can see a huge increase in the price of oil. The price of oil is already at record levels. All these things are pointing to the fact that we are

living in a world where we think we have a solid and sustainable economy, but that is simply not the case right now.

Mr. Peter Julian: Madam Speaker, that is a valid question. We are at crisis levels of household debt, unparalleled in our history under the Conservative government. We have seen real wage reductions. Under the current government, Canadians are poorer than they were a few years ago. That is an undeniable fact. There have been job losses across the country. There have been factory closures from British Columbia through to Atlantic Canada, Ontario and Quebec. There is an erosion of our manufacturing sector.

The Leader of the Opposition, the member for Outremont, spoke yesterday in the House about half a million manufacturing jobs being lost. The member for Western Arctic is absolutely right to point out as well that any jobs the government has created actually pay \$10,000 a year less than the many hundreds of thousands of jobs they have lost.

The member for Western Arctic is right that under the Conservatives, Canadians are poorer.

[*Translation*]

The Deputy Speaker: The member for Compton—Stanstead for questions and comments. He has 30 seconds to ask a very brief question.

Mr. Jean Rousseau (Compton—Stanstead, NDP): Madam Speaker, I believe that the amendment is perfectly relevant because the clause would grant immunity to people who have power over extremely important legislation in Bill S-5.

Once again, senior bureaucrats would hide behind the iron curtain that the Conservatives are erecting to thwart anyone who does not agree with their party. I support this amendment, and I would like my colleague to explain why the House should agree to it today.

• (1030)

The Deputy Speaker: The hon. member for Burnaby—New Westminster has 30 seconds.

Mr. Peter Julian: Madam Speaker, I thank my colleague from Compton—Stanstead for his question. He is a new MP, and he is doing very good work in the House.

Before May 2, and even before then, the Conservatives said that they would govern in a transparent fashion, that they would respect democracy, and that they would operate out in the open. Since May 2, the government has not been transparent, nor has it shown any respect for Canadian democracy or the House of Commons. We will continue to work for greater transparency—

The Deputy Speaker: The hon. member for Mississauga South.

[*English*]

Mrs. Stella Ambler (Mississauga South, CPC): Madam Speaker, I am pleased to speak in support of Bill S-5, Financial System Review Act, at third and final reading.

As members may recall from the second reading debate, today's bill is the result of the long established practice of reviewing legislation governing federally regulated financial institutions every five years. This practice sets Canada apart from almost every country in the world and ensures the safety and stability of Canada's financial system. This practice has also been praised as an important reason that Canada's financial system remains the soundest in the world.

Earlier this year, the independent Financial Stability Board praised this practice when it said:

...a review of all legislation to ensure that it is current, contributes to stability and growth of the financial sector and, by extension, allows Canada to remain a global leader in financial services.

The present five year review process began with an open and public consultation in September 2010 when all Canadians were invited to provide their views on how to best improve our financial system.

Before continuing today, I want to recognize and thank the members of the House finance committee for their timely review and support of today's legislation. During the committee's consideration, representatives of groups appeared, ranging from the Credit Union Central of Canada, the Financial Consumer Agency of Canada, the Office of the Superintendent of Financial Institutions Canada and more. We thank all the witnesses before the committee for taking the time to appear and give their thoughts. I will note that the witnesses were united in their belief that keeping Canada's financial system safe and secure was a very important goal.

Without a doubt, Canada's financial system is important to our economy and jobs as well. In fact, it employs over 750,000 men and women in good, well paying jobs and represents about 7% of Canada's overall economy. What is more, Canada is a world leader in this field and a model for the world to look to, especially during the recent economic turbulence.

We did not nationalize, bail out or buy equity stakes in banks like the U.S., the U.K. and Europe. In the words of Constantine Passaris, professor of economics at the University of New Brunswick:

The Canadian way is to record our national achievements in a low-key and understated manner. There is one economic achievement however, that has made the world stand up and notice. Indeed, in this case, we cannot hide from the international spotlight and we can proudly accept the global applause for our Canadian banking system.

At the end of the day, Canadian banks proved resilient in the aftermath of the 2008 financial crisis. Furthermore, they remain solid financial institutions capable of serving as the catalyst for the economic recovery. Indeed, they are a global beacon and a role model for exemplary banking in the 21st century.

It is little wonder, then, that over the past four years the World Economic Forum has ranked our financial system as the soundest in the world. The financial system review act would help ensure Canada continues to have a financial system so safe and secure that it remains a model for other countries around the world.

As I mentioned earlier, in order to keep the legal framework of our financial system up to date, Canada reviews this legislation on a five year cycle. Ordinarily this review cycle is sufficient to keep pace with new developments. However, faced in 2008 with the deepest and most wide-reaching financial and economic crisis since the Great Depression, our Conservative government took more immediate action.

Government Orders

Between 2008 and 2011, we took important steps to make our financial system more stable, reduce systemic risks and ensure we had the flexibility and power to support financial institutions during a crisis. Our actions included enhancing the power of the Bank of Canada to provide liquidity to financial institutions, expanding the tools available to the Canada Deposit Insurance Corporation for resolving a troubled institution and taking proactive steps to protect and strengthen the Canadian housing market.

Our approach proved effective as the Canadian financial system remained a rock of stability through the global financial crisis and won international praise. In the words of the *Irish Independent*:

The Canadian system has won praise worldwide, with US President Barack Obama among its fans.

The Canadian system is undoubtedly an excellent model...

● (1035)

Our government has not been sitting on its hands. Instead, we have improved many key elements of our financial system and strengthened it by adding new tools. Therefore, it will not shock members to learn that, in public consultations done in advance of today's bill, most agreed that a major overhaul was not needed. That is why the financial system review act focused on minor yet significant refinements of the system, not a major overhaul.

I will briefly highlight one such key element in today's bill that has attracted some attention.

The financial crisis highlighted the importance of evaluating the overall size of financial institutions, their global linkages and the impact these factors have on financial stability, and the best interests of Canada's financial system. As a partial response to lessons learned, today's bill proposes to reinstate an existing ministerial approval for select foreign acquisitions of financial institutions.

I will provide historical background. In 1992, the government of the day amended the legislation to allow federally regulated financial institutions to own a foreign subsidiary or to hold a substantial investment in a foreign institution with the approval of the minister. In 2001, the requirement for ministerial approval and review by the Department of Finance was repealed and oversight was limited to the Office of the Superintendent of Financial Institutions.

Government Orders

However, since 2001, the global banking crisis has highlighted new risk factors that support greater oversight to keep our financial systems secure. As such, we are reinstating some of those historical oversight provisions that were repealed in early 2001. This would simply add ministerial approval if a federally regulated financial institution acquires a major foreign entity which increases its assets by more than 10%. The criteria that the minister could consider are hard-wired in the legislation, that being the stability and best interest of the financial sector. The timeline for approval is also hard-wired. The legislation requires the minister's consideration in 30 days or it would be deemed approved. In effect, the minister has 30 days to deny or ask for an extension. This would likely apply only rarely. In fact, since 2004, there have been only a small number of cases where the proposed legislation would have applied.

I would note that the reaction from academics, bankers and the Superintendent of Financial Institutions herself have been quite supportive of the provision. For instance, Michael King, professor of finance at the Ivey Business School said:

This kind of a rule is actually one of the reasons why Canadian banks weathered the crisis so well over the years.

Canadian banks have done well. And it's helped the Canadian economy to have such stable banks.

Our Conservative government believes that modern and effective regulation is important for consumers and for a prosperous economy. By enacting the financial system review act, we will ensure that our financial system remains safe and secure. That is why I ask all members of this House to support Bill S-5.

Mrs. Susan Truppe (Parliamentary Secretary for Status of Women, CPC): Madam Speaker, I would like to ask my colleague why authority to approve acquisitions by banks is being returned to the minister.

Mrs. Stella Ambler: Madam Speaker, it was part of my speech that we would return the authority to the minister to approve these foreign transactions. This is something that did occur previous to 2001 and now we are bringing it back. Canada's sound financial system is a model for the world and we want to ensure that we keep it that way. Returning this oversight is part of the fine-tuning process that is part of this five year review. It simply requires that the minister give approval when a financial institution acquires a major foreign equity that increases its assets by more than 10%.

• (1040)

Mr. Robert Chisholm (Dartmouth—Cole Harbour, NDP): Madam Speaker, we raised an issue earlier in debate and at committee where we had some representation on it. We saw a story again today in the media on the concerns with the state of the Ombudsman for Banking Services and Investments and the fact that it is the only independent body set up to protect the interests of consumers as it relates to the practices of banks. However, two major banks have now pulled out of that arrangement.

When we have asked questions, the minister has said in the past that he will set up some other kind of accountability mechanism. However, he has not yet done so and we are concerned, the banks are concerned and consumers are concerned. The fact is that the government has not moved on it. I wonder if the parliamentary secretary could give us an indication on the direction of the government.

Mrs. Stella Ambler: Madam Speaker, this legislation would protect consumers. One example is the ability of Canadians to cash cheques up to \$1,500 free of charge at any bank. It also would increase the maximum penalty for violation of consumer provisions in the legislation.

Aside from those consumer protections, I want to assure the member opposite that it is because of the actions of this government that we have the most sound financial system in the world. We also have, in our Minister of Finance, the world's best Minister of Finance, and, because of that, in 2007 we began the major overhaul of this act that resulted in the kind of banking system we have today, praised by the World Economic Forum as one of the best in the world.

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Madam Speaker, languishing the praise on the Minister of Finance is pretty cute because, in 2006, we know the Minister of Finance recklessly followed the U.S. lead and brought in the 40-year, zero down mortgages fuelling Canada's personal debt and housing bubble, which certainly did not help a lot of Canadians. Canadians are feeling the impact of that now.

We know that, while in opposition, the Conservatives continually pushed the Liberals to follow the U.S. lead with deregulation of the banking system. When did the light come on for the Conservative government to understand that the banking system in this country stands apart from those in other nations? For years, they chased the deregulation bus.

Mrs. Stella Ambler: Madam Speaker, my understanding is that the U.S. is actually following our model. In fact, President Obama has indicated publicly that he has great respect for our banking system, which I think is, in large part, due to this government's actions, not only in the review of the financial system review act but in all cases our economy is moving forward, has grown and has led the G7 because of the actions of this government.

Hon. Scott Brison (Kings—Hants, Lib.): Madam Speaker, it is a pleasure to rise today to speak to Bill S-5.

This legislation does not make significant changes to the Canadian banking system. In fact, the Canadian banking system is probably, if not the most, among the most prudentially sound banking systems in the world.

That is something all of us as Canadians recognize as being important to our Canadian economy. I believe it is good for Canadian jobs. It is good for our role in the world and our influence on the world. The growth in the scale and success of Canadian banks compared to other banks in other countries, in other banking systems, in recent years has been remarkable.

It is important to recognize why that is the case. While I agree with the Conservatives when they say that the World Economic Forum and other international fora recognize that Canadian banks and the Canadian banking system are among the best in the world, where I differ from them is on the genesis of why that is the case.

Government Orders

The reality is that during the 1990s, when the global trend in the U.S. and Europe was to go to rampant deregulation, it was the Canadian government that said no, that refused to follow the lemmings in other countries off the cliff.

In Canada, the Chrétien government, with Paul Martin as finance minister and Jean Chrétien as Prime Minister, was under immense pressure to follow the global trend of deregulation. They said no to that. They disagreed with that because they did not believe it was in the interests of Canadian bank customers, in the interests of Canadian small business or in the interests of ultimately the prudential strength of Canadians banks to do that. The decision was made not to deregulate at that time, and thank goodness that was the case.

It is important to realize that there were many members of the Reform Party or the Canadian Alliance Party. I forget what it was at that point. They were in fact opposed to the government and the decisions at that time.

I will be the first to offer a *mea culpa* from my perspective, because there were times when I was critical of the government's caution at that time. I will be the first to admit that when I criticized the government for its caution at that time, I was wrong. I will admit I was wrong, and I will not take credit personally for the decisions made by the Chrétien and Martin team at that time. I was wrong; they were right.

I just wish that at some point the folks on the other side, who were also wrong at that time, would admit that they were wrong and Mr. Chrétien and Mr. Martin were right. I do not take credit personally for the fact that some very strong and sound decisions were made by the Chrétien and Martin government, because I was criticizing those decisions at the time.

Again, I was wrong. Mr. Chrétien and Mr. Martin were right and the Liberal government was right. All I am saying is that when the government speaks of, and boasts of, the prudential strength of Canadian banks and our reputation in the world, it ought to do the same thing, have the same journey I have gone on where we embrace our inner honesty and expunge our inner hypocrisy, and we feel so much better. It is completely cleansing.

Let us look at what happened in the nineties. The reality is that the Chrétien and Martin government did the right thing by not following the global trend of deregulation.

There are some other reasons why Canada is doing well and our financial services sector is doing well. Part of it is that there is a massive global trend for commodities, and we have a lot of commodities in Canada: oil, gas, mining. Just in mining finances, 80% of all the mining transactions, financings, in the world over the last five years were transacted in Toronto.

● (1045)

I was in Calgary last week. I met with some oil and gas finance companies and some oil and gas companies. Calgary is booming in terms of oil and gas financing.

None of us in this House, not even the Conservatives, can legitimately take credit for putting the oil and gas under the ground or the minerals or potash under the soil. The Conservatives cannot

say they put the oil and gas under the ground in Alberta or the potash under the ground in Saskatchewan. We all know they did not put the oil and gas off the coast of Newfoundland and Labrador. That was Danny Williams.

The reality is that we have to be honest with each other about why we are doing well as a country. Two of the reasons are that we have a strong banking system and we have become the global centre for mining and for oil and gas transactions. That is all very good.

In this bill, specifically, one of the changes the government is making is the decision that takeovers of foreign banks by Canadian banks will be subject to not public servant scrutiny in some cases but will go to the minister's office. The minister's office will make the determination, depending on the size of the transaction and the size relative to the Canadian bank's assets. It will not be OSFI, as an example, in the public service that will have the decision to make; it will be the minister's office.

I can understand the rationale from some perspectives. The government may see that as an extra level of precaution in terms of the minister's office, but I have a concern. I raised this at committee, the politicizing of these transactions. We know Canadian banks have been very acquisitive in recent years. We have seen the Bank of Nova Scotia buy all the Royal Bank of Scotland's assets in Colombia and more recently a significant retail bank in Colombia. The Bank of Nova Scotia bought 20% of the Bank of Guangzhou for \$700 million in China a few months ago.

We are seeing that happen, and that is generally a very positive news story in terms of those head office jobs that will be here in Canada and the opportunity for us to strengthen our influence, financially and in business around the world. However, I want to see these transactions judged based on prudential strength, not on politics and other issues. I think we have be careful with that.

Another thing, when we are talking about the banking system, is that one of the biggest concerns we have is the level of personal debt Canadians are carrying right now. There is \$1.50 of debt, on average, for every \$1.00 of annual income in Canadian families. That is at a record high. That is actually higher than that of our American friends, who are less indebted personally than Canadians today. Canadian families have the highest level of debt. It is higher than the personal debt levels of Americans.

We have historically low interest rates today. People are struggling just to get by today. A lot of people have lost their full-time jobs. They have seen their full-time jobs replaced by part-time work. We have seen a bifurcation of the Canadian economy where for people who are in Alberta or Saskatchewan, which have a lot of natural resources, it is a very different kind of economy than if they were in Ontario or Quebec or the Maritimes.

The reality is that one of the reasons why we have seen growth in personal debt is not that Canadians are going out and buying big screen TVs and boats, as the Minister of Finance said when he blamed personal debt levels on Canadians' profligate spending on big screen TVs and boats. It is not that. It is that a lot of Canadians have lost their full-time jobs, which have been replaced by part-time work.

Government Orders

The other factor is that the government has sent signals to Canadians and in fact has changed the rules and regulations around lending to actually encourage Canadians to take on more debt. In his first budget in 2006, the Minister of Finance brought in 40-year mortgages with no down payment, for the first time ever in Canada.

The government has to take some responsibility for the growth in personal indebtedness and the degree to which Canadian citizens and families are leveraged financially today, because it changed the rules in 2006 to 40-year mortgages—

• (1050)

The Deputy Speaker: Order, please. I must interrupt the hon. member. His time has elapsed. Perhaps in response to questions and comments, he can complete his comments.

Questions and comments, the hon. member for Algoma—Manitoulin—Kapusksing—

• (1055)

Mrs. Carol Hughes (Algoma—Manitoulin—Kapusksing, NDP): Madam Speaker, I was listening to my colleague and I am glad they admitted they were wrong. We always like to hear that.

I want to talk about the amendment we have put forward, which is about transparency and accountability. I am wondering if my colleague could talk a bit about that, the fact that it is an amendment that should be put forward and one that we hope the government will actually support.

Hon. Scott Brison: Madam Speaker, just to give the hon. member some background, I was elected in 1997 as a Progressive Conservative, and I was elected again in 2000 as a Progressive Conservative, but at the time of the merger in 2003, I bolted. I got the heck out of there and joined the Liberal Party because I wanted to belong to a moderate centrist party.

Just to clarify, yes, I personally was wrong in the late 1990s when I was opposing some of the decisions made by the government, but I am tremendously proud to have learned and not only to admit my past mistakes but to embrace the strong, prudential policies of the Liberal Party when it comes to the financial institutions of banking.

Specifically to her question of any amendment that will strengthen transparency and accountability, I do not expect the government to support anything that will strengthen accountability or transparency. This is the most secretive, least accountable government I have ever seen. I have never, in almost 15 years in Parliament, being both in opposition and government, witnessed a government that would not provide even the costs of its legislation to the House of Commons and has to be dragged kicking and screaming and, in fact, has been found in contempt of Parliament.

I appreciate the hon. member's party amendment for greater transparency, but I am concerned that the government will not understand or appreciate that.

Mr. Dave Van Kesteren (Chatham-Kent—Essex, CPC): Madam Speaker, I listened with interest to my colleague's speech. When I listen to the Liberals talk about their past, it reminds me of an old song, *Glory Days*. I want to remind him of those things. Though they like to take a lot of credit for things, oftentimes circumstance bears a big part of it as well.

I appreciate, as I said, the hon. member's speech and his work in committee, but the Liberals seem to bring up 40-year mortgages that were enacted in 2006. To set the record straight, I wonder if the hon. member would agree with me that it was changed again to 30 years by the current government to better reflect the circumstances in the financial world today. I wonder if he would mind setting that record straight as well.

Hon. Scott Brison: Madam Speaker, I enjoyed working with the hon. member at committee. He comes from a small business entrepreneurial background and brings some good common sense to committee. I have always found his interventions to be valuable.

On this particular intervention, yes, the government did reverse the decision it had made initially to extend 40-year mortgages with no down payment for the first time in Canadian history. In fact, I would ask the hon. member to speak with the finance minister and urge him to actually say the Conservatives were wrong when they pushed for and changed the rules to 40-year mortgages with zero down payment. The only thing that changed their mind was when the bottom fell out of the global banking system. That was the only thing that changed their mind. They were saying, "Giddy-up, let's go. Let's rock and roll. Let's join the global trend of deregulation. The Liberals wouldn't let us do it, but by gosh, let's get on that horse and ride off over the cliff". Thank goodness, they did not have a lot of time before the global financial crisis to do more deregulation of that sort, but I am sure the hon. member will agree with me that it was the right decision to reverse their earlier bad decision.

• (1100)

Mr. Dean Allison (Niagara West—Glanbrook, CPC): Madam Speaker, I want to remind the House that it was this Minister of Finance who, when pressed about imposing taxes on all financial transactions around the world, led the charge in telling governments around the world that would not be a good idea in financially difficult times. Therefore, we certainly trust this Minister of Finance to do the right thing, not only in the interests of this country but also around the world.

I am grateful to have this opportunity to lend my voice to today's debate on Bill S-5, the financial system review act.

In many ways, today's act can be seen as fine-tuning an already mature, stable and sophisticated financial system. As members are aware, our financial sector has been the envy of the world during the recent worldwide economic crisis and this legislation continues to build on and enhance an already strong system.

By way of background, I would note that the government reviews all legislation governing federally regulated financial institutions every five years, to ensure the stability of the Canadian financial services sector. Today's act is the product of the latest five-year review, which began in September 2010 with an open, public consultation. It is imperative that this act be passed by early April as there is a sunset clause in the existing legislation. The four principle acts that govern the financial sector, the Bank Act, the Insurance Companies Act, the Trust and Loan Companies Act and the Cooperative Credit Associations Act, all have their sunset dates renewed for five years.

Bill S-5 also contains changes to federal statutes such as the Financial Consumer Agency of Canada Act, the Office of the Superintendent of Financial Institutions Act, the Bank of Canada Act, the Canada Deposit Insurance Corporation Act and the Canadian Payments Act.

Not so long ago Canada's financial system was considered too conservative and small to be doing business on a global stage, but not any more. Now Canada is recognized and celebrated beyond our borders for having a strong and stable financial sector. As we all know, over the past four years the World Economic Forum has ranked our banking system as the soundest in the world. *Forbes* magazine has ranked Canada as number one in its annual review of the best countries to do business. The IMF as well has heralded Canada's financial system and its oversight. It states:

The Canadian banking system was able to withstand the international crisis well, and the authorities have continued to monitor risks closely.

We can be rightfully proud of the reputation we have in this area, but that does not allow us to rest on our laurels. We must constantly update our regulations, and Bill S-5 reflects our government's commitment to this effect. Growth in the industry necessitates constant diligence within our regulations and laws.

Canada's financial sector is now operating on a truly global scale, diversifying its customer base and taking best practices to countries around the world. The Prime Minister's recent tour of China promoting our economic ties there provides an excellent and timely example of this outward growth and the Canadian financial system's increasing influence in that Pacific economic superpower. While in Beijing recently, the Prime Minister announced the conclusion of negotiations toward a Canada–China foreign investment promotion and protection agreement. This agreement is a treaty designed to promote Canadian investment abroad through legally binding provisions as well as to promote foreign investment in Canada. By ensuring greater protection against discriminatory and arbitrary practices and enhancing predictability of the market's policy framework, the agreement allows investors to invest with greater confidence. Canada has consistently supported strong, rules-based investment through the negotiation of such agreements. Once fully implemented, the Canada–China foreign investment promotion and protection agreement will facilitate investment flows, contributing to job creation and economic growth in Canada. China is now Canada's second largest merchandise trading partner and our third largest export market.

Trade in financial services has been a key part of that growth and can be expected to grow continually in the years to come. Direct investment between Canada and China has increased substantially in

Government Orders

recent years and there has been progress with respect to portfolio investment, as well as under China's qualified domestic institutional investor and qualified foreign institutional investor programs.

● (1105)

Just as they are doing elsewhere in the world, Canada's financial institutions are increasing their presence in China. For example, Scotiabank recently won a bid to purchase a key stake in a bank, a major Chinese financial institution with more than four million customers. In 2010, the Bank of Montreal became the first Canadian bank and one of only three North American banks to incorporate in China. In 2010, Sun Life Everbright more than tripled its reported gross life insurance business in China through its 19 branches. The company provides insurance, covering over nine million customers. In 2011, Manulife announced licences for its joint venture, Manulife-Sinochem Life Insurance Company, to enter five new cities in China, bringing its total presence to 49 cities across 12 provinces with a total population of 350 million people. Last year, the TSX opened offices in Beijing to advance Canada's capital markets. Last year, Power Corporation of Canada purchased a 10% stake in the China Asset Management Company, the country's largest asset manager.

Chinese financial institutions are also coming to Canada to invest because of our pro-trade environment. Indeed, last year, the China Investment Corporation announced the opening of a Toronto office, representing the first permanent foreign location for this huge Chinese financial institution. In the words of the president of the China Investment Corporation:

There are countries with comparable economic characteristics to Canada, but with a lot less friendly environment. In our dealings with the Canadian government, various parts of the government, with the business people, we feel that it's a lot more congenial to our investments.

Canada's financial services industry is merely one example of an industry whose horizons have broadened significantly. As the Prime Minister's recent visit made clear, these efforts are reaping results.

Here at home, we are making the necessary adjustments to foster this growth. That is why today's bill would reduce the administrative burden. For example, federally regulated insurance companies offering adjustable policies in foreign jurisdictions would be relieved from providing duplicate disclosure requirements.

In the years to come, though it is already an attractive place for trade and investment, Canada will become an increasingly attractive choice for trade and investment, including financial services.

Government Orders

Being a prime choice for trade and investment does not happen easily, but here in Canada it happens for several reasons. First, we have relatively solid economic fundamentals compared to most of our peers, especially among the G7. Over 610,000 more Canadians are working today than when the recession ended, resulting in the strongest rate of employment growth by far among the G7 countries. Even better, nine of ten positions created since July 2009 have been full-time positions, with close to 80% of those being in the private sector. Real GDP growth is now significantly above pre-recession levels, the best performance in the G7. We have also reduced red tape, and we continue to promote free trade through not only our tariff changes but also our free trade agreements.

I am proud that our Conservative government has signed free trade agreements with nine countries and that we are in negotiations with an additional 50 countries, including India and the European Union. As chair of the Standing Committee on Foreign Affairs and International Development and a former member of the international trade committee, I have seen first hand how these trade agreements strengthen our economy and provide Canada with a greater voice on the global stage.

I am also proud of our low tax plan, which has resulted in Canada now having an overall tax rate on new business investment substantially lower than that in any other G7 country, and below the average of the member countries of the OECD. This low tax plan is about making Canada a strong destination for investment and jobs, not driving businesses and jobs away with massive tax hikes like the NDP proposes.

Bill S-5 will ensure that our financial system remains a critical element of our success and maintains its place in the ranks of global leaders.

If we look at what the government has been doing over the last number of years, as I mentioned earlier, lower taxes and reduced red tape have been important. Nonetheless, there have been many other things that the Prime Minister and the government have done, including trying to resolve border issues with the president of U.S., for example, so that our goods can flow more freely across our borders. I also mentioned the additional places to sell our goods through the variety of free trade agreements, as well as our continued commitment to maintaining a strong and stable banking system.

As we look at these things there are also R and D investments that we continue to make. We realize that the way we are going to move forward is by being able to commercialize some of these R and D opportunities.

We realize that a strong financial sector is not only important to business but also equally important to all Canadians, who depend upon it for jobs and for their daily financial transactions.

I encourage all hon. members to support this important legislation and see that it is passed.

• (1110)

Mr. Dennis Bevington (Western Arctic, NDP): Madam Speaker, I listened to my colleague's speech with some interest. I think financial issues are always important. Nonetheless, it is also very important to have the correct data.

As the Conservatives have said over and over again as their mantra, they have created 600,000 jobs since the recession. I know they are pleased about that. However, they have presented that point in a context that is not correct. They do not talk about the expanding nature of the workforce. If they had mentioned that fact they would then have been led to actually talk about the unemployment rate, which is about 2% higher than it was before the recession. Therefore, when they say we have had a full recovery and everything is going so well, that is really not the case. They are using figures in that fashion and hoping that by saying them over and over again as their mantra, everyone else will agree.

We do not agree. We think that when financial information is presented to the House of Commons, it should be done correctly and adequately so that the people of Canada can understand what is happening in the economy. Does my colleague not agree with that?

Mr. Dean Allison: Madam Speaker, in terms of numbers, my colleague from Western Arctic mentioned 600,000. We believe that the number of new jobs created is actually closer to 610,000.

We all understand that this has been a particularly difficult time around the world. I am concerned what would happen if the NDP were actually in government at a time like this. Would there be more taxing and spending? Would we actually see the kind of growth we have had?

We know that many countries have been affected by this recession. The good news is that our country has recovered far faster than any other country.

Are there more things that need to be done? Yes, by all means. We will see some of them in the budget that will be presented here in a couple. We will continue to build on the success we have already had, including working to create new jobs, because that is of paramount importance to this government. We will continue to reduce red tape, as we have mentioned, and create more opportunities for Canadians here at home.

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Madam Speaker, we spend a lot of time talking about banks when discussing this bill, and for just reason. Even so, I am interested in hearing a comment on the whole area of credit unions.

Credit unions have played a significant role filling in where a lot of banks, and the banking industry as a whole, have been closing down some of their branch offices. Many of the constituents I represent want to see a larger role for the Assiniboine Credit Union, the Steinbach Credit Union and credit unions in general.

I wonder if the member would comment on credit unions in regard to this particular bill.

Mr. Dean Allison: Madam Speaker, credit unions do play a vital role. I bank at a credit union and I think they provide an important role.

Government Orders

When we look at context of what we are dealing with here today, all that is being done by this government bears mentioning again. Making sure that our banking system is stable is just one of those mechanisms. The other measures that we need to look at are cutting taxes; continuing to spend money on R and D; and creating opportunities for our goods, which means reaching free trade deals around the world. There is a whole combination of initiatives we need to take to continue to make our economy strong and to provide an opportunity for us to continue to grow in the future.

Mr. Greg Rickford (Parliamentary Secretary to the Minister of Aboriginal Affairs and Northern Development, for the Canadian Northern Economic Development Agency and for the Federal Economic Development Initiative for Northern Ontario, CPC): Madam Speaker, there are some really technical pieces to this legislation. Amongst those technical pieces are measures such as thresholds for bank ownership and ownership thresholds on financial institutions.

Can the member tell me why the large bank ownership threshold is being increased as part of this piece of legislation?

• (1115)

Mr. Dean Allison: Madam Speaker, as we look at the changes taking place around the world, it is important that we continue to keep pace with them. One of the reasons we are looking to increase thresholds from \$8 billion to \$12 billion is to reflect growth in the sector and to ensure that we keep up with those requirements as we continue to grow.

[*Translation*]

Mr. Alain Giguère (Marc-Aurèle-Fortin, NDP): Madam Speaker, I would like to begin with a quotation from Mr. Hollande, the socialist party candidate in the French presidential election. He said:

...my real adversary has no name, no face, no party. It will never run for office, will never be elected, and yet it governs. My adversary is the world of finance.

We had a golden opportunity to make major legislative changes that would have benefited all Canadians, not just the financial institutions as institutions, but also the people who use them, the people who need them, the people who deal with them.

The first problem with this bill is that it comes from the Senate, an unelected institution that does not include a single NDP member even though the NDP is the official opposition. Naturally, as a New Democrat, I have issues with that. We have been left out of the back-room-election-making and fundraiser-ticket-selling club. We are not there, and that is a shame.

This also means that those people are not listening to Canadians. They are not accountable to the public nor did they even hear from them. This bill was introduced surreptitiously, but Canadians deserve more. They deserve to see more studies, more deliberation and much more ideological exploration. The people in the other place did nothing more than gather a few technical facts. They did not ask any questions about how Canada's future should look in terms of wealth distribution. No such questions were raised in the Senate. Those people are not accountable to Canadians. That is the first problem.

Let us also talk briefly about something much more serious. At present, the large corporate financial institutions, taken together, have access to a pool of \$500 billion. That \$500 billion is not being

used at this time. If only a small fraction of that money were invested in industry, this would generate substantial economic gains for Canada. Instead of exporting Canada's raw materials, we could process them right here. But the financial sector is not interested in making that kind of investments.

The question is whether we want speculation and foreign takeovers and purchases, or whether we are simply trying to build a modern, competitive industry. This would have been an interesting question. It would have been appropriate to bring in regulations to limit increases in speculation in order to steer our financial capital towards what our industrial capital needs. That is not the case here. Unfortunately, that is never the case with the Liberals or the Conservatives. They are always seeking immediate gain. It would have been better to look more than just a few years ahead and to look at what we can do better. None of that was considered in this bill.

There is another problem. In Canada, the co-operative sector plays a major role. It was introduced, in the past, in Canadian operations. There is also the phenomenon of mutualization inherent in the co-operative system. It is not protected and that is too bad. The co-operative system needed to be protected from privatizations whereby all the capital of past generations is divided among the current owners or members of the co-operative. This means that all the sacrifices made by past generations in order to create a co-operative will be distributed to a few individuals. There have been some abuses in the past, there are some happening in the present and, unfortunately, there will be some unacceptable abuses in the future. There is no mention of that, but it is a financial sector that deserves to be defended.

Where do consumers fit in all this?

• (1120)

Households are currently overloaded with debt in part because of the inflated value of homes and the speculative nature of purchasing a home. People are taking on too much debt and that debt is not going down.

Unfortunately, this is triggering bankruptcies at a time when salaries are stagnating and prices are increasing, including the cost of borrowing. As a result, the Canadian financial system is becoming an aggressive force against consumers. Consumers are paying dearly: 19% interest on credit cards, very low interest rates on deposits, extremely low returns on RRSPs. All these flaws remain unaddressed.

The bill could have addressed credit cards. By all accounts, 19% interest on credit cards is excessive. The bill could have put a cap on the glut of credit that causes people to go further into debt. This could have been limited or tightly regulated. That is not the case.

With respect to holds on deposits, apparently the fact that a \$1,500 federal government cheque will not have to be held, that financial institutions will be required to deposit it immediately, is a major development. However, this was already included in a previously passed bill. It is not a major development.

Government Orders

The representative of the Standing Committee on Finance, the member for Saint Boniface, made it sound as though this was a significant improvement. Representatives of the Office of the Superintendent of Financial Institutions told her that the only problem was that it was already being done, that the amendments to these laws are already reflected in current practices and that there were no improvements. That is a major problem. Much more could have been done.

There is also the matter of one-week holds on deposits of corporate paycheques. This period is far too long. It could have been reduced through regulations. There are abuses and red tape. This government boasts about wanting to minimize red tape and, in this instance, it has failed big time.

Finally, there is no mention in the bill about a whole host of new financial products, such as commercial paper and derivatives. That is dangerous. The Conservatives say that our financial institutions are highly regulated and that our system is doing well because of regulations governing our access to credit. That is fine, but the bill deals with financial products that already exist.

As we saw in 2008, the problem lies with all the financial products not governed by any regulations. This proved to be very costly for Canada, and people are still paying the price, especially in their RRSPs. These plans and Canadian pension funds sustained major losses. The situation has not been addressed by this bill, which does not protect consumers. The bill does not protect pension plan members. It only protects a financial system that wants rapid and massive growth, looks for the quickest profits, and is not interested in the general prosperity of Canada, only in the prosperity of its financial institutions.

In view of the fact that the legislation will be reviewed in five years, we have missed a good opportunity to finally meet our economic needs and to come up with something useful, if only in terms of available capital, ensuring that the industry has the means to promote investment. This would help Canada in these times.

• (1125)

[*English*]

Mr. Robert Chisholm (Dartmouth—Cole Harbour, NDP): Madam Speaker, I appreciate that my colleague, who is an active member and participant in the finance committee, brings a lot of passion to his role and our role in trying to ensure that the financial legislation and efforts we make here with respect to proper and accountable banking rules and regulations are put forward in a good common sense fashion.

Could he comment on what appears to be nonchalance on behalf of the government as it relates to legislation like this, which it likes to class as technical in nature and therefore not that important? The government could have done what he already has suggested, which is move forward with some real and proper protections for consumers. Could he comment on that?

[*Translation*]

Mr. Alain Giguère: Madam Speaker, there was indeed a golden opportunity to limit some types of abuse. Good heavens, how can I say this in a way that is polite and parliamentary? Clearly, there are

sharks in Canada and, unfortunately, consumers are the goldfish in the aquarium. And yet, the government is not making any changes.

Mrs. Sadia Groguhé (Saint-Lambert, NDP): Madam Speaker, the hon. member spoke to us about household debt, and also about some kinds of unregulated speculation. Could he elaborate on this shortcoming in the bill?

Mr. Alain Giguère: Madam Speaker, right now, the entire bill oriented toward speculation or immediate gain in the financial sector.

In the real estate sector, the decision was made to promote housing accessibility. That is fine, but unfortunately, more and more people are overburdened by debt as a result of interest rates and business practices. The average household debt to income ratio has now reached 125% or even 150%. This ratio is over 175% in the Vancouver area because of a significant housing bubble. That is unacceptable. We are about to hit a wall. If the Canadian housing bubble ever bursts, the entire Canadian economy will suffer.

[*English*]

Mr. Greg Rickford (Parliamentary Secretary to the Minister of Aboriginal Affairs and Northern Development, for the Canadian Northern Economic Development Agency and for the Federal Economic Development Initiative for Northern Ontario, CPC): Madam Speaker, I appreciate the member's intervention today. As he said earlier, there are a number of technical aspects to this, and he spoke about some of the things that he viewed should have been done. However, there were some key things that were accomplished through the legislation that were different from previous versions of the legislation. One of those was the approval of foreign acquisitions by banks. Under this legislation, the authority to approve foreign acquisitions by banks is being returned to the minister.

In his appreciable understanding of this legislation, why does he think that is important?

[*Translation*]

Mr. Alain Giguère: Madam Speaker, all in all, with all due respect to the Conservative member, what was important was the approval by the Superintendent of Financial Institutions. The fact that this operation is being politicized does not seem particularly relevant. What was really important was approval by the Superintendent of Financial Institutions and the criteria upon which that approval was based.

The NDP wanted to point out that this measure needed to be good not only for the health of financial institutions but also for Canada's economy. Our colleagues on the Standing Committee on Finance found that it was unacceptable for the government to simply say that this would be good for the Canadian economy. I find this situation to be extremely unfortunate. The truly critical element was the criteria upon which the approval would be based.

• (1130)

[*English*]

Mr. Jay Aspin (Nipissing—Timiskaming, CPC): Madam Speaker, I am pleased to speak to the third and final reading of the financial system review act, Bill S-5.

Government Orders

I will begin by saying that Bill S-5 is important to the strength of Canada's financial system and I will briefly describe how it came about.

Every five years, the government conducts a review of the policy framework governing federally regulated financial institutions. The previous legislation review was completed in 2007. The present five year review was launched in September 2010 when the finance minister invited Canadians to share their views on improving our financial system by way of an open consultation process. This five year review process helps guarantee Canada keeps its status as a global leader in financial services and it maintains the soundness of the sector.

A key priority for our Conservative government is ensuring Canadians keep on having a strong and secure financial system and one that serves as a model for countries around the globe. Today's bill would ensure that continues to be the case. In fact, the World Economic Forum recently ranked Canada as having the soundest banks in the world for the fourth year in a row. Both in Canada and internationally, this strength has been widely recognized by independent observers.

Peter Worthington, noted *Toronto Sun* columnist, declared:

Canada's banking system is now widely recognized as arguably the world's best. No Canadians fear for their deposits as many Americans do.

An *Ottawa Citizen* editorial reads:

Our banking and financial system is the envy of the world. While the great money edifices of countries such as the U.S., Britain and Switzerland cracked at the beginning of the recession, Canadian banks stood firm.

However, as I mentioned earlier, this recognition stretches well beyond Canada's shores, as it is repeated around the globe.

David Cameron, Britain's prime minister, has heralded our system by saying:

In the last few years, Canada has got every major decision right. Look at the facts. Not a single Canadian bank fell or faltered during the global banking crisis. ... Your economic leadership has helped the Canadian economy to weather the global storms far better than many of your international competitors.

The *Irish Times* has applauded it by saying:

Canada's policy of fiscal discipline and strict banking supervision was a reason why it was one of the world's strongest performers during the recession.

The Economist, the renowned magazine, has recently asserted that "Canada has had an easier time than most during the recently global recession, in part, because of a conservative and well-regulated banking system".

The financial ratings agency Fitch, when reviewing Canada's top tier AAA credit rating, focused its assessment on the fact that "Canada's banks proved more resilient than many peers thanks to a conservative regulation and supervision environment.

I share and welcome that high praise.

Furthermore, the financial services sector has a significant role in the health of the Canadian economy. Not only does it represent 7% of Canada's GDP, it is also responsible for over 750,000 good, well-paying jobs. It also plays a distinctive, indispensable function in fuelling the growth, nurturing financial stability and safeguarding

savings, all of which are necessary for the success of Canada's economy.

Today's bill would contribute to the continued strength of Canada's financial system. Indeed, the mandatory five year review that shaped today's bill is key to helping set apart Canada from almost all other countries. This practice makes certain that the laws governing our financial system are reviewed and updated on a regular basis, ensuring they are responsive to an ever-changing global marketplace.

In a similar vein, the global financial crisis of the past few years has underlined why a stable and well-functioning housing market is necessary for the financial system and overall economy.

●(1135)

While Canada's financial system remains sound, well-capitalized and less leveraged than its international counterparts, our government proactively acted to bolster the stability in our housing market by adjusting our mortgage insurance guarantee framework. This included reducing the maximum amortization period for government-backed insured mortgages with loan-to-value ratios greater than 80% from 35 years to 30 years.

As well, we withdrew government insurance from home equity lines of credit and lowered reduced borrowing limits in refinancing.

Independent observers and economists have roundly applauded such adjustments. For instance, a recent *Waterloo Region Record* editorial said, "The federal government has done the right thing in tightening up the rules for mortgages in this country". A *Calgary Herald* editorial added, "...the right direction...it is good to see the government continue to be vigilant on this file".

Without a doubt, our Conservative government is working hard renewing many key fundamentals of our financial system and strengthening it with new tools.

Through the financial system review act, we are modernizing, fine-tuning and harmonizing the existing framework to ensure it keeps the high level of performance. Canadians know and understand that the present framework that has made our financial system the soundest in the world functions well.

That is why the financial system review act seeks to build on, not rebuild, that solid foundation with a proposed legislative package that includes measures to: better focus financial institutions legislation to support financial stability and guarantee Canada's financial institutions keep operating in a competitive, effective and stable environment; fine-tune the consumer protection framework, including further improving the Financial Consumer Agency of Canada's powers; and reduce the administrative red tape on financial institutions to enhance efficiency and add regulatory flexibility.

Government Orders

Other measures contained in today's bill include: increasing the capability of regulators to effectively share information in a timely manner with international counterparts while respecting privacy laws; guaranteeing the right to cash government cheques under \$1,500 free of charge at any bank in Canada to all Canadians; enabling co-operative credit associations to provide technology services to a broader market to promote competition and innovation; and much more.

I am happy to note that many public interest groups have given their strong endorsement of today's bill. For instance, the Canadian Life and Health Insurance Association declared:

It is important that legislation be periodically reviewed so that it keeps up with the changing environment.

The industry welcomes a number of measures outlined in...[the financial services review act].

Today's bill would strengthen stability in the financial sector, improve the consumer protection framework and modify the regulatory framework to new developments. It provides for a renewed structure that will benefit all Canadians.

We recognize that, to remain a global model of stability and ensure the soundness of the financial sector for all Canadians, routinely reviewing what regulatory changes are necessary to foster competitiveness is essential.

The financial system review act upholds the long-standing tradition of ensuring standard reviews of the regulatory framework for financial institutions to keep a stable and secure financial sector. For that reason, I urge all members to support for all Canadians today's bill and the continued safety and security of our shared financial system.

• (1140)

Mr. Robert Chisholm (Dartmouth—Cole Harbour, NDP): Madam Speaker, does the member share my concerns about what is happening with the Ombudsman for Banking Services and Investments, the organization that was set up to properly monitor the practices of the banks? It is an independent group as opposed to the banks themselves setting up dispute resolution mechanisms. This is an arm's-length body that would resolve disputes between consumers, be they individuals, companies or otherwise. Two of the major banks have pulled out, making this service ineffective, and it is now looking at closing its doors.

I wonder if he shares my concerns that now there will not be any independent dispute resolution body and that it will be left up to the banks to do as they wish.

Mr. Jay Aspin: Madam Speaker, that certainly is one mechanism that could provide input, but speaking specifically to this particular bill, we would like to move ahead with this bill because we have gained in excess of 30 deputations on behalf of various groups in this review. This review, as members know, is mandatory and it takes place every five years. I am comfortable that the process in place will give us the fruitful requirements we need for regulation and to maintain the banking stability in Canada.

Mr. Greg Rickford (Parliamentary Secretary to the Minister of Aboriginal Affairs and Northern Development, for the Canadian Northern Economic Development Agency and for the Federal Economic Development Initiative for Northern

Ontario, CPC): Madam Speaker, earlier I had asked one of the opposition members a question about the authority to approve foreign acquisitions by banks being returned to the minister in this legislation. The global banking crisis has highlighted additional risk factors that support more oversight to keep our financial system secure and, therefore, this legislation will require ministerial approval when a federally regulated financial institution acquires a major foreign entity that significantly increases its assets by more than 10%. I wonder if the member could comment on the particular two criteria that the minister would consider.

Mr. Jay Aspin: Madam Speaker, as the member indicated in his previous question, the legislation would improve the process of foreign acquisitions by banks.

In addition, this legislation would update financial institutions legislation, would fine-tune consumer protection and would improve efficiency by reducing the administrative burden. As a package, in addition to the function the member mentioned, this is a first-class package to keep Canada's banking system competitive and continue to attract jobs, like the more than 610,000 jobs, as we mentioned, in Canada.

Mr. Robert Chisholm (Dartmouth—Cole Harbour, NDP): Madam Speaker, I want to be clear. This is report stage of the bill and not third reading as has been suggested by some members on the government side. We are now dealing with an amendment to the bill. It is a very wise and reasonable amendment introduced by my colleague, the member for Burnaby—New Westminster, and I thank him for that.

The amendment to Bill S-5 would delete clause 212 with respect to paragraph 39.1. This clause would give statutory immunity to the Office of the Superintendent of Financial Institutions in respect to any civil proceedings. This is an important amendment to which we need to pay attention. The immunity resulting from the deletion of this clause would negatively impact the office of transparency and accountability to the Canadian public. We should all be concerned about that. Time lost as a result of frivolous claims, as the government has suggested, does not justify such a radical measure.

In the process of trying to remain transparent, open, reasonable and independent, we need to allow that there will be the odd complaint and submission that may not end up to see the light of day or may not have basis. However, every Canadian who deals with the banking system or any government supervised and regulated system or bureaucracy should have the opportunity to bring their concerns forward. It is not up to us to decide what complaint is illegitimate until we have the opportunity to give those concerns a thoughtful review through reasonable process. My concern is the government is applying immunity to this office and to the officer simply because there are not enough complaints to warrant the attention.

Finally, this immunity, as suggested, would at best amount to an abdication of the superintendent's responsibility and, at worse, to covering up serious errors that could have been avoided.

Government Orders

The point of the amendment is to deal with the question of transparency and accountability. I urge all members opposite to consider the value of ensuring we do not dismiss out of hand any concerns that may be brought forward by Canadians in relation to the Office of the Superintendent of Financial Institutions.

My colleague, the member for Burnaby—New Westminster and finance critic for the opposition, sponsored this amendment. He also indicated early on, as we did at second reading debate, that the opposition would support Bill S-5. We have given it some serious consideration, we have examined it and there is nothing particularly untoward, although we think the amendment is needed to address a flaw that needs to be corrected.

We also introduced amendments at committee that we thought would add to the bill. My colleagues and I have spoken at second reading and at committee about the missed opportunity.

• (1145)

The law provided that we needed to have this review conducted by April 20 to comply with the Bank Act. We suggested on numerous occasions that this provided an opportunity for the government, if it were serious about important issues like consumer protection, to speak with Canadians about their concerns as they related to the Bank Act and to make changes that were necessary.

We brought up a number of things. Whether it is outrageously high interest rates charged on credit cards, or banking charges that continue to go up, or the various ways that within the system consumers are being nickel and dimed out of tens of thousands of dollars every year, there are ways for us in the House, through this review, to properly protect those consumers and ensure the financial institutions covered by the act are acting properly. Unfortunately, we missed that opportunity. I indicated to constituents who brought it to my attention that I was sorry the government missed this opportunity.

Also, I am disappointed that once again the government has not engaged in as fulsome a process of consultation as it could have. Frankly, the consultation was truncated. It was not transparent. The government did not hold public hearings. It was by invitation only. We heard the government had 30 representations. Some of those were not even made public, not even shared with us on the website. Some organizations voluntarily agreed that their submissions should be public and made them so, but the government held consultations that were kept private. That is unfortunate.

I do not think that is necessary. We can be much more forthcoming and trusting of Canadians. We can recognize that Canadians have a great deal to offer to discussions like this. We think to ourselves that the whole issue of financial institutions and the regulation of the banking system is technical and above the average Canadian's head.

If it had not been for Canadians understanding the consequences of the deregulation and of allowing foreign takeovers of the banking industry that was being proposed by the Martin government, if it were not for the outcry of Canadians, whom we in the NDP caucus and others try to represent in debate, we would have gone down a perilous track that would have seen us follow far too closely the problems we saw in 2008, and beyond, in the U.S., Iceland and in far

too many European countries. There the banking systems have been deregulated. We have seen the kind of turmoil that has been created as a result of the lack of adequate oversight.

• (1150)

It is because I have that kind of confidence and faith in my constituents and Canadians to understand the value and technical nature of issues like this that I get perturbed by the government members or members of the third party who were once in government. They want to take credit for the nature of the banking system that has developed over the years. However, it was because of experience and the wishes of Canadians and their representatives in the House that it be strongly regulated and protected from the vagaries of global competition and foreign ownership and that it was in much more stable shape in 2008 and able to considerably weather the storm. Although let us not forget that the Government of Canada did spend \$75 billion to buy mortgages that were threatened by Canada Mortgage and Housing.

We need to give Canadians more credit for their knowledge on issues as important as the Bank Act.

• (1155)

Mr. Greg Rickford (Parliamentary Secretary to the Minister of Aboriginal Affairs and Northern Development, for the Canadian Northern Economic Development Agency and for the Federal Economic Development Initiative for Northern Ontario, CPC): Madam Speaker, I am going to keep chipping away at this idea of the authority of the minister under this version of the legislation to approve foreign acquisitions. We have heard from across the floor, in a number of debates here, about the importance of protecting against that. The criteria that the minister would include under these circumstances, and they are very hard-wired, would be the stability and best interests of the financial sector. As well, the timeline is hard-wired. It requires the minister's consideration in 30 days or it will be deemed approved. The minister has 30 days to deny or ask for an extension.

Does the member across the way think this is an appropriate authority under the legislation and that those timelines are reasonable?

Mr. Robert Chisholm: Madam Speaker, I am concerned about the added authority given to the minister in any regard. With respect to timelines, we have the timeline provided under the Bank Act that we need to conduct this review by April 20. The government took until this fall to bring the legislation through the back door, through the unelected Senate. It only came to this chamber a month ago for debate at second reading. Just in case the opposition identified concerns with the bill, the government would be able to stand and say that the opposition was playing games, that it needed to pass the legislation because it had a deadline.

Deadlines are important. We need to acknowledge that, especially in a matter as important as this. However, we still need to allow for proper time so there is appropriate consultation with Canadians and due process in the House.

Government Orders

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Madam Speaker, I hope the hon. member for Dartmouth—Cole Harbour will bear with me because I had wanted to ask a question of the hon. member for Niagara West—Glanbrook.

He spoke in favour of the bill, and I think we all find the bill relatively acceptable. It certainly is more business housekeeping than anything very radical. However, he happened to mention that he supported the Minister of Finance in opposing the international financial transaction tax, a transaction tax that the Green Party supports very strongly. It is only 2¢ on every \$1,000 of international derivatives trading, which brought the world nearly to ruin.

I would like the hon. member's thoughts and perhaps the official position of the New Democratic Party on the financial transaction tax.

Mr. Robert Chisholm: Madam Speaker, I share concerns over the government's opposition to this important measure.

However, I will raise another concern that has been brought up, and that is how government members have said that the bill is good because it removes regulation and red tape. Within days or weeks we are going to hear about the value of reducing regulation and red tape as it relates to environmental assessments and how good that is going to be for the country. When the government says removing that kind of regulatory control is good for the country, I think of that. When the government says something is good for us, it is generally just the opposite.

• (1200)

Mr. Dave Van Kesteren (Chatham-Kent—Essex, CPC): Mr. Speaker, I am pleased to speak to Bill S-5, the financial system review act, at third reading.

As members are aware, the recent financial crisis tested the skills of many: policy-makers, regulators, bankers and investors. However, it also served to demonstrate the overall soundness of our financial system.

It was no accident that Canada escaped the worst of the global financial crisis with no bank failures or forced bailouts by taxpayers. Our legislative framework was built to withstand such shocks with high prudential standards, excellent regulation supervision, a flexible monetary system and good mechanisms to ensure financial stability.

However, when faced with such unprecedented market volatility in 2008-09, our government went further by acting quickly to improve this excellent framework, boost financial stability and ensure access to credit during a liquidity crunch.

Bill S-5 will build on the existing strengths of Canada's financial system and fine-tune a framework that has proven to be both efficient and effective. In the words of Canadian Life and Health Insurance Association Inc., Bill S-5 represents a welcome fine-tuning of the various financial institution statutes.

How will Bill S-5 achieve this? The bill will improve the ability of regulators to share information efficiently with their international counterparts. This will help fulfill our G8 commitments at a time when financial institutions increasingly operate on a global scale. It will ensure effective supervision and regulation across the borders.

Bill S-5 also proposes to improve the consumer protection framework, including enhancing the supervisory powers of the Financial Consumer Agency of Canada, FCAC, and increasing the maximum fine that would be levelled by the FCAC for the violation of a consumer provision of its act to make it consistent with administrative monetary penalties levied by other regulatory agencies.

The FCAC is mandated with ensuring that the federally regulated financial institutions adhere to the consumer provisions of the legislation governing financial institutions and their public commitments.

The FCAC is also the government's lead agency on financial education and literacy, and has moved forward with an array of excellent incentives in recent years. The agency has developed innovative tools to help Canadians, such as a mortgage calculator that quickly determines mortgage payments and the potential savings resulting from early payments. It has also created innovative online information to help consumers shop for the most suitable credit card and banking packages for their needs.

Our government believes Canadian consumers deserve accessible and effective financial services that meet the needs of consumers and operate in the public interest. That is why in budget 2010 we announced we would take action to prohibit negative option billing and require timelier access to funds.

The regulations will come into force this August and will require federally regulated financial institutions to obtain consumers' express consent before providing a new optional product or service. This will allow Canadians to receive all required information on the optional product or service to help them make the financial decisions that are best for their circumstances.

The regulations will also reduce the maximum cheque hold period for retail depositors and small and medium size businesses, and will provide retail depositors faster access to the first \$100 deposited by cheque. Shorter cheque hold periods and faster access to funds will benefit Canadians by enabling them to manage their personal finances more effectively. After all, well-served and confident consumers contribute to the well-functioning financial markets and the economy.

Indeed, in the words of a recent *Globe and Mail* editorial:

Of the many things that frustrate the retail customers of Canada's federally regulated banks, one of the most egregious has been the practice of putting a hold of as many as seven days on deposited cheques. Now, thanks to new measures recently...announced...that upsetting practice and others are coming to an end.

Government Orders

[T]he government has shown a commitment to its promise to improve banking regulations in Canadians' favour. This is welcome news.

• (1205)

Similarly, in 2009, as part of the measures to improve access to financing, the government announced that it would bring forward measures to help consumers of financial products, including launching a task force on financial literacy.

The task force on financial literacy was mandated to provide advice and recommendations to the Minister of Finance on a national strategy to strengthen the financial literacy of Canadians. In support of the recommendations of the task force on financial literacy and delivering on a commitment from budget 2011, the government introduced Bill C-28, the financial literacy leader act. Bill C-28, a piece of legislation which I urge all members of the House to support, would provide for the appointment of a financial literacy leader who would collaborate and coordinate with stakeholders to strengthen the financial literacy of Canadians.

Canada's national strategy on financial literacy will support the excellent efforts under way throughout the country and empower Canadians to act knowledgeably and with confidence in managing their personal financial affairs.

I would be remiss if I closed without quickly reviewing other important initiatives in Bill S-5. They include: updating financial institutions legislation to promote financial stability and ensure Canada's financial institutions continue to operate in a competitive, effective and stable environment; improving efficiency by reducing the administrative burden on financial institutions and adding regulatory flexibility; promoting competition and innovation by enabling co-operative credit associations to provide technology service to a broader market; and reducing the administrative burden for federally regulated insurance companies offering adjustable policies in foreign jurisdictions by removing duplicative disclosure requirements.

In summary, the financial system review act provides for a framework that will benefit all participants in the financial sector, financial institutions as well as all Canadians. It maintains the long-standing practice of ensuring regular reviews of the regulatory framework for financial institutions, a unique practice that sets Canada apart from almost every other country in the world.

In fact, U.K. Prime Minister David Cameron said it best:

In the last few years, Canada has got every major decision right. Look at the facts. Not a single Canadian bank fell or faltered during the global banking crisis.

He went on to say that our economic leadership has helped the Canadian economy to weather the global storms far better than many of our international competitors.

Clearly, this government recognizes that it must continually consider what regulatory changes are needed to ensure that the fundamentals of the Canadian economy remain sound, that consumers are well protected, and that Canada continues to be an attractive place to do business in today's competitive global economy. This is precisely what the government has done with this bill.

On that note, I urge members of the opposition to stand up and support the swift passage of Bill S-5. To vote against the bill would

not just be a vote against the Canadian economy, but a vote against the Canadian consumer.

[*Translation*]

Mr. Jean Rousseau (Compton—Stanstead, NDP): Mr. Speaker, I thank the member for his remarks and for participating in this debate. However, I am still somewhat skeptical about immunity for senior bureaucrats in matters as serious as finance. Canadian families are going deeper and deeper into debt. Any time there is any kind of fraud or thievery or anything like that in the financial sector, the middle class and families carrying the biggest debt loads are always the hardest hit.

Should senior bureaucrats in sectors like finance be given immunity? What does the member think?

• (1210)

[*English*]

Mr. Dave Van Kesteren: Mr. Speaker, I know of the member's passion for consumers, for citizens, for the middle class, as he said, for those who are sometimes more vulnerable.

That is what this bill is all about. The bill would strengthen the FCAC and its powers. The bill would continue to ensure that consumers are protected. The very things he talked about are the things this bill would make sure continued so that Canadians would have the safety and what they expect from a banking system that is second to none in the world.

Mrs. Stella Ambler (Mississauga South, CPC): Mr. Speaker, we have heard a fair bit this morning about how this legislation would protect consumers. I am wondering if the member could speak to the banking system in a more general way with regard to not only the statutory review process but also the fine-tuning versus major overhaul we are talking about today. Why was it necessary? Why was it not a complete overhaul? Perhaps he could speak to the banking system as a whole and what makes it as strong as it is and our government's response to the global financial crisis.

Mr. Dave Van Kesteren: Mr. Speaker, there has been a lot of talk today about the fine work of the government and the regulatory systems in place. There is another element that has somewhat been left out. It is something I am very pleased with and maybe it is what the hon. member was alluding to, which is the fact that we have in place a system of banks and bankers that understand what it means when someone's money has been entrusted to them. In committee I have often referred to them as the line of Scottish bankers. I am of Dutch heritage and I understand that a bank knows that when it lends a dollar out, it is not the bank's money that it is spending. We have a good relationship in this country with banks and bankers. There is a good relationship with the government. Together we have managed to achieve what most other countries in the world have failed to achieve.

Government Orders

Mrs. Carol Hughes (Algoma—Manitoulin—Kapuskasing, NDP): Mr. Speaker, I want to speak to the amendment, which is what the debate is on right now. It is particular to clause 212 regarding proposed section 39.1 which would give statutory immunity to the Office of the Superintendent of Financial Institutions in respect of any civil proceedings.

My question is very simple. Will the government support our amendment that would actually provide more transparency and accountability?

Mr. Dave Van Kesteren: Mr. Speaker, this has been debated in committee. I sit on the finance committee. No, I will not be supporting the amendment. I do not think the amendment is in the spirit of what this bill is trying to do, and that is to strengthen our banking system.

Ms. Jinny Jogindera Sims (Newton—North Delta, NDP): Mr. Speaker, in this House today and previously, we have heard a lot about all of the consultation that went into this process, but let me start by talking about the process.

I believe that the members across the aisle missed a magnificent opportunity when they addressed this bill by focusing only on its technical and very narrow aspects or revisions. This was their opportunity to address the banking legislation and our financial statutes in a significant way.

Be that as it may, they erred very seriously when it came to process. First of all, this legislation has come from the other house, the Senate, which only had three weeks to consider it. Then the legislation came over here with all kinds of time allocations and was then sent off to committee. It is with a great deal of distress that I read that even at the committee stage, there were only three sessions. I know many people at home are going to think that each session lasts a day, but each committee session is only two hours long.

To do a detailed study of a very technical bill, and I am not a very technical person, and to look at its implications and to examine it and make amendments, a total of only four hours was provided. Out of the three days the bill was before committee, one was to hear from witnesses. I really cannot understand how my colleagues sitting across this aisle can see this as truly democratic and transparent. How can they disrespect the parliamentary system so much, not only by calling time allocation over and over again but also by then cutting debate short at the committee stage?

I have heard the argument that the timing of this bill is sensitive and that a clock is ticking. I also know that the government could have tabled this legislation as soon after May 2 as it could, but it choose not to do so because at no time did it want to give either the public or the opposition a chance to study this legislation in any detail.

Not only that but I also heard earlier from a very well-respected speaker from across the aisle, who shares a panel with me every Thursday, about the consultation that had occurred. However, when I looked at the consultation report, most of those inputs by email were anonymous. Since when have we started to take and pay heed to anonymous input on significant pieces of legislation that actually address our banking industry? It is just so bizarre. Plus, this kind of

consultation was by invitation only. Let us not pretend that real consultation took place.

Let me recap. Time allocation pushed things through; the legislation went to the Senate first; consultation was practically non-existent; and the committee stage was cut short, with no serious time given.

What are the Conservatives trying to hide in this legislation? I believe what they were trying to hide is what they have not addressed in the legislation, something that concerns Canadians right across this beautiful country. One thing they have not addressed is the regulations around the ever-growing debtload that Canadians are being burdened with because of the economy and the lack of decent paying jobs in Canada. Indeed, we seem to be giving our jobs away to other countries. Where there were jobs that used to pay a decent wage at one time, now there are \$9 and \$10 an hour jobs. We know it is hard to sustain a family on that kind of an income.

● (1215)

Families are really taking on more and more debt, and we are not paying attention. I have learned from an analysis done of the debt load of Canadians that in some cases family debt is as high as 151% of disposable income. That is disturbing. It surpasses the debt load of Americans before a collapse in their economy. We should be addressing that, and so this is a missed opportunity.

What is also adding to consumers' debt load is not the fact they choose to buy big entertainment systems or super-duper cars. Rather, it is because of the lack of decent paying jobs, which have left this country because of the government's policies, that many people are struggling and trying to make ends meet from paycheque to paycheque and are reliant on their credit cards. The banks, through credit card interest charges, are gouging Canadians. They pay next to nothing in interest to those who are fortunate enough to have money to put in the bank, and they think nothing about charging 18% or more in interest on credit cards. That is a shame and a golden opportunity that the government has once again missed addressing. It has failed Canadians in a significant way.

I want to quote one of the witnesses who came before committee in the two hours allotted to them. Tyler Sommers, a coordinator for the Canadian Community Reinvestment Coalition, questioned why the government had not done more for consumer protection. He said the following:

Canada's big six banks have reported new record first-quarter profits totalling over \$7 billion, which is up 5.3% compared to 2011, and have done this while raising bank fees and cutting jobs in this sector....

Shame on us that we have failed to address this issue now. I say that because the government has not given us the opportunity to debate this in the House and to take action on it.

Duff Conacher from the CCRC has explained that past government actions have been ineffective in ensuring that Canada's big banks and other companies are not making excessive profits from gouging customers and cutting services, and they are failing to lend to job-creating Canadian businesses.

Government Orders

I do not know about all members, but most of us now use either Interac or online banking, which would make us think that has led to the loss of many jobs. However, have the related bank charges gone down? Have the credit card charges gone down? Absolutely not. Those costs keep going up. The government had a golden opportunity during the debate on this legislation to address that in a significant way.

Our banking industry has survived because of regulation. While consumer debt is going up and consumers are being penalized by banks because they have no disposable income and are living from paycheque to paycheque and are having to use their credit cards to buy food to put on their table, we know that this government has once again failed to address those high interest rates.

To sum up, there are citizens in my riding who had high hopes that the government would address the key issues facing them. Instead, it has once again turned its back on middle-class, working-class and struggling families and failed to provide them the protection they were looking for in this legislation.

• (1220)

Mrs. Carol Hughes (Algoma—Manitoulin—Kapuskaing, NDP): Mr. Speaker, I really want to thank my colleague for her insightful speech. She has hit it right on the nose in discussing our concerns about the processes used with this particular bill.

As members know, there were some amendments that the NDP actually put forward with respect to the legislation. Of course, the members on the government side are basically not supportive of transparency and efficiency. They are not supportive of controlling foreign acquisitions, which I think is extremely important. My colleague touched on that with respect to the jobs that are going out of the country.

With respect to jobs and foreign acquisitions, could my colleague indicate how important it was that the bill come through the House of Commons and not through the Senate?

• (1225)

Ms. Jinny Jogindera Sims: Mr. Speaker, I want to thank my colleague for her very insightful comments.

I covered this process in my previous speech and again today. Once again, I am at a loss why a government that has experience in this House, and here I would note that it not as if its members were all parachuted in, has so little respect for parliamentary democracy and the processes of this House and why, every single time, it tries to close debate in this House and not follow the process as it should.

In British Columbia, where I am from, we see truckload after truckload of logs leaving our province and with them go the jobs. When I had the pleasure of visiting most of the communities in B.C. in my previous life, I would see whole towns being shut down. Those are not the only jobs that are leaving B.C. When we look at some of the plans for the oil industry, once again a lot of good-paying jobs will be going overseas and we will be creating a lot of \$9 and \$10 an hour jobs, which is not enough to survive on.

Mr. Greg Rickford (Parliamentary Secretary to the Minister of Aboriginal Affairs and Northern Development, for the Canadian Northern Economic Development Agency and for the Federal Economic Development Initiative for Northern

Ontario, CPC): Mr. Speaker, in this debate there are few things that we do know. One is that the new leader of the NDP is a supporter of higher taxes on Canadian families. Indeed, he wants to slap a new tax on every banking transaction and appears to be proud of that. To quote directly from his leadership policy platform, he said he would “Make the implementation of a Financial Transaction Tax a key priority....”

Does the NDP member support a new tax on everyday banking? Would a GST hike be next?

Ms. Jinny Jogindera Sims: Mr. Speaker, I see the comment by my colleague as having very little to do with the legislation before us. The legislation has nothing to do with the question he has asked.

However, I will say that I am opposed to the government not addressing the very high interest rates on credit cards and the consumers who are being gouged by banks. I am against the billions of dollars being given to banks in tax breaks. I am against the lack of job creation in the banking industry and the many jobs that are being lost.

I am absolutely against the processes the government uses to mute democracy and to push legislation through this House. I am against the lack of respect for parliamentary democracy.

[Translation]

Mrs. Sadia Groguhé (Saint-Lambert, NDP): Mr. Speaker, when the Conservatives introduced this bill, they said it was a technical bill. The fact is that this bill touches on a limited number of issues.

Can the member comment on the failure to address the co-operative sector?

[English]

Ms. Jinny Jogindera Sims: Mr. Speaker, I just want to talk about the co-operative banks in my community. I am so impressed by the amazing job they do and the kind of support they give to our youth, to our education system and our seniors.

I actually had the pleasure of visiting the Kennedy Seniors' Recreation Centre last weekend when I was home and saw the amazing things that were happening there. I also talked to a few seniors who were telling me how much they liked going to their co-operative banks and their absolute dislike of high interest rates and the profit-making mantra of the banks.

Mr. Greg Rickford (Parliamentary Secretary to the Minister of Aboriginal Affairs and Northern Development, for the Canadian Northern Economic Development Agency and for the Federal Economic Development Initiative for Northern Ontario, CPC): Mr. Speaker, I want to take this opportunity to thank the constituents of the great Kenora riding for giving me the opportunity to speak on their behalf with respect to Bill S-5.

Government Orders

This is an obligatory and largely routine piece of legislation, but it is essential for the continued strength and security of Canada's financial system that our constituents rely on every day, be it to cash a cheque, to apply for a mortgage or to buy that first home.

As background for all Canadians, legislation governing federally regulated financial institutions is reviewed every five years by the government to ensure the stability of the Canadian financial system. The last legislative review was completed in 2007 through Bill C-37 in the 39th Parliament. In 2001, a similar review was completed with Bill C-8 in the 37th Parliament.

I should also let the House and our constituents know that it is crucial that today's act be passed by April 20, 2012. This is the legislated sunset date, and passage must be achieved by then to allow the Canadian financial system to function in the manner that it has been doing.

In September 2010, the present five-year review began. This was kicked-off with an open and public consultation process. The Minister of Finance invited all Canadians to give their views on how to improve the financial system. Throughout that consultation, many Canadians gave their ideas and suggestions on how to further reinforce and strengthen our financial system. Indeed, much of that comment is reflected within the financial system review act that we are debating today. To be sure, today's act takes into consideration the feedback from industry groups, consumer groups and other Canadians to make measured, technical adjustments to strengthen Canada's regulatory framework.

I would also draw the attention of Canadians to the fact that today's act has already been reviewed and approved by the Senate banking, trade and commerce committee as well as the House of Commons finance committee and the great work of those members. Both committees undertook a comprehensive and efficient review of this act. It included talking to organizations like the Financial Consumer Agency of Canada, the Credit Union Central of Canada, the Office of the Superintendent of Financial Institutions Canada, the Canadian Life and Health Insurance Association, the Canadian Bankers Association and the Canadian Payments Association. This was an impressive catchment of stakeholders.

I want to thank each of the witnesses who spoke on the financial system review act in front of both committees for providing their important input. I will note that witnesses, while acknowledging the act's technical nature, were very supportive of it overall. For example, the Canadian Life and Health Insurance Association declared, "Bill S-5 represents a welcome fine-tuning of the various financial institution statutes".

At this time I will quickly review some of the initiatives taken in today's act.

Once more, even though the majority of these initiatives are largely technical, they are indispensable for the security of Canada's financial system. That is why today's act would make the following alterations: modernizing legislation to uphold financial stability and guarantee that Canada's financial institutions continue to operate in a competitive, efficient, effective and stable environment; improving the consumer protection framework, including expanding powers for the Financial Consumer Agency of Canada to better protect

consumers; and reducing the red tape and regulatory burden on financial institutions.

Other measures contained in today's act include the following: clarifying that all Canadians, including bank customers, are able to cash government cheques under \$1,500 free of charge at any bank in Canada; removing duplicative disclosure requirements for federally regulated insurance companies; offering adjustable policies in foreign jurisdictions, thus cutting their red tape burden; encouraging competition and innovation by allowing co-operative credit associations to provide technology services to a broader market; and improving the capacity of regulators to efficiently share information with international counterparts while respecting the privacy of clients.

There are more, but I want to emphasize that the significance of this act provides for a safe and secure financial system.

• (1230)

It is a system that has endured for Canadians during the recent global economic crisis that saw the failure of some of the best known banks around the world. Indeed, in recent years Canadians have recognized just how important a sound financial banking system really is for our country's economy.

Undeniably our system has been a model for countries around the globe. Canada proudly did not have to bail out, nationalize or buy equity stakes in its banks, in stark contrast to the U.S., the United Kingdom and countries in Europe. In fact the World Economic Forum has ranked Canada's financial system as the soundest in the world for four straight years. Our safe and secure financial system is envied the world over.

It was remarked in the well-known publication *Forbes*, "With no bailouts, it is the soundest system in the world, marked by steady and responsible continuation of lending and profits".

Constantine Passaris, a University of New Brunswick economics professor, adds:

The financial tsunami of 2008 swept around the world with devastating economic consequences. Banks proved to be particularly vulnerable to the credit crunch that followed....

There is no denying that our Canadian banks proved significantly resilient....

The Canadian way is to record our national achievements in a low-key and understated manner. There is one economic achievement however, that has made the world stand up and notice. Indeed, in this case, we cannot hide from the international spotlight and we can proudly accept the global applause....

We appreciate these comments. Indeed, many of the financial sector solutions now promoted internationally are modelled on our Canadian system. With today's bill, Canada's financial system will remain secure and serve as a fundamental source of strength for Canada's economy moving forward.

Government Orders

The financial system is one of the most important aspects of Canada's economy and jobs, totalling approximately 7% of Canada's economy. What is more, it provides employment, good, well-paying jobs for more than 750,000 Canadians. Our financial sector also provides financing to the housing markets and other markets that rely on borrowing, and in that respect the financial services sector is a significant presence in the day-to-day lives of all Canadians.

The Financial System Review Act will help support a proven framework that benefits all Canadians who use or are impacted by the financial services sector.

The long established practice of regularly reviewing the financial institution regulatory framework is also a distinctive and positive practice that sets Canada apart from the world. Indeed, it has been vital to ensuring the stability of the sector. All Canadians would acknowledge the significance of frequently examining how we can better ensure our financial system's safety and soundness for the benefit of all Canadians. Today's bill accomplishes just that.

I encourage members to support today's bill and ensure it passes in a timely manner. I appreciate having the occasion to support this important piece of legislation.

● (1235)

[*Translation*]

Ms. Francine Raynault (Joliette, NDP): Mr. Speaker, I thank the member opposite for his speech.

I have a question. This bill leaves out an element that is very important to building a stronger economy: regulation of financial speculation and derivatives. Billions are regularly wagered on the stock markets, which destabilizes the economy and does not benefit Canadians.

Should the Conservative government not use this opportunity to work with other governments to put an end to disastrous speculation in Canada and other countries? Is that what the Conservatives intend to do?

Mr. Greg Rickford: Mr. Speaker, I appreciate the member's question.

The bill includes measures to update the laws governing financial institutions, measures that will promote financial stability and ensure that Canadian financial institutions continue to function in a business environment that supports competition, efficiency and global stability.

[*English*]

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, I listened with great interest to my colleague's remarks today on Bill S-5.

First, in recent weeks when the Minister of State for Finance appeared before the finance committee, he acknowledged that in fact credit for the prudential strength of the Canadian banking system belongs to more than one government. He acknowledged that the stewardship of the previous Liberal government had contributed to the governance of the Canadian banking system, and I am being modest when I say that.

Would the hon. member agree that in fact the Liberal government of Mr. Chrétien and Mr. Martin was responsible for the decisions at

the time in the nineties, which resulted in not following the global trend to deregulation, which led to the challenges and the disasters faced by other countries in their financial services sector and the resultant relative strength here in Canada? Would the hon. member agree it was those decisions during that period of time that helped us today?

● (1240)

Mr. Greg Rickford: Mr. Speaker, I might be inclined, if it were not for the fact that this member decided to send a standard form letter to the editor of a newspaper in my riding, which was factually incorrect, reprehensible and does not speak to the calibre of person I have come to know him as in this place.

That said, I can speak to this government's record over the past four years in being recognized by major financial organizations and commentaries by editors around the world as being the most sound system. That is what I can account for, having been a member of this place now almost years.

Mr. Gordon Brown (Leeds—Grenville, CPC): Mr. Speaker, I would like to congratulate the parliamentary secretary for his presentation. He has done a lot of work on this.

The NDP introduced an amendment today that effectively removes the testimonial immunity. That concerns section 212 of the bill.

My question to the parliamentary secretary is: Why can we, as Conservatives, not support this?

Mr. Greg Rickford: Mr. Speaker, there are a couple of good reasons. It provides that the Commissioner, Superintendent, officers and employees acting under their direction are not compellable witnesses in any civil proceedings on matters relating to their duties and functions. Providing such limited testimonial immunity would complement OSFI's and FCAC's statutory obligation of confidentiality.

Similar statutory testimonial immunity is afforded to several other regulators in government agencies, including at the federal level, employees of the Privacy Commissioner, the Information Commissioner, the Official Languages Commissioner, the Auditor General and the Ethics Commissioner.

In addition, at the provincial level, it is afforded to employees of Quebec's Autorité des marchés financiers and the Financial Services Commission of Ontario, so this is consistent with that.

I appreciate this important and technical question.

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, I appreciate the opportunity to address Bill S-5, a very important bill. It has overwhelming support because there is no doubt that all of us recognize the importance of the banking industry.

I will take a couple of different perspectives, one dealing with the consumer's point of view and the other is a macro perspective with regard to borrowing money generally and how important our banking industry is.

Government Orders

First and foremost, from a consumer point of view, one of the things I have known over the years is that consumers of all ages are very dependent on our banking industry. We need to do what we can to protect the interests of consumers, and there is a lot that still can be done in order to address the needs of consumers.

Quite often, government policies have had positive impacts and some have had negative impacts. The biggest negative impact, one for which the government can take full credit, is when it increased the length of a mortgage up to 40 years with no down payment. There was a great deal of concern when the government came up with that bold, some would suggest dumb, initiative because at the end of the day people are concerned about consumer debt and those types of obligations. Forty years is a great deal of time and it is a heck of a way to tie someone to having to make ongoing monthly payments.

When a government sets policies, it needs to be aware of the profound impact they will have at the consumer level. When we look at past consumer debt, we see that it has continued to grow. One of my colleagues mentioned that part of the problem was the type of employment. For many individuals it can be fairly difficult to get the type of full-time employment at the level of pay they were receiving previously and that has put a good number of consumers in very difficult positions. There are many individuals who have fixed incomes and there is a profound impact when banks make decisions that ultimately work against consumers. There are issues concerning credit card charges and banking fee charges at ATMs.

The industry has grown tremendously over the last decade or so and there needs to be more scrutiny on the types of fees that are being levied against consumers. We need to be aware of what is taking place and there should be open debate. I was encouraged when we heard that the Minister of Finance has some interest in terms of consulting with Canadians. However, to what degree he is actually listening to them is another issue. I suggest that we need to connect with average Canadians to get a better sense of the types of hurdles they face when they are in need of money and banking services. Whether they are simple chequing or savings accounts, mortgages, loans or lines of credit, these are all very important issues that affect the day-in and day-out lives of Canadians across our country.

One of the questions I asked the government was with regard to credit unions. I believe that credit unions have picked up a lot of the slack where banks have been falling short. The best example I can give of that is in Winnipeg North and constituencies across this land where bank branch offices are closing and quite often it will be some sort of co-operative or credit union that fills in. Most recently, the Assiniboine Credit Union was established in the traditional north end of Winnipeg.

● (1245)

When bank branch offices close, it has a significant impact on the community because banking is not really optional, especially for individuals who are on fixed incomes, in particular for seniors. Having access to a bank is very important.

When we talk about banking, insurance and the legislation we have now, we should try to highlight the alternatives to mainstream banking, the role they could be playing and what we might be able to

do to enhance that role, whether it is further guarantees of deposits or whatever else it might be. The point is that the government needs to demonstrate some leadership on this issue.

I mentioned the macro level in regard to this bill. The actual money we have, the hard currency, coins and bills, is only a small percentage of the entire money supply that Canada has. A vast majority of that money supply goes through our banking and financial institutions, which is why we have a serious responsibility to monitor, regulate and ensure the long-term viability and integrity of our banking industry.

In my short time in the House of Commons, I have found it interesting how both the government and the New Democrats like to assume credit for things that I would suggest is not necessarily theirs to take. It was not long ago when banks around the world were crashing and collapsing. That was because during the 1990s a great deal of pressure was put on the banking industry around the world to lobby governments to deregulate. The argument was that it would provide more opportunities for the banks. Many countries bought into that and it was a heated debate here in Canada. I was at the Manitoba legislature at the time and it was very much a heated debate. I remember meeting with banking representatives who talked about the possibility of amalgamating into larger banks and the benefits of deregulation.

However, fortunately for Canadians, we had Jean Chrétien and Paul Martin, individuals for whom I have a tremendous amount of respect. Most important, it was a very strong majority government with a healthy minister of finance and prime minister at the time who said that we needed to protect the industry and that we needed to ensure those regulations were in place and maintained. That is the reason the banking industry today is the envy of the world.

Speaker after speaker from the Conservative side will acknowledge that Canada is the envy of the world when it comes to the banking industry as a whole. The only part they miss, because they want to assume some of the credit for that, is that it had very little to do with the current Prime Minister. The credit should be going to the former prime minister, Jean Chrétien, the minister of finance at the time, whether it was Mr. Paul Martin or the current deputy leader of the Liberal Party, and those individuals who are still here in the House who participated in that government. There was a great deal of pressure at that time to deregulate. If we look at the position of the Conservative Party, which was the Alliance Party or Reform Party at that time, it opposed it. It wanted to move toward deregulation. I am glad the Conservatives have had that conversion and now they are very supportive of it.

● (1250)

I thought it was kind of a different type of twist when a New Democratic member of Parliament spoke earlier today trying to assume credit for the banking industry here in Canada, which was a real stretch of the imagination. However, at the end of the day, whether they like it or not, members of the NDP played no role in terms of ensuring what type of a banking industry we have here today.

Hopefully there will be other opportunities to provide comment on that particular issue, if the question does come up. I am more than happy to explain why it is I make that statement.

Government Orders

Mr. Pierre Poilievre (Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities and for the Federal Economic Development Agency for Southern Ontario, CPC): Mr. Speaker, the hon. member explains that it the absence of government intervention in countries like the United States that permitted the financial crisis to occur.

In fact, the United States government was massively implicated in the U.S. banking system and in the mortgage market in particular. It was the American government that invented sub-prime mortgages, that encouraged banks to offer them, that provided regulations to force banks to provide them and then ultimately backstopped them through government sponsored enterprises called “Fannie Mae and Freddie Mac” which, combined, insured about \$4 trillion worth of sub-prime lending.

The reason I mention that is that it is an important distinction from that fact, which is supported by the World Bank report on the question in 2010, and from what the member claims was the cause of the crisis. Does the member not acknowledge that one of the things Canada did right was to refrain from having its government implicate itself in the mortgage market and the lending business the way the U.S. government implicated itself?

• (1255)

Mr. Kevin Lamoureux: Mr. Speaker, I think it is fair to say that there are number of mitigating factors that ultimately led to the crisis situation in the United States. There is absolutely no doubt that regulations had a very significant impact in terms of what actually had taken place.

One of the other things that had a significant impact was the way mortgages were being handed out. That is the reason one could be very critical. One of the first things the member's government did was to establish those 40 year mortgages. That was not in the best interests of the banking industry and the consumers in Canada.

The member needs to reflect on the fact that there were a number of factors that had an impact and caused the banking crisis in the U.S. However, we should not underestimate the importance of deregulation and the importance of making smart decisions, something that his government did not do when it decided in its wisdom to allow for 40 year mortgages. That was a bad decision.

Mrs. Carol Hughes (Algoma—Manitoulin—Kapuskasing, NDP): Mr. Speaker, contrary to what my colleague mentioned a while ago, we played an important role in ensuring that the banking system would be a good system here in Canada because the NDP was the party that opposed the nationalization of the banks.

I want to speak to the bill, because it is extremely important, and to the changes that need to occur. I know my colleague recognizes that there needs to be some changes to the bill because his party supported one of our amendments which would have made it obligatory for the Minister of Finance to consider the net benefit to the Canadian economy as a supplementary criteria for approval.

I am just wondering if my colleague could speak to why this bill should have been dealt with at a House of Commons committee and not a Senate committee?

Mr. Kevin Lamoureux: Mr. Speaker, I give full credit to the member for her attempt at trying to rewrite history. The reality is that

during the 1990s, when the debate was hot and heavy, there was a Liberal majority government. I believe the New Democrats had 13 members. The framework, I suspect, was likely not influenced by the New Democratic Party.

I can appreciate that there is this movement lately for the New Democrats to try to proclaim themselves as Liberals but I do not think they will fool Canadians. People will vote for the real thing as opposed to those who want to talk about good liberal policy. We will have to wait and see.

The banking industry as a whole and the regulations, which are important, are things on which the Liberals have a great track record. Not to give up hope, we hope to be able to continue to influence that, not only in opposition but also back in government some day, Canadians willing.

Mr. Brian Storseth (Westlock—St. Paul, CPC): Mr. Speaker, what an interesting debate we are having here, where the NDP are claiming to be Liberals and Liberals NDP. The leader of the NDP was a Liberal and the leader of the Liberals was an NDP. I am confused about it. I am just happy to be a Conservative.

Mr. Speaker, I am pleased to speak today to the House, and to all Canadians, on Bill S-5, the financial system review act. Bill S-5 would make improvements to one of the key components of Canada's economic success, our financial system.

Before I continue, I just want to remind members of the opposition that, unlike in Europe and the United States, not a single Canadian bank collapsed or had to be bailed out by Canadian taxpayers. The reason for this is our strong, stable and flexible financial system. Canada's well regulated financial system is universally recognized as one of the primary reasons for Canada's swift recovery following the global crisis.

Recently, an independent Financial Stability Board peer review validated this claim by praising actions taken by the Conservative government to ensure that Canada's financial system remains strong, enabling Canada to emerge from the global financial crisis in a position of strength.

In its review, the board highlighted the resilience of Canada's financial system, calling it a model for other countries around the world. The board's review said the strength of Canada's economy and its financial system meant that no Canadian financial institution failed or required government support in the form of a capital injection or debt guarantee during the global financial crisis. The report said:

The good performance of the financial system both during and after the crisis provides further evidence of its soundness and resilience.

As the board's report also noted, since 2008, the Conservative government has taken steps to make our financial system more stable, reduce systemic risks and ensure that we have the flexibility to protect the financial institutions when needed. The report went further, citing Canada as an example that other jurisdictions should emulate in developing financial sector policy.

Clearly, these sentiments are felt by jurisdictions around the world. A recent report from the United States congressional research service identified our financial system as a model for others to build on. It said:

Government Orders

... Canada's supervisory system and regulatory structure have proven less susceptible to the bank failures that have loomed in the United States and Europe and may offer insight for U.S. policymakers.

British Prime Minister, David Cameron, praised our financial system. He said:

[Canada's] economic leadership has helped the Canadian economy to weather the global storms far better than many of your international competitors.

The praise goes even further. Numerous observers have noticed and paid tribute to Canada's well regulated financial sector. For example, over the past four years the World Economic Forum has ranked our banking system as the soundest in the world. *Forbes* magazine has ranked Canada number one in its annual review of best countries to do business. Five Canadian financial institutions were named to Bloomberg's most recent list of the world's strongest banks. That is more than any other country.

At the same time that our system is receiving international praise, we cannot be complacent. Bill S-5 would make necessary improvements to Canada's financial system so it would continue to be the envy of the world.

As Canadians, we are justifiably proud of our financial services sector, which employs over 750,000 people in well paying jobs, represents about 7% of Canada's GDP and is a leader in the use of information technology. We are the world leaders in this field. We aim to keep it that way. It is for this reason that the government has the long established practice of reviewing the statutes governing federally regulated financial institutions every five years. This mandatory review helps to maintain the safety and soundness of our sector.

How would this legislation accomplish these goals? Under the proposed legislation, certain larger foreign acquisitions of financial institutions would need the approval of the Minister of Finance. This merely reinstates some of the historical oversight provisions repealed by previous Liberal governments in early 2001. In practice, it would require ministerial approval if a federally regulated financial institution were to acquire a major foreign entity which significantly increased its assets by more than 10%.

● (1300)

This is a move supported, not only by industry stakeholders, but also by Julie Dickson, the Superintendent of Financial Institutions.

The legislation would also reflect the natural growth of the banking sector by increasing the large bank ownership threshold from \$8 billion today, to \$12 billion. This would have no impact on Canada's five large banks. They would continue to be subject to widely held requirements. This change would merely reflect growth in our financial sector.

Bill S-5 would also build on this government's proven record of improving consumer protection by making important changes to federal financial institution statutes. In particular, the bill would increase the maximum administrative penalty that the Financial Consumer Agency of Canada could levy from \$200,000 to \$500,000. It would confirm that Canadians, including bank customers, would be able to cash government cheques of amounts less than \$1,500 free of charge at any bank in Canada.

The legislation would also demonstrate this government's continuing support for credit unions. Building on the federal credit union charter, Bill S-5 would amend the Canadian Payments Act so credit unions would fall within the co-operatives class in the act rather than the bank class.

Speaking to this change, the Credit Union Central of Canada, which is the national association of credit unions in Canada, had this to say:

Placing the federal credit union in the cooperatives class will preserve and strengthen the credit union system representation at the CPA. It will ensure that a federal credit union will be represented by a director, who speaks for the interests of cooperative financial institutions in CPA matters.

In short, this change would promote a level playing field within the financial sector, which would generate competition in the industry, which would ensure a stronger, more stable system overall. Bill S-5 would also include a number of technical refinements to ensure the effective implementation of what is referred to as a bridge bank tool. This would build on our government's commitment in the 2009 budget to strengthen the authorities of the Canada Deposit Insurance Corporation, to effectively preserve the critical functions of a financial institution in dire straits and to help maintain stability in the financial system.

I would like to finish by saying that it is constant improvements like those included in Bill S-5 that make Canada's financial system the envy of the world. Surely, even the members of the opposition can see that it is the routine fine tuning of Canada's financial institution legislation that would keep our financial system strong, stable and flexible for Canadians. On that note, I urge the members of the opposition to stand and support the swift passage of this very important legislation.

● (1305)

Mrs. Carol Hughes (Algoma—Manitoulin—Kapusksing, NDP): Mr. Speaker, I appreciate the comments from my colleague. Certainly there are some really good points with the bill and we do support the bill. However, we think there need to be some amendments, amendments which would talk about transparency. We know that the government is not quite supportive of transparency because we have seen all the hogwash that has been happening since the election of May 2011.

In any event, I want to touch base with my friend. This is an extremely important bill. Does he not think that it should have had more time for debate, that it should have had more time at committee, and that it should have gone to a House of Commons committee as opposed to a Senate committee?

Let us not forget that only three sessions, four hours to examine the bill, one session with officials from the Ministry of Finance and one session for witnesses, and a two hour session for a clause-by-clause review, is really not enough for a bill this size, not to mention the fact that some of the witnesses have been anonymous.

Government Orders

I would like him to talk about the process and the fact that this is an extremely important bill and has not had due respect.

Mr. Brian Storseth: Mr. Speaker, this process and the consultations have been in place since 2010.

The sunset clause, the sunset of the legislation this year, makes this important legislation to come to the House today, not only to ensure that we give it its due diligence, but to ensure that we pass it.

As for significant amendments to the legislation, as I said in my speech and has been said by members on both sides of the aisle, the banking system that we have in Canada is one of the best in the world. It is recognized around the world as one of the strongest banking systems there is. It is one of the reasons why we did not have to bail out the banks in our country as has happened in the United States, England and other countries around the world. It is very important that we continue along this line, without adding substantial amendments that the NDP would like to put in place.

• (1310)

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Mr. Speaker, a couple of interesting points have been raised in the debates today.

I would like to get clarification from my colleague across the way. Traditionally a bill of this type would be generated and would come from the government. Why in this particular case is this a Senate bill? Why would it have been started in the Senate and taken this approach, this path?

Mr. Brian Storseth: Mr. Speaker, I have been listening to many of the speeches given as well as questions and answers in the House today.

I am glad the hon. member for Cape Breton—Canso stood up so that I could talk about his question. There are also some ideas he has been proposing on a 40 year mortgage, which he continues to throw out there. At the end of the day, he constantly forgets to mention the fact that it was this government that took the prudent steps to decrease the maximum mortgage period from 40 to 35 years down to 30 years, and also to lower the maximum amount lenders can provide when refinancing mortgages to 85%.

The other part the hon. member for Cape Breton—Canso constantly forgets is that he voted against all these changes that were made. I hope that, in the spirit of co-operation, he will stand up and finally support the Canadian financial sector and those Canadians in my riding who depend on common sense decisions, not just partisan rhetoric.

Mr. Kevin Sorenson (Crowfoot, CPC): Mr. Speaker, I want to thank my colleague from Alberta for the great speech he gave. I do not know if he had the opportunity to watch any of the NDP convention this past weekend. It seemed that when they were not attacking the oil sands of Alberta, they were attacking banks. If they were not attacking jobs and trade, they were attacking banks. If they were not attacking banks, they were attacking the oil sands in Alberta.

In fact, it was written in today's *The Edmonton Journal* that in this new leader's world, "the oilsands are to blame for all that is wrong with Canada's economy, full stop". Also in the new leader's policy book, in dealing with banks and bank transactions, he wrote he

would "make the implementation of a financial transition tax a key priority".

Could my colleague explain to us the ramifications this would have on the economy now, where every individual who concluded a banking transaction would now be faced with an extra service charge so that big government could become bigger, and that big bureaucracy could become bigger? How would that hurt our economy?

Mr. Brian Storseth: Mr. Speaker, as we all know, the members from the other side, whether they are in the official opposition or the third party, have never seen a tax they did not like to implement, and have never seen a bureaucracy they did not like to increase.

At the end of the day, with the amendments that have been brought forward, the viewpoint of the leader of the official opposition and other members on that side is that we actually need to change our regulatory system. We need to move more to a nationalized system. We need to start taking over some of these banks so they can have more control. I think that is a very dangerous road to go down.

Our system has proven to be successful, the best in the world. I do not know why the NDP members would want to change this. It makes as much sense as their constant attacks on the oil sands in Alberta, which provide hundreds of thousands of jobs and billions of dollars of investment in our country.

All I ask is that the other side start looking at some of these things in the spirit of co-operation and what is best for Canadians, not just what is best for their—

The Acting Speaker (Mr. Bruce Stanton): Unfortunately, we have come to the end of the time allocated.

[*Translation*]

Resuming debate. The hon. member for Brossard—La Prairie.

Mr. Hoang Mai (Brossard—La Prairie, NDP): Mr. Speaker, I am pleased to rise to speak to Bill S-5 to amend our financial system. I am a member of the Standing Committee on Finance, which examined Bill S-5.

A member across the floor mentioned the sunset clause. Indeed, this system should be reviewed every five years, but our problem with the government is that it is improvising on this issue. It passed this bill in the Senate with very little public consultation, then it used the date when this review is supposed to take place as an excuse for not accepting any of our amendments. This proves that the government did not take this bill seriously and did not do its homework.

As we all know, our financial system is very important. I am a notary and lawyer and, before I was elected, my clients included Canadian banks, some of them in Montreal. Our banking system is important to our economy. However, this bill overlooks consumers. People have to assume the cost of the banks' excesses, and this has not been taken into account at all.

Government Orders

Nor does this bill take the global crisis into account. I am not making this up. Many believe that the crisis originated in the financial sector, primarily in banks in the United States, which had an impact the world over. There was an opportunity to do something here, but once again, this government improvised and did not take the steps that should have been taken.

The members across the floor say that we on this side of the House are idealists. That is true, but we are also pragmatic. We proposed real solutions. It is true that this bill has little impact. It contains technical revisions and deals with minor administrative concerns. However, we are worried about one point: the acquisition of foreign banks by Canadian banks.

A system was introduced a few years ago, establishing the Office of the Superintendent of Financial Institutions, which is responsible for assessing these transactions. When a Canadian bank acquires a foreign bank, it affects our economy and our financial system. We want such acquisitions to be truly beneficial for our economy. The Office of the Superintendent of Financial Institutions should have been mandated to study such purchases and make recommendations, perhaps even give its approval. However, Bill S-5 puts this power in the hands of the minister. This poses a problem.

This power used to belong to the minister, but was given to the Office of the Superintendent of Financial Institutions in an effort to depoliticize the process and avoid having a minister be influenced by his connections or lobbyists and make a decision that would defy the financial system and what had been proposed. Now, the Conservatives, who claim our system is working, are in the process of reversing the decision and giving the power back to the minister.

Some of the ministers across the way have very close ties to lobbyists. The Minister of the Environment, to name one, does more to promote lobbyists than he does to protect Canadians in this regard. The concern here is what might happen with the Minister of Finance. Without pointing the finger directly at this Minister of Finance, putting this power back into the hands of a minister makes the decision very political and problematic. What is more, there is no requirement to provide public explanations. The Office of the Superintendent of Financial Institutions could say that a certain transaction is not beneficial to Canadian financial institutions and, without providing any explanation, the minister could ignore that decision and make his own decision.

The process is becoming very political and that is worrisome. What is happening in the United States is a result of the deregulation of the system. The Conservative government is doing the same thing here. That is one of our major concerns. We are being told that all we want to do is make proposals that will only delay matters. Yet the amendment we proposed was quite simple.

• (1315)

We did not have a lot of time to debate it because the government once again decided to move quickly and push things through.

We had asked the minister, when he makes a decision, that he not just look at the criteria that are good for the Canadian financial system—that is important and we would not take that away—but that he also look at the criteria that are good for the Canadian

economy. Unfortunately, that amendment was rejected. It is very hard to understand why.

When a Canadian bank takes over a foreign bank, some people think that this must also be good for the Canadian economy. Unfortunately, our amendment was rejected. It is very difficult to understand. I wonder what this means. I have to interpret this myself, because the government was not very clear on this subject. All that matters to this government is the financial system, not the Canadian economy. Yet they cannot be separated. It is important to discuss the financial system, but we must also discuss the impact that it can have on the Canadian economy. In a way, this shows that the government wants to hold on to power and wants to make a decision its own way, once again without explaining why it is moving in this direction. With this bill, the Conservative government is again showing its lack of transparency. It wants to politicize the matter and does not want to explain to Canadians what is happening in this regard. We asked for further information, but unfortunately we did not receive it.

I will now address another matter. We know that this bill had to be introduced. However, the government is once again being criticized for its lack of vision because it had a golden opportunity to reform the banking system. I do not think that this government can pat itself on the back for that. In addition to reviewing the banks and financial institutions, the impact on consumers should have been considered as well.

We now know that the government's job creation strategy is to give tax breaks to big business, including the banks. Does that create jobs? It remains to be seen. We do not believe it does, as indicated by the statistics on job losses and unemployment. Despite this, banks have not lowered their interest rates, even though the prime rate is at an historic low. And that is not all. After receiving tax breaks and making billions of dollars in profit, the banks are now increasing their fees.

Look at what is happening. Consumers have contracts with banks or have bank accounts. They borrow money and proceed as usual. It is a bit like the gas situation. We cannot get out of it. People are a bit dependent on the system, on the bank. The bank can do what it wants. Despite the fact that interest rates are very low, credit rates have not changed at all. Who is reaping the benefits? The banks.

Banks are increasing their fees and it is not consumers who are benefiting. That is what we are telling the government. The members opposite need to be aware of this because they too represent constituents who are consumers. The government must not be so single-minded. It makes for a very unbalanced approach. Once again, this is a problem that we have with the government, that it is too single-minded and is not looking at how what it is doing will affect the entire system, whether we are talking about tax cuts for large corporations or the banking reform that it may or may not implement. This affects consumers. We are asking the government to take a broader view of the situation and to look at what is happening in this respect.

Government Orders

If we were to ask any of the members opposite whether any of their constituents are being negatively affected by this, I think that they would say yes. We do not even need to ask. We simply need to look at the figures. The OECD will tell them, and so will economists. Household debt is a problem. It has reached a record high of 151% in Canada. This means that for every dollar a family earns, it owes \$1.51. The record level of household debt is a problem. Yet, unfortunately, the government is not doing anything about it. This would have been a good time to do something, but unfortunately, once again, the government is demonstrating its complete lack of vision. This is a missed opportunity.

This government is bragging and saying that the system is working well and that everything is fine, but I think that the government must be really out of touch if it does not see that people are suffering. This would have been a good opportunity to help consumers and families. Unfortunately, the government did nothing in this respect.

• (1320)

[English]

Mrs. Carol Hughes (Algoma—Manitoulin—Kapuskasing, NDP): Mr. Speaker, my colleague obviously understands the difficulties people are experiencing and the challenges ahead. We all know the importance of the bill. Therefore, I would like the hon. member to comment on some of the witness testimony.

Tyler Sommers said:

—Canada's big six banks have reported new record first quarter profits totalling \$7 billion (up 5.3% compared to 2011) while raising banking fees and cutting jobs in the sector...

Duff Conacher from the CCRC explained:

Past government actions have been ineffective in ensuring Canada's big banks and other companies are not making excessive profits from gouging customers and cutting services and failing to lend to job-creating Canadian businesses.

Could he comment on how important it is for us to at least put in place the amendment the NDP has put forward, which talks about transparency and accountability?

• (1325)

[Translation]

Mr. Hoang Mai: Mr. Speaker, I would like to thank the hon. member for her question.

This is indeed a problem. As I was saying, I worked with banks before becoming a member of Parliament. I did business with people who worked in banks. Many of these people voted for me. Why? They did so because a balance is needed. Even the people who work in banks will say it: consumers are paying a high price. This is a problem, and what the hon. member said is completely true.

According to Duff Conacher, the coordinator of Democracy Watch and chair of the Canadian Community Reinvestment Coalition, past government actions were too little, too late to ensure Canada's big banks and other companies were not making excessive profits from gouging customers.

[English]

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, I believe the member indicated he may have worked for a bank or was

familiar with individuals who worked for one. I am unclear on that point.

If the member did work for a bank, what are his opinions on the user fees that are charged, for example, ATM charges, interest rates, withdrawal/deposit charges? Does he have a personal opinion that he could share with us?

Mr. Hoang Mai: Mr. Speaker, for clarification, I did not work for a bank. I am now in the House of Commons, but I used to be a corporate lawyer and I worked with banks. People who voted for me worked in banks, so I am familiar with what happens in the financial sector.

Even people who work in banks will tell us that there has to be a certain balance. When a bank is making billions of dollars in profit and it is gouging the consumers, people are not going to be happy. They understand that balance.

Unfortunately, at one point, they are even asking the government to regulate on some of those issues. We in the NDP are saying that interest rates on credit cards have to be capped and we have to put a cap on the excessive fees that banks charge.

[Translation]

Mrs. Sadia Groguhé (Saint-Lambert, NDP): Mr. Speaker, I would like to thank the hon. member for his speech. I would like him to elaborate on the connection between the financial system and the Canadian economy.

Mr. Hoang Mai: Mr. Speaker, I would like to thank the hon. member for Saint-Lambert for her question.

We did not put forward an excessive number of amendments to this bill. The amendments merely served to connect the approval of the department or minister to the Canadian economy, to show that there is a link between them. If we consider only the interests of financial institutions and not the interests of our country's economy, the approach will be unbalanced. We simply want the minister to also consider the Canadian economy when making decisions. Unfortunately, the Conservatives rejected the amendments.

• (1330)

[English]

Mr. Robert Goguen (Parliamentary Secretary to the Minister of Justice, CPC): Mr. Speaker, my hon. colleagues have discussed many of the important features of Bill S-5 which would strengthen Canada's financial sector to its advantage. I particularly appreciate my hon. colleagues' characterization of the financial system as being only as strong as its weakest link and for outlining some of the key areas where the government has acted, both within Bill S-5 and elsewhere, to strengthen those links that needed the most attention.

The banking sector has expressed its strong support for this mandatory legislation. For example, Terry Campbell, president of the Canadian Bankers Association has explained, "In Bill S-5, the government has stepped up to the plate and is proposing what we think are very needed clarifications".

Government Orders

I also agree with my colleagues' emphasis on the importance of considering the health of the whole financial system as fundamental to the growth and success of the entire economy. With this in mind, I would like to dedicate my allotted time to considering one special crucial link in the system which Bill S-5 would act to fortify, and that is Canada's payment system.

Our payment system is the set of instruments, procedures and rules used to transfer funds among financial institutions, either on their own behalf or that of their customers. This is not to be confused with the various other payment instruments Canadians use, such as cash, cheques, debit cards and credit cards to purchase goods and services, to make financial investments and to transfer funds from one person to another. The two are not unrelated, however, because these payment instruments, with the exception of cash, normally involve a claim on a financial institution such as a bank, credit union or *caisse populaire*. Financial institutions therefore need arrangements to transfer funds among themselves, which is why the payment system exists.

In Canada, the national systems for clearing and settlement of payment are run by the Canadian Payments Association, also known as the CPA, a not-for-profit organization of federally regulated financial institutions. This system has served Canadian financial institutions and their customers well. However, in a world of ever-changing demands, technological innovation, increased global integration and competition, no responsible and effective government can afford to let such a system remain static. That is why Bill S-5 takes action to ensure that this system can meet the ongoing demands of an increasingly dynamic, innovative and globalized financial system. I must note that the CPA provided input on these measures through an open public consultation process and has told the House finance committee that it welcomes "the incorporation of technical and housekeeping amendments to the Canadian Payments Act legislation to provide greater clarity surrounding our membership".

It is clear that the payments landscape is changing. For example, since 1996 we have seen in Canada and abroad increasing cases where clearing and settlement systems do not include banks as direct participants. To better accommodate this development, Bill S-5 proposes to amend the Payment Clearing and Settlement Act to remove the requirement that there must be at least one bank involved. The new definition would allow more flexibility in establishing systems to clear such complex financial instruments as over the counter derivatives, or OTCs. This change has the added benefit of allowing the Bank of Canada to oversee the transactions of these complex financial instruments to help ensure they pose no systematic risk to the financial system. Not only is this prudent, it is also in keeping with Canada's commitment to our G20 partners that by 2012 our OTCs be cleared through central counterparties.

Bill S-5 also proposes to change the Payment Clearing and Settlement Act to allow the Bank of Canada to disclose information to other regulators of payment clearing and settlement systems and to coordinate activities across current federal and provincial jurisdictions as well as with foreign regulators. This would also help us meet our G20 commitments by ensuring that Canadian prudential and market conduct regulators have the authority, tools and information they need to maintain effective ongoing oversight over the Canadian

OTC derivative market. Moreover, the information sharing would help all parties understand the potential risk in these linked systems, building upon lessons learned from the 2008 financial crisis and helping in our efforts with our international partners to prevent such instances in the future. Failing to form such links could actually delay our ability to link to foreign systems and undermine Canada's ability to meet the commitments all G20 nations made. This is a key fact for hon. members to consider when debating the timely passage of Bill S-5.

• (1335)

If that does not convince hon. members to get behind the bill, I will offer another good reason.

As many hon. members appreciate, Canada's credit unions are a valuable source of financial services in communities across the country. In recognition of the important role credit unions play, in budget 2010 our government created a new legislative framework for federal credit unions to accommodate growth and expansion of the Canadian credit union system, putting them on a more level playing field with other financial service providers.

Once implemented through regulation, this would enable those credit unions that choose to do so to extend beyond provincial borders and pursue business strategies that are not limited by provincial incorporation. This change would encourage competition among financial institutions and promote a more level playing field within the financial sector, supporting a stronger and more stable system overall. It would also give credit unions a way to expand their sources of funding and diversify their geographic risk exposure.

Bill S-5 supports these efforts by amending the Canadian Payments Act so that credit unions fall within the co-operatives class in the act rather than the bank class, giving federal credit unions a more effective voice in the CPA. I am pleased to report that this measure has been very positively received by the federal credit unions.

According to Credit Union Central of Canada, the national voice for credit unions across the country, these changes would help credit unions represent their members more effectively at the payments table.

In the words of David Phillips, president and CEO of Credit Union Central:

Government Orders

Placing the federal credit union in the cooperatives class will preserve and strengthen the credit union system's representation at the Canadian Payments Association. It ensures that a federal credit union will be represented by a director who can bring the perspective of cooperative financial institutions to CPA matters.

At the same time, credit unions would still enjoy the long-standing, well-understood and robust governance, liquidity and clearing and settlement frameworks that they use today.

For these reasons, I would encourage hon. members of the House to support the timely passage of Bill S-5. They can do so with the confidence that by making these important improvements to Canada's payment system they will be strengthening key links in Canada's financial system and better connecting it with the world.

Mrs. Carol Hughes (Algoma—Manitoulin—Kapuskasing, NDP): Mr. Speaker, we are debating Bill S-5. However, we are also debating part of the amendment that was tabled.

Let us be very clear. The amendment talks about the fact that the immunity resulting from this provision could negatively impact the office's transparency and accountability to the Canadian public with respect to Bill S-5. That is why we have tabled it, to talk about transparency and accountability, which it is obvious the government is not willing to support.

This bill was pushed through the Senate. It is such an important and crucial bill when it comes to the well-being of finances, not only of the banks but of Canadians as a whole. Why is it that the government will not support an amendment that would assure transparency and accountability, and would also prevent the time lost as a result of frivolous civil lawsuits?

Mr. Robert Goguen: Mr. Speaker, we believe that the legislation when read in its entirety has all the elements of transparency necessary to ensure the best protection of the public. Consumer protection is at the heart of this very legislation.

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, why did the government choose to bring in Bill S-5 through the Senate as opposed to the House of Commons?

It seems that the government's attitude, as has been demonstrated on other pieces of legislation that have come before the House, is to minimize the contributions of members of Parliament on legislation.

We all acknowledge that this is very important legislation and it will pass. Why is it that the government continues to look at ways in which to minimize input and debate in the House of Commons where that debate should be taking place on all legislation as much as possible? Why bring it in through the Senate as opposed to the House of Commons?

• (1340)

Mr. Robert Goguen: Mr. Speaker, the House has a very busy agenda and has very capable members, as does the other house, the Senate, which is equally capable of coming up with a very well crafted bill such as Bill S-5. In its field of competency, it has come through with what we feel is a very good piece of legislation.

Mr. Mike Allen (Tobique—Mactaquac, CPC): Mr. Speaker, my colleague made a couple of comments toward the end of his speech about putting credit unions in the co-operatives class. As he would know, there is a tremendous amount of importance around credit unions in New Brunswick which service our rural areas. In come

cases, if it was not for credit unions, there would not be any banking services in the rural areas.

I would like the member to take a minute to comment on the competitive aspects and what this is doing for credit unions in allowing them to continue to build strength in our rural areas.

Mr. Robert Goguen: Mr. Speaker, credit unions play a very important role in Canada's economy. Many of the credit unions are in the smaller areas where the bigger banks have pulled out because of lack of population. The fact that they are now becoming full members of this competitive process will benefit consumers. We know that credit unions, being of a smaller nature, pay very much attention to their members. They will offer more competitive rates. This will sharpen the pencils of the bigger banks which are sometimes subject to criticism.

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, it is a pleasure to rise here today on Bill S-5 and the amendments that the NDP has put forward with regard to creating more transparency and accountability in this bill.

We do support the bill. However, we see this as a missed opportunity because there are so many issues relating to the banking industry right now that affect Canadian consumers, and also Canadian companies. I was at committee today and so I do not know if this has been discussed a great deal here, but small and medium size businesses have been hurt exponentially by the banking system in recent years. I will get into more detail on that later, but it is important to put that as part of the equation as we talk about this missed opportunity here.

First, as my colleague from the Liberal Party noted, the bill comes from the Senate. That is a concern for us. Why would the government table a bill in the Senate and then have it come to the House of Commons? A Conservative called the Senate equally capable. That is an interesting description for the Senate coming from the Alliance/Reform Party base out there when senators are unelected, unaccountable individuals.

While there are some very good people in the Senate who do some good work, at the same time they are not elected and not accountable to the Canadian people. Therefore, I do not think the Senate is equal to the House in any sense whatsoever. I am shocked that a Conservative/Reform/Alliance person would call the Senate that, because senators are political patronage appointments made by the Prime Minister, whether that be Joe Clark at the time, Pierre Trudeau, Jean Chrétien, Paul Martin or now our current Prime Minister.

Senators do not have to go to the electorate and earn their seat. Once again, there are some very good people there whom I have worked with on a lot of good issues and I respect them a great deal, but there is a big difference between them and having to go to the person checking out groceries and selling cars. They are our bosses. They are the ones who decide whether we get to this place or not.

Government Orders

Having said that, I am a little concerned that the bill is from the Senate. I say this because in the past I worked on Bill C-393, a bill on providing generic drugs to developing countries for tuberculosis, AIDS and malaria. The House of Commons passed it, but it actually died in the Senate. Thus the elected body here passed a bill, sent it to the Senate, but it never made it through, even though it should be Canadian law right now so that we could provide medicines to those who are suffering from tuberculosis, malaria and AIDS in developing countries. There was also the bill from Jack Layton, the climate change bill, that was passed in this House of Commons, but, again, did not make it out the door of the Senate.

Now we have the reverse coming back here and what we see is a very scoped bill on the banking industry. However, I am glad that the Conservatives are dealing with this. The government is actually addressing some component of it, but let us take a step back in history, which I think is very important.

It is interesting that representatives of the banking industry came into my office a year ago and said that I should be thanking them for the work they had done and the fact they had propped up the Canadian financial system because of the way banks were structured and had done business. At that point, I asked if they wanted me to go to my computer or to my filing system and pull out all of the presentation decks and summaries they had previously provided me saying that they had to become like the American banks.

It was the New Democrat members in the House of Commons who fought against that. I will admit there were some Liberals who did so too, because I have been corrected in the past on this, and quite sincerely, by some of my Liberal friends. However, it was John Manley under Paul Martin who was trying to move our banks towards the American model. We voted against that and stopped it and it did not pass the House of Commons, as there were some others who supported that notion to keep our banks the way they were. However, it was certainly the Conservatives, the right wing members, who got up day after day to complain about how Canadian banks would be swallowed up by U.S. institutions if we did not act at that particular time. That took on—

• (1345)

The Acting Speaker (Mr. Bruce Stanton): On a point of order, the member for Bourassa.

Hon. Denis Coderre: Mr. Speaker, there is an issue called relevance.

[*Translation*]

The claim that Jean Chrétien's government wanted to deregulate banks is completely false. I was part of that government. I would like us to render unto Caesar the things which are Caesar's. We are in this situation because a Liberal government protected our banks so that we did not become a copy of the American model.

[*English*]

The Acting Speaker (Mr. Bruce Stanton): First of all, I thank the member for Bourassa for his intervention. The second part of his intervention related more to debate on the facts. I would say, however, and this has been a point of possible interest through the course of the day today, that the debate, the question before the House today, is on the amendment. It is perhaps an opportunity to remind hon. members that while they have great freedom to explore

these ideas around the question that is before the House, they may wish to tie those ideas together in terms of how they are in fact pertinent to the question before the House.

The hon. member for Windsor West.

Mr. Brian Masse: Mr. Speaker, I will keep that advice in mind and return to the amendment.

It was part of the larger framework that we were dealing here, which is why I was trying to connect the two. The assumption or proposition of the banking industry is that they have basically propped up the Canadian economy with their wisdom, whereas if we look at history, there was clearly an attempt to actually to do something different.

However, I will go back to the amendment and the issue related to transparency, which I think is really important. It is important for the bill itself because it shows that there was an attempt to get an amendment that would clearly define where there would be some transparency for the banking industry related to transactions. The bill does actually have some interesting points related to foreign investments and a series of different things.

However, again, it speaks to the point that we have this small amendment that has been denied, whereas the banking industry in its entirety has not been dealt with in this chamber. That is a real problem.

I started my speech here today by noting that the banking industry affects consumers and businesses, and I would like to move to that point, especially the business point because I am not sure it has been addressed here in the chamber. This is a missed opportunity on credit lending and rates, and transparency is important in regard to that, because we need to have real decisions made about the lending practices and percentages.

Let me give an example. We have a successful automobile plant in Windsor that produces Ford products. It has been very good, even during the auto downturn, at expanding itself. It actually feeds into supplier markets and supplier chains that have very important jobs. These jobs are critical because they have value-added elements, but they only pay \$15 an hour. In terms of an auto supply market job, their profit margin is very small. The workers make around \$15 an hour and get some benefits. Here is the real connection to the banks, because these supplier have had to rely upon government lending versus their own bank, because the bank interest rate margins are so high they actually eat into the profit margins of the auto suppliers so much they actually lose money.

Here is an auto plant that produces parts for the Ford Focus in particular. It has automated itself and has workers that do some manual labour and some industrial labour related to servicing of those, including everything, from windows to doors and a series of things, and it only pays people \$15 an hour, along with some modest benefits. There is also low management overhead. However, they are losing money if they have to borrow from the Canadian banks, despite the fact they made \$25.5 billion in profits this past year. They have to rely on going to the Canadian Business Development Bank or Export Development Canada to actually borrow the money necessary.

Government Orders

What we are saying here, to conclude, is that we see this as a missed opportunity in the House of Commons to reform our banking industry. It is important for consumers. However, it is also important for the small and medium size businesses that are providing value-added work for the Canadian economy that we are missing out on and losing to the United States and other places right now, because we have a poor financial system that actually does not provide borrowing capacity at the rates necessary to survive in this industry.

● (1350)

Mrs. Carol Hughes (Algoma—Manitoulin—Kapuskasing, NDP): Mr. Speaker, I know that my colleague still had quite a bit to say, so I am going to give him a bit of time to speak some more.

Certainly this is a bill that is moving in the right direction. Maybe my colleague can elaborate a little more on some of the amendments we have attempted to put forward, the one that we actually put forward, and why we need to move down the road of transparency and accountability. This is about democracy, not only for today but tomorrow.

Mr. Brian Masse: Mr. Speaker, the amendments on transparency even pertain to avoiding some lawsuits based on the legal systems we have and making sure we do not get caught up in the courts. It is a very modest approach to make sure that we do not spend more money in the legal system for the banking decisions and disclosures that may be necessary for transparency.

I think Canadians want transparency. Right now I am dealing with the Panama free trade agreement, for example, and having transparency in that agreement is one of the things we are seeking to get from the government and the Panamanian delegates. We want them to have financial records that are accountable, so that we can see there is no money laundering or issues related to drug transfers and a whole series of things.

We want transparency. I think most Canadians support that concept.

Ms. Olivia Chow (Trinity—Spadina, NDP): Mr. Speaker, I notice that the Toronto Dominion Bank has just recently told seniors that their accounts are no longer free. They have to pay bank fees.

The Royal Bank started it. Now the Toronto Dominion Bank is doing the same thing, which means it has basically told seniors that it is no longer interested in giving them services. That is really unfortunate.

I wonder what my colleagues think about this, that seniors, after serving this country for all these years, are now told they have to pay extra bank fees?

Mr. Brian Masse: Mr. Speaker, as a TD customer since 1986, I am shocked. I did not know that.

It is unfortunate. One has to look at that extra cost, which will not be recovered in the economy. We know the bank is not going to apply that back into the economy but to its profit margin. It will not have the same impact as seniors being able to spend their money on groceries, on day to day living expenses, on prescription drugs and a whole series of things. Those things are now going to be lost to the overall economy.

Seniors' personal budgets are going to have to be stretched, but local economies are going to be stretched as well. We have not seen recent investment out there in regard to the banks' profits. Those profits have not gone back into the Canadian economy by any means.

The user fees are pretty incredible when one thinks about them. User fees are non-value added and are out of control. One of the lower hanging fruits we can actually provide to the Canadian economy is to lower the user fees and expensive service fees, which do not add value, and give them back to workers who are on the ground.

● (1355)

Mr. Pierre Poilievre (Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities and for the Federal Economic Development Agency for Southern Ontario, CPC): Mr. Speaker, the hon. member says he is against bank profits. Incidentally, his party is also against oil companies making profits. That is a great populist battle cry.

At the same time they claim to be in favour of the pensions of unionized workers. The problem is that pension funds for unionized workers in Canada are overwhelmingly invested in banks and oil companies, which can only pay profits or returns back to those unionized pension funds out of their profits.

Therefore, when the NDP proposes to hammer the enterprises with higher taxes, they are really proposing a tax on the pension funds of the unionized workers they purport to defend.

How does the hon. member reconcile those two conflicting points of view?

Mr. Brian Masse: Mr. Speaker, I would ask you to intervene on this. The hon. member just said I was "against bank profits". I would ask you to check the blues and come to the House about that. I did not say that in my speech, as the transcript will indicate.

I would ask the hon. member to apologize for that. He said I said something that is not true. That is being espoused fictitiously in the House of Commons.

Mr. Speaker, I would ask for your ruling on that, because I am tired of those types of things being used against me. If there is specific language that a member is going to quote me as having used, then please provide that language.

Second of all, I would just conclude by saying that I am not against bank profits; I am against banks gouging. The balance has been lost, and that is what we on this side want to fix.

The Acting Speaker (Mr. Bruce Stanton): We are going to resume debate, but on the member's question I think it is really just a matter of debate on the facts that have been exchanged here this afternoon.

Resuming debate, the hon. Parliamentary Secretary for Status of Women.

Mrs. Susan Truppe (Parliamentary Secretary for Status of Women, CPC): Mr. Speaker, I truly appreciate the opportunity to lend my voice to today's debate in favour of the timely passage of Bill S-5, also known as the financial system review act.

Statements by Members

While very technical, this is very important legislation. Today's bill is not only the right thing for Canadians but the right thing for Canada's economy. More broadly, Bill S-5 builds upon and complements a range of initiatives that our Conservative government has introduced.

I will discuss some of those initiatives. The housing sector warrants particular attention in light of its role in the 2008 financial crisis and the ongoing pressures arising from the U.S. housing bubble that are still being felt by the American financial system and which have slowed that country's economic recovery.

In order to protect its housing market from the worst excesses seen abroad, our Conservative government has acted repeatedly and decisively to ensure its stability, especially with regard to the mortgage financing. Mortgage financing plays a key role in providing a reliable source of funds to prospective Canadian homeowners. Prudent mortgage lending standards and mandatory mortgage insurance for high ratio loans allowed Canada to avoid the housing crisis that occurred in other countries, especially in the United States.

Since 2008, our Conservative government has taken prudent and measured steps to ensure that this system remains stable over the long term, while maintaining economic growth. In 2008, 2010 and again in 2011, our government took proactive steps to protect and strengthen the Canadian housing market, which included reducing the maximum amortization period for new government backed insured mortgages to 30 years, requiring a 5% minimum down payment and a 20% down payment on non-owner occupied properties, lowering the maximum amount lenders can provide when refinancing insured mortgages to 85% of the value of the property, requiring buyers to meet a five year fixed rate mortgage standard and withdrawing government insurance backing on home equity lines of credit.

Those measures underline our government's continued action to protect the stability of the economy by ensuring lenders' practices are sustainable and the investments of Canadian families in their homes are secure. This would decrease the interest payments of Canadian families by tens of thousands of dollars over the life of a mortgage, helping to improve the financial well-being of Canadian households.

It is important to note that, because of measures like those, Canadians do not face mass foreclosures on their homes and our banks did not require taxpayer bailouts. That is why it is no surprise that Scotiabank chief economist, Warren Justen, said, "...when you look at what exists in Canada, this is still the best country in the world to be in".

The measures in today's legislation would ensure that Canada's economy remains strong in this time of global economic uncertainty and would give it the flexibility to adapt quickly and easily.

• (1400)

The Acting Speaker (Mr. Bruce Stanton): Order, please. The hon. member for London—North Centre will have seven minutes remaining in her speech when the House next resumes debate on the question and the usual five minutes for questions and comments.

STATEMENTS BY MEMBERS

[English]

ELMIRA MAPLE SYRUP FESTIVAL

Mr. Harold Albrecht (Kitchener—Conestoga, CPC): Mr. Speaker, since 1965, the community of Elmira has attracted tourists from around the world. Since then, hundreds of volunteers have devoted thousands of hours to put on this event and to raise funds for our community.

In 1965, organizers hoped for 2,500 attendees. They were overwhelmed by more than 10,000.

The Guinness Book of World Records recognized the Elmira Maple Syrup Festival as the world's largest maple syrup festival after recording crowds of more than 66,000 in attendance in 2000.

This year, the Elmira Maple Syrup Festival will occur on March 31.

Once again I look forward to activities, like the pancake flipping contest, which I have yet to win, hayrides and games. I look forward to this rare opportunity where even a dentist indulges his sweet tooth. Most of all, I look forward to a day with the friendliest, most community-minded constituents any MP could be privileged to represent.

I extend a sincere invitation to all hon. members to join me on March 31 in Elmira.

* * *

HUMAN RIGHTS

Mr. Jasbir Sandhu (Surrey North, NDP): Mr. Speaker, on March 31, India will end its quasi-moratorium on the death penalty by hanging Balwant Singh Rajoana.

Canada has an unwavering commitment to human rights, especially against the death penalty. Canada should seize this opportunity to reiterate our stance and encourage India to move in the right direction toward greater respect for the human rights of all its citizens.

A state-wide general strike has been called for March 28. We are now seeing media reports indicating that border security forces have been deployed in Punjab as the situation is increasingly tense.

While death sentences continue to be imposed by Indian courts, no execution has been carried out since 2004. If this goes ahead, it would be the first one in eight years.

I call on the Prime Minister to urge India to abide by the United Nations moratorium on the death penalty and abolish this brutal and archaic practice that allows the state to take a human's life.

* * *

LIVING TREE METAPHOR

Mr. Scott Reid (Lanark—Frontenac—Lennox and Addington, CPC): Mr. Speaker, in two days' time, I will be publishing a paper on the living tree metaphor, which originated in Lord Sankey's 1929 ruling in the celebrated "persons case".

Statements by Members

In recent years, the ruling has been misunderstood as a justification for the courts to redefine words or phrases in the Constitution to reflect the context of contemporary values.

March 29 seems an appropriate publication date as it will be the 30th anniversary of the granting of royal assent to the statute that created the Charter of Rights and Freedoms.

The living tree was actually intended by Lord Sankey to refer to the non-justiciable usages characterized by Albert Venn Dicey as constitutional conventions. Lord Sankey held that the written Constitution has a fixed meaning, which is a natural limit on the growth of the living tree of usage and convention. Thus, he ruled that nothing in the Constitution Act had ever prevented the appointment of women to the Senate, even though such appointments were contrary to 60 years of usage and convention.

A more accurate reading of the persons case and, therefore, of the living tree metaphor, will lead, I hope, to a greater respect for the original meaning of the Charter of Rights and Freedoms as Lord Sankey would have done himself.

* * *

WORLD TB DAY

Ms. Judy Foote (Random—Burin—St. George's, Lib.): Mr. Speaker, March 24 was World TB Day, an international day of action to mobilize political will to combat tuberculosis.

Every year, 8.8 million new people become infected with TB and 1.4 million die needlessly from this curable disease.

Canada is not immune to this epidemic. Sixty-three per cent of Canada's TB cases are among newcomer Canadians, reinforcing the fact that TB is a disease that knows no borders.

Tuberculosis remains a global problem, requiring continued global leadership to develop concrete strategies and commit sustained resources toward global TB control.

I ask all members of the House to join me and commit to take action as global leaders to prevent death from tuberculosis.

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BIOINDUSTRIAL INNOVATION CENTRE

Mrs. Patricia Davidson (Sarnia—Lambton, CPC): Mr. Speaker, today I speak in support of my community of Sarnia—Lambton where we have focused on expanding our economy to unleash the knowledge of our local workforce. This means we have had to find innovative projects for our community.

The Government of Canada has assisted in this effort with an investment of \$15 million under the national centres of excellence program, seed money that helped create the Bioindustrial Innovation Centre.

This week we are seeing a world leading effort in action as the Bioindustrial Innovation Centre hosts the BIC international conference to discuss the risks to commercialization of biochemicals and bioproducts.

Sarnia's economic stakeholders are attempting to link our industrial know-how with opportunities connected to the Alberta

oil sands. We have the skilled labour and the fabrication capabilities to play a vital role in this capacity.

It is time for stakeholders in Ontario to realize the full potential there is for co-operation with our friends in the Alberta energy sector.

* * *

● (1405)

[*Translation*]

GOVERNMENT PRIORITIES

Mrs. Nycole Turmel (Hull—Aylmer, NDP): Mr. Speaker, I am proud to rise in the House today to celebrate the election of our new leader. The NDP stands united behind this man of conviction who will lead us to power in 2015.

Over the past few weeks, I held pre-budget consultations with the people in my riding of Hull—Aylmer. I met with representatives of community organizations, business people and seniors.

There was a clear consensus: the people fear this government. They disapprove of its policies and will oppose the cuts it intends to make.

This government must revise its priorities. Canadian families need help making ends meet, not help tightening their belts. Seniors need to live in dignity, not in poverty.

On behalf of the people in my riding, I am asking this government to cancel the cuts it intends to make. The people in my riding do not want these cuts.

* * *

[*English*]

FOREIGN AFFAIRS

Mr. Deepak Obhrai (Calgary East, CPC): Mr. Speaker, last week, I visited the United Arab Emirates and Turkey, building on the visit of the UAE foreign minister to Ottawa earlier this month.

The successful visit and the dialogue between our foreign minister and the UAE foreign minister showed Canada's strong engagement with the region. I consulted with Emirati and Turkish officials regarding bilateral relations and regional issues, security throughout the Middle East, trade, commerce and travel.

While in Turkey, I consulted vastly on the increasingly grave situation in Syria and led the groundwork for Canada's participation in the upcoming meeting of the Friends of Syria to be held in Istanbul, which will be attended by our foreign minister. I took the opportunity to meet with the Syrian National Council, where I once again emphasized Canada's position to support freedom, democracy, human rights and the rule of law for all Syrian people.

*Statements by Members***WOMEN'S CURLING**

Mr. Jim Hillyer (Lethbridge, CPC): Mr. Speaker, last Saturday, on behalf of the Government of Canada and the citizens of southern Alberta, I had the honour of welcoming the world to Lethbridge for the World Women's Curling Championship.

The tournament gave us a chance to showcase the spirit of Canadian competition and co-operation. In addition to the many generous corporate sponsors, over 300 local volunteers, including the Lethbridge Firefighters Pipes and Drums, put in thousands of hours to make the tournament a world-class success.

We are especially proud of team Canada, skipped by full-time mom, Heather Nedohin. She and her team demonstrated Canadian toughness and tenacity by battling through adversity to represent us on the podium after winning the bronze medal.

On behalf of my fellow parliamentarians, I thank team Canada, the city of Lethbridge and the hard-working volunteers. They have once again made Canada proud.

* * *

[Translation]

NDP LEADERSHIP RACE

Mr. Romeo Saganash (Abitibi—Baie-James—Nunavik—Eeyou, NDP): Mr. Speaker, over the past six months, Canadians listened as nine excellent candidates from across the country articulated their visions. I had the honour of being among them and the privilege of meeting thousands of Canadians who want a better Canada.

I would like to take this opportunity to thank all of the voters in my riding for their support and their faith in me during the race.

[English]

I also thank everyone who supported my campaign, who volunteered their time and who joined our movement for a better Canada. Finally, I thank everyone from all across Canada who chose to take this opportunity to get involved in the political dialogue of this land, bringing their much-needed voices forward to be heard.

This experience has confirmed my belief that Canada can have the healthiest environment, the fairest society and the strongest economy in the world. We can make that happen by working together and, with the member for Outremont as our new leader, we New Democrats will make that belief a reality.

Meegwetch.

* * *

• (1410)

IRAN

Mr. John Weston (West Vancouver—Sunshine Coast—Sea to Sky Country, CPC): Mr. Speaker, Norouz season is now in full swing. During this season, I urge my colleagues to take a moment to appreciate the contributions that Canadians of Iranian origin have made to our country. It is also important to take a moment to stand up for peace, human rights and democracy in Iran.

Our Prime Minister has rightly condemned the government of Iran for its human rights abuses and its refusal to comply with the international standards for nuclear responsibility. It is important that we as parliamentarians recognize, as the Minister of Foreign Affairs said, that our quarrel is with the Iranian regime and not with the Iranian people. In fact, because of the actions of the regime, Canadians of Iranian background now live with increasing anxiety. They are concerned about the security and health of their loved ones in Iran.

I share those concerns and I suspect that my colleagues in the House also share them. I therefore ask all of my colleagues in the House to join me in support of the people of Iranian background who share our love of freedom and to wish everyone happy Norouz.

Norouz mubarak.

* * *

LEADER OF THE NEW DEMOCRATIC PARTY OF CANADA

Mr. Robert Chisholm (Dartmouth—Cole Harbour, NDP): Mr. Speaker, over the past seven months Canadians have seen what real democracy looks like. A diverse and talented group of candidates, respectful debates and a set of common goals to fix Ottawa, to strengthen our communities and to form a progressive and inclusive government in 2015. All the while our formidable caucus, led by the member for Hull—Aylmer, was able to provide a powerful opposition to this out-of-touch government each and every day.

Constituents in Dartmouth—Cole Harbour and in fact all Canadians have said loud and clear that they want to see strong, inclusive and optimistic leadership in Ottawa. In selecting the hon. member for Outremont to lead us, the party is giving Canadians a strong leader and the best alternative to the government.

I am excited to work with him and the rest of our caucus as we offer practical solutions to the real problems Canadians face.

* * *

[Translation]

JUNO AWARDS

Mr. Royal Galipeau (Ottawa—Orléans, CPC): Mr. Speaker, today I would like to pay tribute to the late Pierre Juneau, who passed away a month ago and who was the inspiration for the Juno Awards.

[English]

This week there is a big celebration of Canadian music and the spotlight is on Ottawa as the host of the 2012 JUNO Awards. Canadian music stars will be converging in the national capital of the best country in the world to showcase their talent and celebrate the success of our vibrant music industry.

[Translation]

Yesterday was the kick-off to Juno week, a week of special events and live music. We can be proud of the wealth and diversity of musical talent that Canada has to offer to people here at home and around the world.

Oral Questions

[English]

Please join me in remembering the late Hon. Pierre Juneau and in celebrating our amazing Canadian artists.

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EVENTS IN TOULOUSE

Hon. Irwin Cotler (Mount Royal, Lib.): Mr. Speaker, I rise today on the conclusion of the Jewish mourning period for the brutal murder of a Rabbi and three children in Toulouse, France, a horrific attack occurring after the same gunman murdered three French-North African paratroopers; to express my profound condolences and those of members of the House to the bereaved families of Rabbi Sandler, his sons Arieh and Gabriel, ages 5 and 3, and 8-year-old Myriam Monsenego; to stand in solidarity with the victim communities of such brutal attacks, which diminish their sense of security and belonging, and serve as a painful reminder of the dangers of home-grown terrorism and extremism; and to condemn the ugly anti-Semitism in the wake of these attacks, such as the desecration of Jewish graves in Nice, the celebration of these anti-Semitic attacks on the Internet and the lauding of them by al-Qaeda.

May we remain vigilant in combatting all forms of racism, hatred, anti-Semitism and terrorism, and may the remembrance and memory of these victims serve as remembrance, reminder and a blessing for us all.

* * *

• (1415)

PUBLIC SAFETY

Mr. Chris Warkentin (Peace River, CPC): Mr. Speaker, since we were elected in 2006, our Conservative government has consistently stood up for victims of crime and we have introduced measures to protect communities and families.

Every step of the way the opposition and the so-called experts said that there would be a tremendous surge of new inmates in prisons. That simply has not materialized.

The member for Burnaby—New Westminster has stated numerous times that our government is spending too much time locking up dangerous criminals, even quoting discredited radical left-wing organizations that have estimated outrageous cost figures, all of which have been unfounded. He even goes so far as to use despicable scare tactics to say that we are cutting programs for seniors to pay for new prisons, prisons which do not even exist.

I would note that our annual budget for corrections is a mere 8% of what is spent on old age security on an annual basis. Both of those figures, however, are dwarfed by the cost of \$100 billion. That is the cost for law-abiding victims of crime who have to pay that price every year.

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LEADER OF THE NEW DEMOCRATIC PARTY OF CANADA

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, I am honoured to rise in the House today to welcome and support the member for Outremont as the new leader of the NDP and leader of the official opposition.

Our leadership campaign encompassed many fine ideas and perspectives from excellent candidates. We thank them all for their outstanding work and commitment.

As New Democrats, we stand together with our newly elected leader. We are more ready than ever to hold the Conservative government to account and to show the Conservatives for what they are: mean-spirited, anti-democratic and against the interests of average Canadians.

I know the member for Outremont is a vigorous and experienced parliamentarian. He will take up his leadership mandate with passion, commitment and boldness. He has the support of a great caucus, and we are ready to work.

Together we will continue the work of Jack Layton and chart a way forward that will defeat the Conservatives in favour of strong progressive values, social justice, equality and fairness for all Canadians.

I congratulate our new leader.

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LEADER OF THE NEW DEMOCRATIC PARTY OF CANADA

Ms. Michelle Rempel (Calgary Centre-North, CPC): Mr. Speaker, our government stands up for the responsible development of our oil sands. Oil sands development is expected to contribute over \$2.6 trillion to the Canadian economy and create over 900,000 new jobs from coast to coast over the next 25 years. By contrast, the NDP leader erroneously claims that the oil sands are taking more money out of the Canadian economy than they are putting in.

While the oil sands are expected to create \$63 billion of economic benefits in Ontario alone, the NDP leader blames Canada's oil sands for a decline in eastern manufacturing jobs even as he supports a raise in taxes on job-creating manufacturing companies. On top of this, the NDP leader suggested a carbon tax that would kill jobs and economic growth, especially in our energy sector.

This opposition to jobs and growth shows the risk the anti-trade, anti-jobs NDP presents to the Canadian standard of living.

ORAL QUESTIONS

[Translation]

NATIONAL DEFENCE

Mr. Thomas Mulcair (Leader of the Opposition, NDP): Mr. Speaker, we have known for years that the specifications for new fighter jets were written with F-35s in mind. The process was rigged from the start. Now we have learned that the F-35s do not even fulfill the requirements. This proves that the tendering process was rigged.

Yet the Conservatives made it clear that they would brook no dissent. According to them, only the F-35s met the requirements. But that is not true.

Why have they told the opposite of the truth?

Oral Questions

Hon. Jason Kenney (Minister of Citizenship, Immigration and Multiculturalism, CPC): Mr. Speaker, that is not at all true.

It is clear that Canada needs to replace its existing fleet. That is why we have been partners in the F-35 program for the past 15 years. We plan to continue participating in the program, but we have not signed a contract. We have the flexibility we need to work with our budget to replace our aircraft. But the NDP has always been against necessary investment in the Canadian Forces, including in planes that our men and women in uniform need.

• (1420)

[English]

Mr. Thomas Mulcair (Leader of the Opposition, NDP): Mr. Speaker, if the Conservatives are so confident that the F-35s meet the operational requirements, they should be willing to table the full list in the House today. Even when they are rigging the process, they cannot get a plane that meets Canada's needs. It is way over budget and they do not even have any guarantee of proper industrial benefits for Canada, one of the leading aerospace countries in the world.

When are the Conservatives going to show some basic competence with public money and have an open, transparent, public competition to replace the CF-18s?

Hon. Jason Kenney (Minister of Citizenship, Immigration and Multiculturalism, CPC): Mr. Speaker, let us be clear. If the NDP had its way, there would be no replacement for the CF-18. We do need a replacement for our men and women in uniform.

As a country, as a responsible ally, we need a replacement for that fleet. We have pursued that for now 15 years under two different governments. There was a selection process. We have already outlined enormous industrial benefits right across Canada. Thousands of jobs will be created through this important acquisition.

We do commit to doing this within budget, maintaining the flexibility that we require to achieve that objective.

* * *

[Translation]

PENSIONS

Mr. Thomas Mulcair (Leader of the Opposition, NDP): Mr. Speaker, we will see what the Auditor General thinks about that. But since we are talking about budget decisions, other decisions have been rather strange. For instance, the Prime Minister decided to go to Switzerland to announce to Canada's seniors that their old age security would no longer be the same.

The eligibility age would be increased to 67, without any logical explanation, since all indicators show that the system is viable. However, as with the F-35s, the Conservatives are ignoring the facts and showing utter contempt for the concept of sound fiscal management.

The Conservatives never gave any indication that they were going to touch pensions, so why attack current and future pensioners?

Hon. Jason Kenney (Minister of Citizenship, Immigration and Multiculturalism, CPC): Mr. Speaker, it is becoming increasingly clear that the NDP has never considered the future of our social programs, including old age security.

We are moving from a time when there were seven workers for every pensioner to a time when there will be only two workers for every pensioner. The life expectancy of Canadians is increasing, and we need to reflect that reality, just as all other developed countries have done, by making changes to secure the future of our programs for seniors.

[English]

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, the Conservatives said nothing to Canadians about their attack on OAS in the last election. In fact, the Prime Minister promised a steady as it goes approach. Instead, the Conservatives are slashing retirement security for families and downloading billions to provinces. Seniors are going to have work years longer. That is not what the Prime Minister campaigned on.

Why are Conservatives targeting future seniors with their attack on OAS? Why did they not come clean about it with Canadians in the last election?

Ms. Kellie Leitch (Parliamentary Secretary to the Minister of Human Resources and Skills Development and to the Minister of Labour, CPC): Mr. Speaker, I am not going to speculate on the budget, as I said yesterday. Let us be very clear. We are trying to ensure that OAS is sustainable for the future and that future generations of Canadians have an opportunity to access OAS. Old age security will become unsustainable on its current path. Ignoring this actually puts future generations of Canadians at risk.

We are focused on ensuring we have a retirement income security system that works for Canadians, unlike the NDP.

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HEALTH

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, they never once mentioned this in their campaign. Why not? They have not answered that.

OAS is not their only target. During the last campaign, the Prime Minister said, "We are planning on a six-per-cent ongoing increase for health transfers. We have been very consistent on this".

However, after the election the Conservatives decided to break this promise and shortchange provinces by \$31 billion. This will hurt our health care services. Why are they breaking their promise and downloading billions of new costs onto the provinces?

Hon. Leona Aglukkaq (Minister of Health and Minister of the Canadian Northern Economic Development Agency, CPC): Mr. Speaker, our government is committed to a universal publicly funded health care system. Again, unlike the previous Liberal government, which gutted health care transfers, we have actually increased funding to record levels. We have announced a long-term stable arrangement with the provinces and the territories that will see transfers reach historic levels of \$40 billion by the end of the decade.

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AIR CANADA

Hon. Bob Rae (Toronto Centre, Lib.): Mr. Speaker, when Air Canada was privatized under a previous Conservative government, the deputy prime minister of the day, Mr. Mazankowski, said, “The Act would have to be amended if there were going to be any modification concerning the transfer of AIR CANADA's Overhaul Centres to another location”.

That is a very clear indication as to what the deputy prime minister of the day said was in the law and the protection provided to workers.

I would like to ask the government spokesman today if he could tell us this. Does he agree or does he disagree with the statement that was made by the deputy prime minister?

• (1425)

Hon. Jason Kenney (Minister of Citizenship, Immigration and Multiculturalism, CPC): Mr. Speaker, first of all, we obviously regret, seriously, all of us, all parties, the loss of these jobs. It is very unfortunate for the workers affected.

However, let us be clear. The Minister of Transport has called for legal advice in respect of the obligations that may exist. He has also asked the transport committee of this place to study the issue, to call the parties together, to get a full and transparent view of the views of all of those concerned.

Hon. Bob Rae (Toronto Centre, Lib.): Mr. Speaker, the problem is that, by the time the government gets around to doing anything about it, these jobs will have long been gone to El Salvador or somewhere else. That is the problem with the government's answer.

The government spent \$300 million moving a military base from Dubai to Kuwait because it alleged it would be protecting, in the words of the Minister of Foreign Affairs, tens of thousands of jobs in Canada. The government cannot avoid its direct responsibility with respect to what is happening to Air Canada.

Air Canada is the government's baby. Aveos is Air Canada's baby. When is the Government of Canada going to take some responsibility—

The Speaker: The Minister of Citizenship, Immigration and Multiculturalism.

Hon. Jason Kenney (Minister of Citizenship, Immigration and Multiculturalism, CPC): Mr. Speaker, again, we all regret when there is any loss of jobs. The reality, though, is that in the past two years we have seen the creation of more than 610,000 net new jobs. The leader of the third party would have us increase taxes on employers and businesses in Canada, which would have the result of killing hundreds of thousands of jobs, just as he did when he was

Oral Questions

premier of Ontario and had the worst economic record in the history of that province. Thankfully, he will not be able to do to Canada what he did to Ontario.

* * *

[Translation]

ETHICS

Hon. Bob Rae (Toronto Centre, Lib.): Mr. Speaker, my question is for the Minister of Industry.

Yesterday, his defence regarding Ms. Dawson's decision was that no one was really helped. That is almost like saying yes, he did something bad, but no one was hurt. That makes no sense.

Now we have a new story: the issue of a hunting camp in Quebec, where the minister was a guest of Mr. Aubut, who just happened to have a specific reason for wanting to get the minister's ear.

How can the minister explain this conflict—

The Speaker: The hon. Minister of Citizenship, Immigration and Multiculturalism.

Hon. Jason Kenney (Minister of Citizenship, Immigration and Multiculturalism, CPC): Mr. Speaker, there was no conflict of interest. The minister paid his own expenses during that trip. No one put any pressure on the minister and no one benefited from meeting with him. Clearly, our party campaigned against subsidies for professional sports arenas, so there was no conflict of interest there.

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NATIONAL DEFENCE

Ms. Christine Moore (Abitibi—Témiscamingue, NDP): Mr. Speaker, let us come back to the F-35s. We know why the Conservatives were keeping the statement of operational requirements for the F-35s a secret. The F-35s do not even meet the requirements set by this government. Disclosure of that information was dangerous for the credibility of the Department of National Defence.

Is that why the minister rose in the House to say that the F-35 was the only plane that could meet the needs of our armed forces? Why did he mislead everyone?

[English]

Hon. Julian Fantino (Associate Minister of National Defence, CPC): Mr. Speaker, we will ensure that the replacement for the CF-18s will meet all of our needs. To this end, Canada has been a partner in the joint strike fighter program for the past 15 years. We have not signed a contract to purchase any aircraft. Again I repeat, we will ensure that we have the right aircraft for the Royal Canadian Air Force.

• (1430)

Mr. Matthew Kellway (Beaches—East York, NDP): Mr. Speaker, the Conservatives continue to bungle this file so badly they cannot even cheat properly.

Oral Questions

Yesterday, the CBC claimed to have a document that shows that the F-35 fails to meet at least one mandatory requirement. On the very same day, the government tabled a document in this House, signed by the associate minister, that claims that the F-35 currently meets all mandatory requirements.

The obvious question arises. Which document is the truth, the one for public consumption or the one kept secret?

Hon. Julian Fantino (Associate Minister of National Defence, CPC): Mr. Speaker, let me again repeat that we will remain committed to the joint strike fighter program. A budget has been identified. A contract has not been signed for a replacement aircraft.

We will make sure that the air force and the men and women there will have the necessary tools to do their job. That is the bottom line.

Mr. David Christopherson (Hamilton Centre, NDP): Mr. Speaker, it would seem even military families are not being spared from the Conservative government's attack on the Canadian standard of living. Canadian Forces families are very worried about the government's plan to cut the post living differential or PLD. PLD allows families of the Canadian Forces to enjoy an equal standard of living no matter where they serve in Canada.

Will the Conservatives end this uncertainty and tell families of the Canadian Forces that they are safe and that their benefits will not be cut in the upcoming budget?

Hon. Julian Fantino (Associate Minister of National Defence, CPC): Mr. Speaker, I think it is well known to everyone that some decisions have to be taken. The economic reality of the day requires us to be responsible.

We will wait to see what the budget unfolds. If and when that issue needs to be addressed, we will do so. In the meantime, we are not in a position to speculate.

Mr. David Christopherson (Hamilton Centre, NDP): Mr. Speaker, Canadian armed forces and their families should not have to wait for the budget on Thursday to hear whether or not the promise that was made to them will be kept or not.

They said there will be no change in the amount of PLD that is being administered under the Conservative government and that there will be no decrease in anyone's paycheque. Who said that? It was the Minister of National Defence in the last election.

The minister owes it to the Canadian people and the Canadian armed forces to stand up today and say there will be no cut to the PLD that our armed forces count on.

Hon. Julian Fantino (Associate Minister of National Defence, CPC): Mr. Speaker, I admire the passion of the member opposite. However, we will not be speculating. We will have to wait and see how things unfold in the next little while.

* * *

[Translation]

41ST GENERAL ELECTION

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Mr. Speaker, the members opposite continue to ignore the biggest electoral fraud in our history. Thousands of voters were cheated and their fundamental right was trampled. How does this government

react? By throwing as much mud around as it can in order to create a diversion.

"I do not know." "It was not me, it was him." "It was a kid from Guelph." "It is the Liberals' fault." "My dog ate it."

The Conservative strategy is simple and consists of saving their fraudster friends at any cost. Is there anyone, just one minister, who is going to do the right thing and call for a public inquiry?

Mr. Pierre Poilievre (Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities and for the Federal Economic Development Agency for Southern Ontario, CPC): Mr. Speaker, Elections Canada is investigating the matter. We are going to co-operate with Elections Canada. However, I can assure the House that all the allegations made by the hon. member are false.

[English]

Ms. Niki Ashton (Churchill, NDP): Mr. Speaker, the reality is that the Conservatives are being investigated. It was the Conservatives who pleaded guilty last year because they broke other election laws. As punishment, the Prime Minister appointed those Conservatives to the Senate.

The fact is that it was Conservative campaign lists being used to send voters to the wrong polling stations. It is Conservative Party operatives who are under investigation by Elections Canada and the RCMP.

Why is the government refusing to admit that this scandal is far-reaching? When will it commit to a public inquiry to restore faith in our democracy?

Mr. Dean Del Mastro (Parliamentary Secretary to the Prime Minister and to the Minister of Intergovernmental Affairs, CPC): Mr. Speaker, what the member opposite just said is categorically false. We are aware of a single investigation that is going on with respect to the riding of Guelph. Obviously our party is fully participating with that.

The member opposite completely forgot to mention that, of course, the NDP was caught diverting money into the Broadbent Institute; that great unifying force in the NDP, Mr. Ed Broadbent. Yes, they were diverting money illegally via the NDP into the Broadbent Institute. Shame on them. The member should apologize next time she rises.

•(1435)

ETHICS

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, it is clear that the Conservatives do not understand about the issue of fraud just as they do not seem to understand the issue of ethics. Let us look at our beleaguered Minister of Industry. Last week he was found guilty of giving preferential treatment to his buddy Rahim Jaffer. Now this week he is having trouble getting his story straight about that 2009 hunting trip with Marcel Aubut, who just happened to be lobbying Ottawa for \$400 million to help build a hockey arena. Does the minister not see that there is a problem partying with a man who is hitting up the government for taxpayers' dollars? Does he need some kind of help, like some kind of ethical watch dog, to help him get through these basic issues?

Hon. Christian Paradis (Minister of Industry and Minister of State (Agriculture), CPC): Mr. Speaker, I have been on many hunting trips and in all of them I have assumed my part of the cost. On the trip in question, I went there on my own, with my own car, and I brought my own equipment. The opposition should focus on what issues really matter to Canadians. Let me be clear. There was never any lobbying from Mr. Aubut, on my part, neither before nor during this hunting trip.

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, sure, he picked up his sleeping bag at Canadian Tire.

It is kind of hard to follow his logic because he says that getting busted for Rahim Jaffer is part of his ethical education. So was his hunting trip part of his summer camp experience? How about moving all those government offices over to his father-in-law's building? Is that about a family togetherness exercise?

There is not a rule the Conservative government is not willing to break. When is it going to teach him a proper lesson and kick him out of cabinet?

[*Translation*]

Hon. Christian Paradis (Minister of Industry and Minister of State (Agriculture), CPC): Mr. Speaker, again, I have gone on many hunting trips in my life. As far as the one in 2009 is concerned, I covered my fair share of the cost, as I always do. I travelled to the site in my own car, with my own equipment. The opposition can ridicule that all they want, but the fact remains that I covered the cost of that trip. At no time did Mr. Aubut ever lobby me before or during that trip.

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Mr. Speaker, we knew that government centres were being relocated to buildings owned by partners of the Minister of Industry. We knew that he violated the Conflict of Interest Act and that he did not believe it was serious. We now know that the minister has no problem going to his friends' hunting camps even though his friends are actively involved in lobbying.

The Minister of Industry is still in cabinet despite his serious errors of judgment. Will he finally resign, or will he continue to claim that breaking the law is no big deal?

Hon. Christian Paradis (Minister of Industry and Minister of State (Agriculture), CPC): Mr. Speaker, I will say it once more for the hon. opposition member. He is saying that I was in conflict of interest in 2009 when I went on a hunting trip, but that is not the

Oral Questions

case. On the trip in question, I travelled in my own car. I paid my fair share of the expenses, as I have on all the other hunting trips I have been on. Mr. Aubut never lobbied me, either before or during this trip.

* * *

AIR CANADA

Hon. Stéphane Dion (Saint-Laurent—Cartierville, Lib.): Mr. Speaker, yesterday, the Minister of Transport said, "The law is the law. Air Canada will have to respect it."

Respecting the law means protecting the Montreal, Mississauga and Winnipeg centres. That is clear.

The Liberal leader just read the commitment made by Deputy Prime Minister Mazankowski in April 1988.

I will quote that commitment again: "None of these Centres will lose its importance".

Does the Conservative government intend to make a liar out of the respected Right Honourable Don Mazankowski?

Hon. Denis Lebel (Minister of Transport, Infrastructure and Communities and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC): Mr. Speaker, we recognize that the loss of these jobs is devastating for the workers and their communities. Yesterday, I asked the Standing Committee on Transport to hear the parties involved in this matter. The members will be able to ask them all the questions they want. However, we must remember that this is a business decision involving two private corporations. We are not considering a bailout for Aveos and Air Canada.

* * *

ETHICS

Ms. Lise St-Denis (Saint-Maurice—Champlain, Lib.): Mr. Speaker, I would like to come back to certain events that took place in 2009, when the Minister of Industry visited the private hunting cabin belonging to Marcel Aubut. The serious thing is that at the time, Mr. Aubut was involved in efforts to secure public funding for a new arena in Quebec City.

A "senior" minister should not have put himself in that kind of compromising situation.

I repeat: why did the minister do that? What was he thinking?

•(1440)

Hon. Christian Paradis (Minister of Industry and Minister of State (Agriculture), CPC): Mr. Speaker, I will reiterate, it was a hunting trip like the others I have been on in my life. I paid my own way. I took my own car. I got there under my own steam and took my own equipment. Mr. Aubut never lobbied me, either before or after that trip. And after that, we mounted a campaign to tell Canadians that the federal government would not fund professional sports.

[*English*]

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, are there just no limits to Conservative corruption?

Oral Questions

There is a second breach of ethics by the Minister of Industry and still he sits in cabinet. On the in and out scandal, the Prime Minister stonewalled for years. Now, after paying back \$230,000 virtually stolen in rebates, he has not apologized to this House or Canadians. And on election fraud perpetrated by the Conservative Party, there is not even a sign of humility from the Prime Minister or the government.

Why the utter contempt by this Prime Minister for democracy?

Mr. Dean Del Mastro (Parliamentary Secretary to the Prime Minister and to the Minister of Intergovernmental Affairs, CPC): Mr. Speaker, that was quite a laundry list by the member for Malpeque.

Some hon. members: Oh, oh!

The Speaker: Order, please.

The hon. Parliamentary Secretary to the Prime Minister.

Mr. Dean Del Mastro: Mr. Speaker, the members on this side and Canadians at home, some 34 million of them, for the member for Scarborough—Rouge River, would really like to know where this indignation from this member was when his party siphoned some \$360 million, \$43 million of which is still missing. Where is the indignation? Why does this member not stand up right now and say where that missing money is? That is money stolen from Canadians. This party has stood in defence of Canadian taxpayers from coast to coast and we will not stop.

* * *

AIR CANADA

Ms. Olivia Chow (Trinity—Spadina, NDP): Mr. Speaker, 2,600 jobs at Aveos are being chopped in Toronto, Winnipeg and Montreal. These workers are desperate. They are here on Parliament Hill demanding help. Since 1988, Conservative minister after Conservative minister has promised to protect these workers and their jobs. Now we see that none of these promises are worth anything at all. Why will the Conservatives not stop breaking their promises and save these good jobs?

Hon. Denis Lebel (Minister of Transport, Infrastructure and Communities and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC): Mr. Speaker, we recognize that the loss of these jobs is devastating to the workers and their communities. I have asked the transport committee to look into this issue and hear from the parties involved. This is ultimately a private sector issue between these two companies. We are not contemplating any bailout for Aveos or Air Canada.

[*Translation*]

Ms. Isabelle Morin (Notre-Dame-de-Grâce—Lachine, NDP): Mr. Speaker, when someone is a minister, they accept the responsibilities that come with the job. It is the minister's job to enforce the law, and the minister should step up to the plate.

In Montreal alone, 1,785 Aveos employees are jobless, and all the Minister of Transport, Infrastructure and Communities has to say to them is that the government is looking into the issue.

We know what "looking into the issue" means to the Conservatives. It actually means that they are going to act as if they are doing something and forget about the situation.

Will the minister step up to the plate? Will he save these jobs and enforce the law?

Hon. Denis Lebel (Minister of Transport, Infrastructure and Communities and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC): Mr. Speaker, as I said yesterday, this is a very complex subject, given our analysis of this legislation. It is easy to tell me to step up to the plate. I have done that all my life. This morning, that member there was at the Standing Committee on Transport, Infrastructure and Communities, and we were talking about how complex the situation is.

It is a situation that is being analyzed and that will be analyzed by the Standing Committee on Transport, Infrastructure and Communities. The committee members will be able to ask all the questions they like.

The member referred to the Montreal region. In recent years, our government has invested \$666 million. That is stepping up to the plate and creating jobs.

[*English*]

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, the thousands of Canadians thrown out of work do not want excuses. They need action. Hundreds of people in Mississauga were suddenly left without jobs when Aveos shut its doors. Like all out-of-work Canadians, their families relied on those jobs.

That minister keeps stalling, hoping no one will notice. However, we have noticed and Canadians have noticed. When will the government act? The Conservatives are failing these families. When will the minister act?

● (1445)

Hon. Denis Lebel (Minister of Transport, Infrastructure and Communities and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC): Mr. Speaker, like I have said before, I understand this is devastating for the workers and their families.

The standing committee on transport will hear as soon as it can from Aveos, Air Canada and the union. All MPs present will have to ask them questions. It is a complex issue and we will continue to work on it.

Like I said yesterday and will repeat now, the law is the law. The Air Canada Public Participation Act requires that we maintain that centre. We will have to respect the law.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, none of that is any consolation to the 410 employees in Winnipeg who have lost their jobs at Aveos.

The minister has the right, power and authority to act, without any further study. I have one simple suggestion to make. Why does the minister not save the jobs and then study the issue, instead of studying the issue and maybe saving the jobs?

These jobs were protected by legislation while Mulroney sold out our national airline. It is up to the minister to act. His partner, the Minister of Labour, does not miss a beat trampling all over labour rights. Why does the minister have to study it before he stands up for workers' rights?

Oral Questions

Hon. Denis Lebel (Minister of Transport, Infrastructure and Communities and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC): Mr. Speaker, this is ultimately a private sector issue between these two companies, so we are not contemplating a bailout for Aveos and Air Canada. We will continue to support the workers.

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[Translation]

STATUS OF WOMEN

Ms. Joyce Bateman (Winnipeg South Centre, CPC): Mr. Speaker, I was shocked and disgusted to learn that there are Canadian bookstores that sell books advising men to beat their wives and keep them at home. This is not at all in keeping with Canadian values.

Can the Minister of Citizenship, Immigration and Multiculturalism tell the House what he thinks of this book and what steps our Conservative government has taken to make it clear that these practices are unacceptable in Canada?

Hon. Jason Kenney (Minister of Citizenship, Immigration and Multiculturalism, CPC): Mr. Speaker, I thank my colleague for the question.

The publication and sale in Canada of books that encourage the abuse of women is appalling. It is unacceptable and despicable. I am certain that all members agree.

For that reason, Citizenship and Immigration's study guide, *Discover Canada: The Rights and Responsibilities of Citizenship*, clearly states that certain barbaric cultural practices, including violence against women, are strongly condemned in Canada. We must be clear: there is no cultural justification for violence against women in Canada, no matter what the circumstances.

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[English]

SEARCH AND RESCUE

Mr. Jack Harris (St. John's East, NDP): Mr. Speaker, yesterday the Premier of Newfoundland and Labrador demanded answers from the government about the death of 14-year-old Burton Winters.

DND officials said first that weather was the reason that search and rescue helicopters were not deployed. However, reports obtained by *the fifth estate* show that the weather was well within military flying guidelines for safe flying on January 30.

The premier has a simple question that the government needs to answer instead of blaming the province. If weather was not an issue, why were the Cormorants not deployed? Were they holding them back in case there was another emergency, as one admiral has reported? Why did they fail Burton Winters?

Hon. Julian Fantino (Associate Minister of National Defence, CPC): Mr. Speaker, the death of that young man is a tragedy. Our thoughts and prayers go out to his family, his friends and of course the community.

The military has updated its procedures in response to this incident and others. We will do our best always. Our men and women are trained to do that. They make that commitment.

Mr. Ryan Cleary (St. John's South—Mount Pearl, NDP): Mr. Speaker, this is a newsflash: too much spin makes people sick.

First the military blamed the weather for failing to send a search and rescue helicopter to find Burton Winters, only the weather was not bad enough to keep a chopper on the ground. Then it blamed communication protocol, only no one had ever even heard of a callback protocol. What stopped the search and rescue for the 14-year-old boy was broken equipment and misplaced priorities.

When will the government take responsibility and establish a full and independent inquiry into Canada's search and rescue system?

• (1450)

Hon. Julian Fantino (Associate Minister of National Defence, CPC): Mr. Speaker, the loss of this young person is a tragedy and we all grieve over it. I must add, though, that following this tragic incident, the Canadian Forces reviewed its responses. Protocols were reviewed in relation to its support of ground search and rescue events. This has been done in consultation with our partners.

[Translation]

Ms. Annick Papillon (Québec, NDP): Mr. Speaker, my colleagues have just demonstrated the importance of an effective search and rescue system, but the Conservatives will not listen.

In Quebec, we have developed expertise in what francophones need when travelling on or living near waterways. The Quebec City marine rescue sub-centre has forged special ties with a number of stakeholders, including staff of the 35 9-1-1 emergency call centres in Quebec.

This relationship with its partners is essential to saving lives. Closing the Quebec City centre will destroy this expertise. When will the minister come to Quebec City to explain the reasons for the decision?

[English]

Hon. Keith Ashfield (Minister of Fisheries and Oceans and Minister for the Atlantic Gateway, CPC): Mr. Speaker, the member's question has been addressed thoroughly many times in the House. The measures under way maintain the present levels of marine safety and even lead to improvements as responders are able to work side by side in the same centres.

All affected sub-centre coordinators were offered relocation work at joint rescue coordination centres. The decision to accept or reject the transfer is, of course, a personal matter.

[Translation]

Mr. Philip Toone (Gaspésie—Îles-de-la-Madeleine, NDP): Mr. Speaker, the reason why we continue to ask the question is because their plan is not working.

Oral Questions

The minister claims that the consolidation of search and rescue centres in Halifax and Trenton will reduce costs and improve services, but nothing could be further from the truth. It would be less expensive to keep the Quebec City centre open. To be understood quickly and in one's own language is essential. It can save lives.

Will the minister acknowledge that he is wrong? Will he reconsider his decision?

[English]

Hon. Keith Ashfield (Minister of Fisheries and Oceans and Minister for the Atlantic Gateway, CPC): Mr. Speaker, as stated many times, all language capabilities will be put in place so that there will be no danger for mariners. We will continue with the plan as we move forward. We look forward to the new operations.

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Mr. Speaker, yesterday Premier Dunderdale joined the call for full accountability of the Minister of National Defence for the errors his department made during the ill-fated search for 14-year-old Burton Winters. The minister's full reply to the premier was swift and direct: provincial authorities bear the bulk of the responsibility by waiting until hour 21 and hour 50 to request help and by not following the infamous callback protocol to maintain the priority after being denied.

My question is for the Minister of Intergovernmental Affairs, the member for Labrador. Does he agree that it is the Dunderdale administration that bears full responsibility for the operational failure to find Burton Winters?

Hon. Julian Fantino (Associate Minister of National Defence, CPC): Mr. Speaker, to repeat, the death of Burton Winters is a tragedy and we all grieve over that. The province was the lead with respect to the ground search and rescue. Provincial assets were requested prior to the Canadian Forces being asked to assist.

I can also assure the House and the member opposite that following this tragic incident, the Canadian Forces reviewed its response protocols in relation to this matter. Those changes are being implemented.

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Mr. Speaker, the province was apparently the lead. We know the very existence of the infamous callback protocol was exposed to be a fraud. Claims that bad weather grounded aircraft were also found to be false. The real problem? Every search and rescue asset in Goose Bay and Greenwood had broken down and the Cormorants in Gander were being held in reserve for someone more important than a 14-year-old Inuit boy. I do not know what is worse, the cover-up or the crime.

I want to ask the Minister of National Defence, when can we expect a full inquiry into this matter?

• (1455)

Hon. Julian Fantino (Associate Minister of National Defence, CPC): Mr. Speaker, the matter has been reviewed, changes have been made and protocols have been upgraded. Those changes will, hopefully, help us in the future.

At the end of the day, all we can do is our best. It was not too long ago that one of our search and rescue techs lost his life on one of these missions. There is no end of commitment on the part of our

men and women to do the job for Canadians in distress and they do that day in and day out.

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EMPLOYMENT INSURANCE

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, the government is willing to shell out billions on planes and prisons, but it will not spend the money required to give Canadians the services they pay for.

One in four Canadians cannot even get a response to his or her EI claim within a month. People cannot wait months to pay their bills or buy groceries. Unemployed Canadians need help faster.

Will the government help laid-off Canadians and their families by providing the services they have paid for?

Ms. Kellie Leitch (Parliamentary Secretary to the Minister of Human Resources and Skills Development and to the Minister of Labour, CPC): Mr. Speaker, our government is focused on economic growth and job creation.

We are also committed to making sure that individuals receive the benefits they are entitled to. That is why with EI processing, we have increased the number of full-time staff by 475. We have transferred over 120 individuals from part-time to full-time.

We are doing what we can to provide the best services possible to Canadians so that they get the benefits they are entitled to.

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, time and time again, the government demonstrates its contempt for the unemployed.

The number of Canadians actually receiving employment insurance has declined. Only 39% of out-of-work Canadians are now getting EI. While the caseload has gone down, the wait times have gone up. The government's cuts to Service Canada have gutted its ability to provide these vital services to Canadians.

Will the minister protect Canadian families by guaranteeing that the budget will not erode services which are relied on by hard-hit Canadians?

Ms. Kellie Leitch (Parliamentary Secretary to the Minister of Human Resources and Skills Development and to the Minister of Labour, CPC): Mr. Speaker, I will not speculate on the budget.

As I just mentioned, we have shifted the number of individuals who are available to do EI processing, increasing by over 500 individuals either from part-time to full-time or making sure we have new workers in EI processing.

We are going to do everything we can to make sure that the services Canadians deserve, they receive. Our Service Canada workers are doing a great job at it.

*Oral Questions***NUCLEAR PROLIFERATION**

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Speaker, yesterday the Prime Minister arrived in South Korea to lead Canada's delegation to the 2012 Nuclear Security Summit.

With countries like Iran and North Korea that continue to obfuscate their nuclear activities and ignore their international obligations, it is clear that no nation is immune to the consequences of a nuclear terrorist attack.

Will the parliamentary secretary please tell the House how Canada has played a leadership role in the global efforts to fight and end nuclear terrorism?

Mr. Deepak Obhrai (Parliamentary Secretary to the Minister of Foreign Affairs, CPC): Mr. Speaker, our government believes that nuclear terrorism is one of the biggest threats to global security.

Sadly, no country is immune from the consequences of a nuclear terrorist attack. Canada has been a leader in the global effort to prevent nuclear terrorism. We are pleased to be delivering on one of our 2010 summit commitments.

We are working in places like Mexico and Vietnam to keep nuclear materials safe and out of the hands of terrorists. Through our global partnership program, Canada has invested more than \$85 million for nuclear security work in Russia. It is vital that we continue to work together with our allies.

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NATIONAL DEFENCE

Hon. John McKay (Scarborough—Guildwood, Lib.): Mr. Speaker, yesterday we learned that the F-35 does not even meet its own mandatory minimum requirements.

Nevertheless, the minister was so keen on a premature announcement that six weeks after seeing the statement of requirements, he announced that the F-35 had been selected.

Why are there mandatory minimums for prisoners but not for planes?

Hon. Julian Fantino (Associate Minister of National Defence, CPC): Mr. Speaker, we remain committed to the joint strike fighter program. A budget has been allocated. Of course, as we have stated many times, a contract has not as yet been signed for the replacement of the aircraft.

We will make sure that the air force has the aircraft necessary to do the job asked of it.

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• (1500)

ABORIGINAL AFFAIRS

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, last week the Minister of Natural Resources insulted aboriginal communities, calling some of them “socially dysfunctional”. Remarkably, he then defended the insult as supportive of economic opportunities for aboriginal peoples. I invite the minister to extend an apology in this place now.

Could the minister also explain how killing the aboriginal skills and employment partnership program offers hope that his government's touted commitment that those very aboriginal communities most impacted by major industry will also benefit?

Hon. John Duncan (Minister of Aboriginal Affairs and Northern Development, CPC): Mr. Speaker, our government has a jobs and economic prosperity agenda. That is the agenda we have been pursuing with our aboriginal peoples as well. We have demonstrated great progress. We continue with pilot programs across the country that deal with jobs and skills development. This is an important area. It is one of the outcomes of the crown-first nations gathering. We are making real progress.

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SYRIA

Mr. David Wilks (Kootenay—Columbia, CPC): Mr. Speaker, the main obstacle for peace and stability in Syria remains the Assad regime and its backers who persist in killing Syrian civilians. Canada's position has not changed. Assad must go. The aspirations of the Syrian people to live in peace must be met.

Would the Minister of Public Safety please give the House an update on the actions the Government of Canada is taking to ensure that no one removed from Canada faces an undue risk of death or torture at the hands of the Assad regime?

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, due to the conditions in Syria at the hands of the dictatorial regime, the Canada Border Services Agency placed an administrative deferral of removal on Syria on March 15. That means we will not be removing anyone to Syria unless the individual is a danger to Canadian society.

Canadians can rest assured that our government will continue to enforce the law and ensure that our streets and communities are safe from foreign criminals and terrorists, even those from Syria.

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NATIONAL DEFENCE

Mr. Dennis Bevington (Western Arctic, NDP): Mr. Speaker, the Prime Minister's promised Arctic naval base at Nanisivik has been downgraded to a fuel cache and an unheated shed.

In 2006, the Prime Minister promised to build a deepwater port at Iqaluit that could be used by the military. This would be vital infrastructure that could help the people of the Arctic reduce their costs and build a prosperous territory. Instead of photo ops and empty rhetoric, the government should have focused on getting the job done for northerners.

When is the government going to realize that the best way to protect the Arctic is by helping the people who call it home?

Tribute

Hon. Julian Fantino (Associate Minister of National Defence, CPC): Mr. Speaker, Canada's north is central to our government's vision for Canada and the future. We continue to develop the Nanisivik station to serve as a docking and refuelling station for the Royal Canadian Navy and other government vessels operating in the north. Through our northern strategy, our government continues to increase Canada's presence and sovereignty in the Arctic.

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[Translation]

AIR CANADA

Mrs. Maria Mourani (Ahuntsic, BQ): Mr. Speaker, hundreds of Aveos workers are on Parliament Hill today, and they want the government to listen to what they have to say. They want Air Canada to keep its aircraft maintenance operations in Montreal, as stipulated in the Air Canada Public Participation Act. This government, which makes a great show of championing law and order, is collaborating with this delinquent company and breaking its own law.

By order in council, the Minister of Finance is responsible for enforcing the legislation. Will the minister stop hiding, start doing his job and compel Air Canada to obey the law? Will he stop being complicit in this financial sham?

Hon. Denis Lebel (Minister of Transport, Infrastructure and Communities and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC): Mr. Speaker, as I was saying earlier, we know that these job losses are devastating for the regions involved. The Standing Committee on Transport, Infrastructure and Communities will be calling witnesses and asking questions.

We have to keep in mind that we are talking about two private companies. We are not considering any plan to bail out Aveos and Air Canada. In the past few years, our government has invested \$666 million in the aerospace industry in the Montreal region.

* * *

[English]

PRESENCE IN GALLERY

The Speaker: I would like to draw the attention of hon. members to the presence in the gallery of the recipients of the 2012 Governor General's Awards in Visual and Media Arts: Margaret Dragu, Jan Peacock, Jana Sterbak, Ronald Martin, Diana Nemiroff, Geoffrey James, Royden Rabinowitch and Charles Lewton-Brain.

Some hon. members: Hear, hear!

* * *

● (1505)

POINTS OF ORDER

MEMBER FOR CHARLESWOOD—ST. JAMES—ASSINIBOIA

Hon. Bob Rae (Toronto Centre, Lib.): Mr. Speaker, it is a very simple point of order. I came into the House a little after two o'clock and noticed that the member for Charleswood—St. James—Assiniboia is with us again.

I just want to say how delighted all of us on this side of the House are to have him back and looking so well.

[Translation]

ORAL QUESTIONS

Mrs. Djaouida Sellah (Saint-Bruno—Saint-Hubert, NDP): Mr. Speaker, I would like to draw your attention to the comments made by the hon. Minister of Transport and member for Roberval—Lac-Saint-Jean. During question period, he was rather condescending to my colleague, the hon. member for Notre-Dame-de-Grâce—Lachine, referring to her as “that member there”. I understand that the hon. member is in hot water, but he still owes his female colleagues some respect, even if he does not share their ideology.

I am asking that he apologize to the hon. member for Notre-Dame-de-Grâce—Lachine.

Hon. Denis Lebel (Minister of Transport, Infrastructure and Communities and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC): Mr. Speaker, absolutely not. I never intended to show any disrespect to anyone. I receive some rather harsh comments on the work we are doing, but I never intended to offend anyone.

[English]

The Speaker: Pursuant to order made earlier today, I will now recognize the hon. Leader of the Opposition to make a brief statement.

* * *

[Translation]

MEMBER FOR HULL—AYLMER

Mr. Thomas Mulcair (Leader of the Opposition, NDP): Mr. Speaker, today we are recognizing the remarkable job done by the woman who has acted as interim leader of the NDP for the past nine months. During that time, the hon. member for Hull—Aylmer has worked tirelessly. On behalf of our entire caucus, I would like to sincerely thank her for the spectacular job she has done.

She has admirably carried out the mission given to her by our former leader, the late Jack Layton. She has never hesitated, despite the enormity of the task and the challenges before her. She has persevered and exceeded all expectations.

[English]

The member for Hull—Aylmer has led our party with strength, talent, determination and courage. She has nurtured the flame that Jack lit. She has travelled the country to meet with struggling families and to strengthen our support. She has maintained unity within our party all the while maintaining us at the highest level, as the most recent opinion polls tend to demonstrate.

She deserves and has earned all of our respect and admiration. Her experience, professionalism and determination to pursue the vision of the NDP have helped us continue to move forward during the last nine months and deliver results for Canadians.

[Translation]

She has fought to stand up for the interests of Canadians. She has fought for jobs. She has fought for a better quality of life for aboriginals and for fair funding for schools in their communities. She has fought to put an end to the drug shortage. And she has fought against electoral fraud.

Tribute

[*English*]

Under her leadership, the NDP got results for all Canadians from coast to coast to coast.

Thanks to her work, the NDP is closer than ever to forming its first government in the 2015 election.

She has all the qualities of a great leader. We can depend, and I know I can depend, on her character, on her experience and on her deep knowledge of our party as we continue to work to serve Canadians.

• (1510)

[*Translation*]

Once again, I say a huge thanks to our colleague for doing remarkable work under extremely demanding circumstances.

We are truly fortunate to have her on our team. We are extremely grateful for all that she has done.

[*English*]

Bravo for a job extremely well done.

[*Translation*]

Hon. Christian Paradis (Minister of Industry and Minister of State (Agriculture), CPC): Mr. Speaker, I would like to take this opportunity to thank the interim leader of the official opposition, the hon. member for Hull—Aylmer, for the work she has carried out with courage and determination.

Despite our differences of opinion, I must note that the hon. member has distinguished herself both by the passion that inspires her and her hard work.

She inherited the very difficult task of replacing a leader who left a profound impression on his political party and who formed the official opposition. As a newly elected member of Parliament, she found herself thrust into the spotlight, literally overnight. One can imagine all the pressure on one individual to keep their party together during uncertain times. But the hon. member for Hull—Aylmer has behaved with great aplomb.

The hon. member has passed the torch to the new leader of the official opposition, whom I wish to congratulate. While some might be content to celebrate their new-found freedom, I am sure that the hon. member will continue to work hard to keep her party together.

Today, I want to join all the other members of this House in thanking the hon. member for her excellent work, which she has carried out with dignity.

[*English*]

Hon. Bob Rae (Toronto Centre, Lib.): Mr. Speaker, as the last interim leader still standing, it is my pleasure to join in the tribute.

I hope the member will appreciate that I will be speaking perhaps with a little humour about the challenges she has faced because I know of some of the challenges that I have faced: the unending deference, affection and loyalty of my colleagues at all times, the lack of criticism that marks every day both publicly and privately.

The member for Hull—Aylmer has discovered what I consider to be one of the basic rules of political life, that the only times people

say something nice are the first couple days upon arrival and then the last couple days on the job, and in-between it is a mixture.

I want to say quite seriously to the hon. member that, in the time she has been here, to have been put in leadership of her party as a new member was a tough challenge, but a challenge she met with good humour, great dignity and great ability. I congratulate her for the work she has done and for the strength she continues show.

I also want to say to her and all of us in the House that there are several things in which she can take great pride, such as the fact that there was never a note of nastiness or negativity in the style of her questions. She brought real passion and concern to the issues that affect all of us and it is something that we on our side took note of.

We have watched her performance with great respect, particularly on the changes she has advocated for in the field of education affecting aboriginal people. The proof will be in the pudding on Thursday as to what the impact of that will be, but I know she has brought great passion to that issue as have a number of other members in the House.

• (1515)

[*Translation*]

I want to tell my colleague that, as interim leader, I am well aware of the challenges of this job. She did it with great honour, much integrity and a good sense of humour, and always with a sense of the importance of her work and without taking herself too seriously. I congratulate her on the job that she has done, but I know that she will continue to contribute to the work of the House of Commons for many years to come. Her political career has just started, and now, as a member, she will frequently have an opportunity to take part in debates and to continue what she has started.

I would also like to take this opportunity to say one or two kind words about the new leader. He must understand that this will not happen very often in the future, but it is important to do this as he takes up his new responsibilities. His remarkable victory at the convention did not go unnoticed by the Liberal Party. We congratulate him and wish him every success in the future, but not necessarily the kind of success to which he refers regularly in his speeches.

Finally, this has been a good opportunity for the House to truly congratulate the member for Hull—Aylmer for the remarkable job she has done and that she will continue to do, I am certain.

Mr. Louis Plamondon (Bas-Richelieu—Nicolet—Bécancour, BQ): Mr. Speaker, I, too, am pleased to salute the member for Hull—Aylmer for her work as her party's interim leader.

It is not easy to follow in the footsteps of Jack Layton, a politician who was well liked in Quebec and Canada. Inspired by Jack's principles, his vision and his determination, and drawing on her own experience as a union leader, she took on the challenge of keeping the troops united, helping new members figure out our parliamentary system, dealing with the press every day and coordinating her party's priorities. In a word, she took on the challenge of preparing the way for the new leader.

Congratulations are due to the member for Hull—Aylmer for her dedication, generosity, diplomacy, and desire to serve her party well.

Government Orders

In closing, I would also like to congratulate the new NDP leader, the member for Outremont.

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, it is also my pleasure to rise in the House of Commons to say a few words in homage to my colleague from Hull—Aylmer.

[*English*]

I had the pleasure of working with the member before either of us entered federal politics. I know of her struggles for pay equity and the great work she did through PSAC and other national unions.

I recognize that I am now losing the only other woman leader of a federal political party. I do not want to make the member for Toronto Centre nervous, but I certainly hope it will not be long before there is another woman leader of a federal political party in this place.

All of us know that the member for Hull—Aylmer took the reins as interim leader in times that could not be more difficult, more emotionally draining, more challenging. I do not know that anyone could have done it better. I give her my congratulations.

I extend our thanks for maintaining the discourse in a way that was both respectful and inspiring. I am glad she is not leaving this place. It can almost sound like we are saying goodbye, but we are not. However, those of us in this chamber who value integrity, passion and commitment are grateful that she served as she did as interim leader.

• (1520)

[*Translation*]

Mrs. Nycole Turmel (Hull—Aylmer, NDP): Mr. Speaker, I would like to thank all of the parties and my leader for their kind words. I am very proud of what we have accomplished. I am honoured to have had the opportunity to serve. Even though Jack is no longer with us, I would like to thank him. I would like to thank him for the honour of serving our party. It was a wonderful, emotional, stressful experience, just as my colleagues described it.

It is a great pleasure and honour to serve our country, to serve Canadians. It has been a constant pleasure to meet people from across the country who expect so much from us and our political parties, who want us to support their causes. That is the purpose of our work. I sincerely thank everyone.

[*English*]

I thank everybody for everything, for all their support, especially my caucus, which has been behind me all the time.

Some hon. members: Hear, hear!

The Speaker: Pursuant to the order made earlier today I wish to inform the House that because of the statements made earlier today, government orders will be extended by 15 minutes.

GOVERNMENT ORDERS

[*English*]

FINANCIAL SYSTEM REVIEW ACT

The House resumed consideration of Bill S-5, An Act to amend the law governing financial institutions and to provide for related

and consequential matters, as reported without amendment from the committee, and of Motion No. 1.

The Speaker: The hon. parliamentary secretary has seven minutes left to conclude her speech.

Mrs. Susan Truppe (Parliamentary Secretary for Status of Women, CPC): Mr. Speaker, I appreciate the opportunity to finish this important speech.

This government has also made improvements to Canada's financial system by introducing effective consumer protection provisions for the consumers of financial products.

Unlike the NDP, this government understands the needs of Canadian consumers and has a proven track record of standing up for them. That is why since 2006 this government has protected consumers with new credit card rules that require consent for credit limit increases; a minimum 21-day grace period on new purchases; full disclosure for consumers and limits on other anti-consumer business practices. It has also introduced a code of conduct for the credit card and debit card industry to help small businesses deal with unfair practices, and has banned negative option billing for financial products.

More recently, as part of budget 2010, the government took action by introducing new measures to empower consumers of financial products. These included implementing a new code of conduct on mortgage prepayment information; beginning to implement the recommendations of the task force on financial literacy, starting with the creation of a financial literacy leader in the government; and banning the distribution of unsolicited credit card cheques. That last initiative has been warmly welcomed by consumer groups.

Indeed, at the finance committee, a consumer group stated:

[The government]...touched on the credit card cheques, and the reduced period of access to your money. That's a very good step forward for Canadian consumers, of course. The amount of money that Canadian consumers can access is also a good step forward.

As a result of these actions, Canadians can be confident that they will be provided with clear and relevant information when faced with important financial decisions that impact not only themselves but also their families.

Bill S-5 builds on the government's proven record of improving consumer protection by making important changes to federal financial institution statutes. In particular, this bill increases the maximum administrative penalty that the Financial Consumer Agency of Canada can levy, from \$200,000 to half a million dollars; and it confirms that Canadians, including bank customers, are able to cash government cheques of amounts of less than \$1,500 free of charge at any bank in Canada.

Again, this is only a continuation of this government's long and proven record in standing up for Canadian consumers.

Government Orders

We all recognize there is always work to be done to ensure the continuing stability of the Canadian financial system and that ongoing vigilance is vital. Indeed, that is why we are pushing for the timely passage of the financial system review act. The renewal of Canadian financial institution legislation on a regular basis has resulted in a robust and effective financial system that is aligned and more responsive to developments in the financial markets and the broader economy.

Moreover, passage of this legislation would maintain the long-standing practice of ensuring regular reviews of the regulatory framework for the financial institutions, a unique practice that sets Canada apart from almost every other country in the world, and one that is supported by those in the industry.

Commenting on Canada's unique practice of having mandatory reviews, the Canadian Bankers Association stated:

We believe strongly in the importance of ensuring that the legislative and regulatory framework is reviewed regularly and for that reason, we were pleased to see that the Bill proposes retaining the sunset clause for financial services legislation at five years.

The Canadian Life and Health Insurance Association stated:

The industry is very supportive of this Bill and urges that it be passed in a timely manner.

Clearly, today's bill provides a framework that will benefit all participants in the financial services sector, both financial institutions and everyday Canadians. As I noted, renewing Canadian financial institution legislation on a regular basis has resulted in a robust and effective financial system that is aligned with and responsive to developments in financial markets and the broader global economy.

In summary, I would encourage all members to join in our efforts to ensure the strength and stability of Canada's financial system and support the financial system review act.

• (1525)

[Translation]

Ms. Hélène LeBlanc (LaSalle—Émard, NDP): Mr. Speaker, I would like to thank the Conservative member for her speech.

My question is very simple. The Conservatives are saying that this is a very important bill. Basically, it is a review of the financial system. This bill has a major impact on economic stability. We know that the government is very much in favour of a stable economy and that this is something very important.

Since the government considers this bill to be important, can the hon. member tell us why it did not take advantage of this opportunity to conduct more extensive consultation than it did to review the financial system, as presented in this bill? Why did it not take this opportunity to engage in more extensive consultation?

[English]

Mrs. Susan Truppe: Mr. Speaker, our government began consultations in September 2010. We received 30 submissions from a wide range of groups, and the hon. member also knows that the review is mandatory and takes place every five years. I would encourage the hon. member and all of the opposition to do the right thing and stand up for consumers and support this legislation.

Mr. Scott Armstrong (Cumberland—Colchester—Musquodoboit Valley, CPC): Mr. Speaker, could the member for London

North Centre comment further on how this bill would affect constituents and Canadians who require financial products and services.

Mrs. Susan Truppe: Mr. Speaker, our Conservative government is making a number of changes to the federal statutes for financial institutions that will enhance the protection of consumers and financial services. These changes will confirm that Canadians, including bank customers, are able to cash government cheques in amounts of less than \$1,500 free of charge at any bank in Canada and will increase the maximum penalty for a violation of the consumer provision consistent with penalties for other violations under financial institution statutes.

• (1530)

Mr. Colin Mayes (Okanagan—Shuswap, CPC): Mr. Speaker, I ask my hon. colleague from London North Centre why the large bank ownership threshold has been increased.

Mrs. Susan Truppe: Mr. Speaker, in 2001, the Government of Canada established a widely-held requirement for large banks. In 2007, our Conservative government increased the threshold from \$5 billion to \$8 billion to reflect the growth of large banks. Since then, the sector has continued to grow. To reflect that growth, the large bank threshold is being increased from \$8 billion to \$12 billion.

[Translation]

Ms. Hélène LeBlanc (LaSalle—Émard, NDP): Mr. Speaker, it is always a pleasure to rise in the House to speak about Bill S-5, the Financial System Review Act, on behalf of all the people of LaSalle—Émard.

One can no longer look at a newspaper without coming across a headline about household debt in Canada. If the storm unleashed by the 2008 laissez-faire financial crisis did not hit Canada as hard as the United States, it is because of the way our financial sector is regulated.

There is an urgent need to maintain and reform the regulation of our financial institutions. In order to do so, the House must firmly commit to getting Canadians involved in the review process and thus help to protect the public, ensure the transparency of our financial institutions and promote the independent review of acquisitions. Finally, we must engage in public consultation to allow various stakeholders—more than just 30 or so—to express their opinions on the impact of the changes proposed by this bill.

I therefore address my remarks to the people of LaSalle—Émard to explain my position on the bill to amend the legislation governing financial institutions.

This Senate bill amends not only the Bank Act, but also 12 other acts. My colleagues in the official opposition have already described several technical aspects of the changes to regulations in the financial sector. I would simply like to go over some of the main points.

Government Orders

Under Bill S-5, large foreign acquisitions will require ministerial approval. The bill will raise the widely held ownership threshold for banks from \$8 billion today to \$12 billion.

Henceforth, banks controlled by foreign governments will be able to hold a minority interest in Canadian banks and financial institutions.

The bill enhances and expands the supervisory and enforcement powers of the Financial Consumer Agency of Canada.

Lastly, the bill tightens measures to prevent tax evasion in the case of Canadians who do business with subsidiaries of foreign banks.

That said, this bill raises a number of concerns. First of all, why did the government give the Senate, which is full of defeated Conservative candidates, the task of introducing a bill on an issue as important as the review of legislation governing our financial institutions?

Second, will the government give the members of the House the time needed to carefully examine this bill?

To deliver a bill that shows that it truly cares about protecting Canadian consumers, the government must consider adopting measures that are not currently in this bill. Here are some examples: approving large foreign acquisitions of financial institutions cannot fall solely to the minister, as set out in this bill. Such important decisions should be made by the Office of the Superintendent of Financial Institutions without any political interference.

We need to introduce regulatory mechanisms for the banking and financial sectors that are transparent in practice, and not simply in principle. This means we should examine the possibility of regulating all hidden costs and making their disclosure mandatory.

It is also crucial that the committee responsible for reviewing the legislation governing our financial institutions hear from witnesses who are experts on risky mortgage loans, which are of concern to the Governor of the Bank of Canada.

•(1535)

As elected representatives, we have a duty to protect consumers and our constituents. When Canadian financial institutions announced profits of \$25 billion last year, debt had become a ball and chain for Canadian households. And if the debt being carried by Canadian households is the ball, middle-class wage stagnation, usurious interest rates, high service charges and incomprehensible loan agreements are what keep Canadians chained to those debts.

Unfortunately, too many people in my riding are among the ever-growing number of Canadians who are burdened by debt. The Association coopérative d'économie familiale du Sud-Ouest de Montréal, with which I met last fall, is on the front line and works with residents of southwest Montreal to find ways of improving their consumer practices and their spending. When people's wages are stagnant, when their incomes are declining and their debts are piling up, things get more and more difficult.

That organization and the members who work there have heard every story. The people who come to see them are living in dread of the bailiffs who call them at all hours of the day trying to collect. They can no longer sleep at night and they shut themselves away

during the day. Some of them have no choice but to consider declaring bankruptcy. The distress is real, and protecting our fellow Canadians must be our first concern.

The most important recommendation I have to make is that the government should use the review of our financial institution legislation to ask what Canadians think and find out what they are concerned about and what issues are of concern to them. In that regard, the government would do well to learn from the best practices developed by the NDP. For example, the NDP has just completed public consultations throughout Canada to find out what Canadians' concerns are when it comes to the cuts the government is planning to make to the old age security program.

We organized local forums from coast to coast so the people who elected us could talk to us about the impact those cuts would have on them and their family members. For example, very recently, in Ville-Émard, we organized a public forum on reform of our pension system. We had a full house, and we met with 100 of our constituents who were worried about the government's consistently vague allusions to the cuts it is planning to make to old age security. Our constituents spoke out and we listened to them. The NDP invites dialogue, and the government should do the same when it examines the legislation related to the regulation of financial institutions.

With that in mind, I would have preferred that this bill be drafted after a broader public consultation had been held. In spite of the concerns I have raised, I am going to support the bill, which still represents an adequate review of the financial system. I hope that committee members will have an opportunity to make the amendments that are needed so that the bill will be even more acceptable to Canadians.

•(1540)

Ms. Marjolaine Boutin-Sweet (Hochelaga, NDP): Mr. Speaker, this week I received a document for one of my credit cards indicating that the interest rate was going to increase to 29.5%. That is almost 30%. It makes no sense.

Does my colleague believe that the government could have extended its study to speak to people like us who have to pay nearly 30% interest on their credit card and who might have some suggestions to make on the matter?

Ms. Hélène LeBlanc: Mr. Speaker, that proves the point I was making in my speech. Quite often, as consumers and citizens, we have responsibilities. However, that responsibility has to be shared by the credit card companies and the banks. There need to be clear, transparent rules. We owe it to our constituents to have rules that are transparent and clear and not hidden and misleading.

[English]

Mr. Kennedy Stewart (Burnaby—Douglas, NDP): Mr. Speaker, I was listening with great interest about how my colleague has been consulting her constituents about this issue and about how these cuts will affect their lives.

Government Orders

I was very interested in what she had to say about co-ops, which are really an important and very under-valued part of society in the banking structure. I am just wondering if the member could elaborate a bit more on her thoughts in terms of how co-operatives and co-ops contribute to the financial side of our economy?

[Translation]

Ms. H el ene LeBlanc: Mr. Speaker, I want to thank the hon. member for that very apt comment and for raising this very important point.

We forget that a much broader co-operative system existed at one time and that, increasingly, we are turning to mega-institutions where people feel like a number and somewhat powerless in dealing with these giants. The establishment of co-operative systems would give people the power to establish fair and equitable rules for everyone.

Mr. Mathieu Ravignat (Pontiac, NDP): Mr. Speaker, I thank my esteemed colleague for her very interesting remarks.

Perhaps, like me, she wonders why the Conservatives have not considered the possibility of regulating fees charged to consumers for the use of ABMs or the possibility of re-evaluating hidden fees. Why does their bill not require banks to disclose all of their fees?

• (1545)

Ms. H el ene LeBlanc: Mr. Speaker, I thank my colleague for his question. Those are excellent questions. We are still wondering why certain transactions are so expensive. Lack of consistency and transparency is causing general confusion. All Canadians are suffering as a result because we have to pay fees that are often hidden, unfair and costly.

The Acting Speaker (Mr. Bruce Stanton): We have time for a brief question and answer. It looks like there are no more questions.

[English]

Before we resume debate, it is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Etobicoke North, The Environment; the hon. member for London—Fanshawe, Seniors; and the hon. member for Cardigan, Fisheries and Oceans.

Resuming debate. The hon. member for Winnipeg South.

Mr. Rod Bruinooge (Winnipeg South, CPC): Mr. Speaker, I appreciate the opportunity to speak to this important bill.

Today is a very opportune time to be actively pursuing the passage of Bill S-5, An Act to amend the law governing financial institutions and to provide for related and consequential matters.

Our government undertook a review of our financial sector and the legislation that governs it with the understanding that we live in an ever-changing world of evolving technology and financial sector innovation. The technical measures contained in this bill would ensure that Canada's financial sector regulatory framework stays ahead of the curve and accommodates these developments by mitigating risks, creating new opportunities and helping Canada's financial sector maintain its international reputation as a world leader in terms of its strengths and stability.

I am pleased to report to the House that this legislation was undertaken after a lengthy period of time of open consultation with Canadians from coast to coast to coast to ensure that Canada remains a global leader in financial services and maintains its sector advantage. This financial sector advantage is fundamental to Canada's remarkable economic performance throughout the global financial crisis of 2008. In our world-leading recovery from that episode in terms of jobs and growth, our advantage underpins this overall health that is found in our economy. That is why, in the wake of the financial crisis, our Conservative government took action to modernize the authorities of the Bank of Canada to support the stability of our financial system. This would allow the Bank of Canada to redistribute wealth and liquidity to financial institutions, buttressing them against the immediate aftershocks of the crisis and maintaining the vital flow of credit to Canadians and businesses during the so-called credit crunch.

While many foreign banks had difficulty raising capital on global financial markets during the crisis, Canada's financial system remains stable, well capitalized and underpinned by one of the most effective regulatory frameworks in the world.

Then, to further safeguard our financial system moving forward, we introduced measures in budget 2009 to strengthen the authorities of the Canada Deposit Insurance Corporation. This enhancement would contribute to the financial stability and protect insured deposits by giving CDIC a great variety of tools to manage the resolution of a troubled financial institution. An important element of this change is that it would allow CDIC to establish a bridge institution, known in the trade as a bridge bank, to preserve the critical functions of a financial institution facing trouble and to help maintain overall financial stability.

Among other things, Bill S-5 is important because it includes a number of technical refinements to ensure the effective implementation of this bridge bank tool and it includes other measures that would contribute to financial stability.

We have seen all too clearly in recent years how heavily interconnected the structure of global finance has become, and this can pose unintended risks here at home, which is to say that bad or risky decisions can have repercussions that can travel right around the world and land back on our doorstep with a lot of unpleasant financial consequence in tow, and not just for the banks but for the people and businesses who depend on them. All governments have an obligation to weigh these risks. This is particularly important as Canadian banks expand into foreign markets and foreign players similarly enter the Canadian market. With Bill S-5, the Canadian government would have another tool at its disposal to take action when it considers these risks to be unacceptable.

In short, the bill would reinstate the requirement for significant foreign acquisitions of financial institutions to be approved by the Minister of Finance. Since 2004, there have only been four instances when this provision would have been applied. While this role would rarely be used, there is no doubt that this kind of oversight should be brought back.

Government Orders

Michael King, finance professor at the Richard Ivey School of Business, says:

This kind of a rule is actually one of the reasons why Canadian banks weathered the crisis so well over the years. ... Canadian banks have done well. And it's helped the Canadian economy to have such stable banks.

• (1550)

Alec Bruce, noted *Times-Transcript* columnist, has reported that the finance minister has a point. "When our banks top up their foreign holdings in this environment they do, in fact...", in essence, import many of the efforts they've made overseas and reject all of the contagion that comes overseas as well.

This also builds on recent stabilizing measures we have introduced to secure the financial sector. Budget 2011, for example, announced the government's intention to establish a legislative framework for covered bonds, which are debt instruments secured by high-quality assets such as residential mortgages. This will make it easier for Canadian financial institutions to access this low-cost source of funding and help create a robust market for covered bonds in Canada.

Consumer protection is another area where we have taken decisive action to strengthen Canada's financial sector. In 2009, for example, our Canadian government acted to protect Canadian credit card users. The measures we introduced mandated that the inclusion of clear and simple information on credit card application forms and contracts would be required, and also required clear and timely advance notice of changes in rates and fees from card providers.

We have also limited credit business practices that do not benefit consumers. For example, we require credit card insurers to provide consumers with a minimum 21-day interest-free grace period on all new purchases when consumers pay their balance in full by the due date. We also require a minimum 21-day grace period on the billing period as well if the consumer has an outstanding balance that needs to be carried forward.

We have moved key information such as interest rates, grace periods and fees out of the fine print buried in credit card applications and contracts into a prominent summary box, so that consumers signing an application know exactly what kind of financial arrangement they are agreeing to. This measure also provides a clear picture of their debt load as they pay it off.

These initiatives are in effect today and are providing Canadian consumers with precisely the kind of financial information that leads to better decision making. These measures, like those in Bill S-5, reflect the understanding that every part of Canada's financial system must be resilient and strong for the benefit of individual consumers, businesses looking to raise capital, or the banks and other financial institutions that can help them realize their goals.

That is why Bill S-5 is focused on those areas that must be fine-tuned so Canadians can continue to rely on one of the world's best financial systems for years to come.

I would therefore encourage the hon. members of this House to support the timely passage of this bill and to join our government in its ongoing efforts to build and maintain Canada's financial sector advantage.

[Translation]

Mr. Pierre Nantel (Longueuil—Pierre-Boucher, NDP): Mr. Speaker, what does the member opposite think about the fact that very few people expressed their opinions online during the consultations?

[English]

Mr. Rod Bruinooge: Mr. Speaker, when this bill was first introduced in its previous form in 2010, there was an extensive consultation period that was launched.

Of course the Internet is one way in which people can provide feedback to the government, but there are many other forums, as the hon. member is aware. There are other processes through which we as government receive information.

I think the process has been productive. Obviously we have a good bill today before the House.

• (1555)

Mr. Scott Armstrong (Cumberland—Colchester—Musquodoboit Valley, CPC): Mr. Speaker, I want to thank the hon. member for his speech today, which outlined several very important technical parts of Bill S-5.

The hon. member spoke about the bridge bank protection, which is provided by CDIC to financial institutions in trouble. He also spoke about the plank that allows ministers to approve any foreign company that wants to come in and take over a domestic financial institution.

I would like to ask the hon. member to comment specifically about something he spoke about in regard to consumer protection and the clearness, openness and transparency that is going to be required of credit card companies. I think that is a very important part of the bill, which protects consumers across Canada.

Mr. Rod Bruinooge: Mr. Speaker, I think that builds on a transparency in advertising philosophy, which is something consumers have come to expect in recent years.

I am very happy it is something that is also going to be applied to credit card distributors, people who provide credit. Though it is obviously a financial service that is needed and they are companies that should be able to profit from their services, at the same time they need to provide information that is transparent and provides consumers with the information they need to be able to make proper decisions.

Mr. Tyrone Benskin (Jeanne-Le Ber, NDP): Mr. Speaker, it is one thing to be able to see the information, and I appreciate that aspect. It is one thing as consumers to know how much we are getting dinged. I wonder if there are any aspects of the bill that look to curtailing some of the seemingly gouging practices of banks, as concerns fees and interest rates?

Government Orders

Mr. Rod Bruinooge: Mr. Speaker, I think obviously it is important that people are able to have a fair interest rate. Ironically, we may be living in the lowest interest rate moment in world history. I know recently, in Canada, five-year mortgages have dropped to historic lows of 2.99%, although perhaps I will move to another realm, which I think the member was probably asking about, in relation to credit card fees.

As I said earlier in a previous answer, I believe these companies that are engaging in offering credit sometimes to people who do not have excellent credit ratings should be able to earn a living off of that. It is up to the consumer, I think, provided the information is provided, to choose whether or not to take part in that type of credit facility.

Mrs. Susan Truppe (Parliamentary Secretary for Status of Women, CPC): Mr. Speaker, I would like to thank my hon. colleague for his detailed and passionate remarks.

I would like to ask the hon. member if he would tell the House what the process was for the consultation.

Mr. Rod Bruinooge: Mr. Speaker, I do want to thank the parliamentary secretary for doing incredible work since she has been elected to this House. She has been a real pleasure to work with and I am honoured to be her colleague.

As I said earlier, there has been an extensive process of consultation, but there is always ongoing consultation when we are involved in processes that engage the public to the wide degree that this bill has. It is really an ongoing consultative process, and with a sunset clause in five years, of course, we will be continuing to consult.

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Mr. Speaker, I am thankful for this opportunity, albeit brief, here today.

I had a chance to go through the legislative summary for Bill S-5, and I must say that I am always very impressed by the lot over at the Library of Parliament. I want to thank them for their research and mention, for the record, Mark Mahabir and Adriane Yong who are both from the International Affairs, Trade and Finance Division, Parliamentary Information and Research Service. We do not always give them the credit they are due, and I hope this goes in just a small way toward acknowledging the work they do for us here in the House of Commons and the Senate as well.

The committee reported Bill S-5, an act to amend the law governing financial institutions and to provide for related and consequential matters from the Senate on December 15, 2011. There were no major amendments made in the Senate, but certainly it came with, as described here, observations.

The bill amends four primary statutes under which federally regulated financial institutions are governed. They would be the Bank Act, the Cooperative Credit Associations Act, the Insurance Companies Act and the Trust and Loan Companies Act. There are also major amendments to other provisions regarding the financial institutions of our country.

Bill S-5 contains various measures to update the law governing financial institutions, as I have mentioned. The shares of a Canadian financial institution being held by foreign financial institutions

controlled by foreign governments is one of those and it is certainly a timely matter given the world of finance we are in. We experienced this several years ago when we slid into a recession initially sparked by some financial tools in the United States in many cases. Of course, that wreaked havoc around the globe for all financial institutions such as in Asia and the European Union, which is now suffering through this, and austerity measures have followed suit as a result of that.

This illustrates to us and the entire country that we are certainly intertwined with the rest of the world as far as financial institutions are concerned. When something causes headaches for people in one part of the world, those headaches will reverberate around every corner of the world, given the financial institutions and the technology we use to trade currently. It gives us an idea of how important this is when it comes to international institutions.

On the acquisition of foreign entities by Canadian financial institutions, as a matter of fact, we are now seeing financial institutions in this country, banks, for example, with bigger investments around the globe. We certainly see it in the United States currently with institutions such as Toronto Dominion and others, as well as in Europe and Asia. In a country the size of ours, it gives us an idea of how good we are and how large our financial institutions are, as we are able to be a major player around the globe.

On the widely held ownership threshold for banks, it was always a contentious issue. It certainly was contentious when I first came here in 2004-05 and it continues to be.

The authority of the Superintendent of Financial Institutions over certain types of transactions, the administration of unclaimed insurance deposit accounts by the CDIC and the Bank of Canada, the insolvency of financial institutions and the liability of the CDIC when acting as a receiver during receivership of insolvent financial institutions are also very important at this point. There is also the restructuring of insurance companies and the liability of officials and employees of the Office of the Superintendent of Financial Institutions and the Financial Consumer Agency of Canada.

When we look back, this bill really got its roots from Bill C-37, which was back in June 2006. There was a paper entitled "Financial Institutions Legislation Review: Proposals for an Effective and Efficient Financial Services Framework". The legislative changes included greater disclosure for consumers in relation to investment products, very important, and complaint procedures, the introduction of electronic cheque imaging and clearing, and an increase in the widely held threshold for large banks from \$5 billion to \$8 billion in equity.

Government Orders

•(1600)

This reminds me of the legislation we dealt with not too long ago when we talked about copyright. We are seeing the proliferation of technology right now that allows us to transact around the world instantaneously. As a result, the legislation has to keep up with the changing technologies around the world in, as I mentioned, copyright, banking and financial institutions. It shows not only the speed and brevity by which financial transactions are able to go around the world, but it also gives us an idea that the scope has become much larger, as well as the depth of the banking institutions. Therefore, we have to look at this and update legislation, as we did with the copyright bill. It is somewhat of a new concept when we have to review it after four or five years. Nonetheless, it is a concept that is certainly necessary.

We are seeing that now with the sunset provision. The Bank Act, the Cooperative Credit Associations Act, the insurance companies and trust and loan companies contain a statutory sunset date set out some time ago. The legislative changes will include greater disclosure for consumers in relation to investment products and complaint procedures. We went through the updating measures that were contained in Bill C-37, which was introduced in the House on November 27, 2006. In order to have sufficient time, we went through this review, which went from the October 24, 2006 to April 24, 2007, to accommodate that.

That puts us in the place we are now as we go through the review once again, as it was introduced in the Senate as Bill S-5. It went through the three readings and the committee procedure and came back with some of those observations.

Clauses 53(2) and 53(3) require a Canadian bank to obtain approval from the Minister of Finance prior to acquiring control of a foreign entity, and this is important, if the bank has equity of \$2 billion or more and the value of the foreign entity's consolidated assets in combination with the value of the consolidated assets of the bank's other foreign control acquisitions in the past 12 months exceed 10% of the value of the bank's consolidated assets prior to the preceding 12-month period. I hope everyone got that because there will be a test at the end of the speech, though probably not, as I excite the masses talking about financial institutions.

The minister, in contemplating the acquisition, can take into account all matters considered relevant in the circumstances, including the stability and best interests of Canada's financial system. We go back to Canada's financial system and the emphasis that we put on this to ensure it is suited for Canadians. We know that in the past we have faced this primarily from breakdowns in financial institutions around the globe. If one finds trouble or turbulent waters, that ripples throughout the global system. Therefore, we have to ensure our system is able to withstand some of the shocks that occur around the globe. The sunset clause is to renew the acts, as I mentioned earlier.

Let us take a look at Bill S-5. It does not represent a significant change in policy, per se. It is crucial that the existing sunset clauses are extended so Canada's statutes for financial institutions do not expire, which is around April 20. Bill S-5 is not what I would call an ambitious bill. It does not significantly change Canada's banking

policy or address Canada's record levels of household debt. However, Canada's banking laws are set to expire.

There is one thing I can point out about the government. The Conservatives called on the previous Liberals to follow the U.S. example and deregulate the Canadian banking sector. I remember at the time there was quite a debate and there were certain stands that all members of the House took in 2003 to 2005. I am sure they wish they had them back in light of what has happened around the globe when financial institution measures such as these become critical and very important for us to consider.

Liberals will support Bill S-5 at report stage and third reading because of this. Again, I revert to what I said earlier. Given the intertwine nature of the financial institutions around the globe, it certainly falls upon us in the House to have this debate so we can ensure the regulations are updated in light of certain troubles around the world and certainly with the advent and proliferation of technology that allows us to pass our money around the world and invest.

•(1605)

Mr. Glenn Thibeault (Sudbury, NDP): Mr. Speaker, I thank my colleague for all his knowledge and the test for members of Parliament. We will wait for that test.

My colleague talked about a lot of the things in the legislation. I have noticed what is actually missing from the bill. There are a lot of things the government could have put in the bill, but it chose not to.

One of the things the New Democrats have been talking about for the last couple of months is the lack of support for the Ombudsman for Banking Services and Investments, OBSI. This was something that happened before 2006. The government had a choice to bring forward legislation to ensure consumers and small businesses would be protected if they had a complaint against one of the large institutions. That is the job of OBSI.

On the front page of the *Globe and Mail* today, OBSI is now worried and the board is considering closing because of the government's inaction.

Would it be fair to say that it is time the government starts to look at what is missing and to listen to what other organizations are saying about putting stuff in that will help small businesses and consumers?

•(1610)

Mr. Scott Simms: Mr. Speaker, my colleague is absolutely correct. I have always been interesting in participating, especially for youth in my riding, in financial literacy. He points out some of the factors, like having an ombudsman, which is ideal in this case. There are so many instruments out there and so many ways to invest from our basement, or our living room or in front of our laptop that it now becomes overly cumbersome to know all the rules and regulations about this.

The debate to bring some of the elements of consumer protection into this are absolutely necessary. I do not know if this is where we go with this. Bill S-5 is to update the financial regulations in our country so they are in tune with other things.

Government Orders

I would agree with the member that we should have a larger debate on this. In my opinion, it should be focused on the protection of the consumer in light of the increasingly larger institutions out there.

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, I appreciate the speech by my hon. colleague from Bonavista—Gander—Grand Falls—Windsor. Terra Nova should be the name of his riding, but we will talk about that another time.

I am speaking of things that are not in the act, and I hope this will not be a troubling question. The financial transaction tax was mentioned earlier today in debate by a Conservative member as something the Conservative Party opposed. The Green Party supports it.

Does the hon. member have any thoughts about bringing in an international levy at a very tiny level that would create funds that could be used if we were to have another collapse of the highly speculative derivative market globally, which in my view is still not adequately regulated?

Mr. Scott Simms: Mr. Speaker, that opens up a fascinating discussion if we are talking about an international levy, and I am assuming in minuscule amounts. As a cushion or protection, I do not think the government would be adverse to talking about that. It did bring in the security fee for people travelling in airports, which I would call a travellers tax. Nonetheless, the Conservatives certainly see the importance of bringing in some of these fees or particular levies for the sake of protection of the consumer, in that case the protection of the traveller.

I do not have much knowledge on the levy itself she is talking about, but I would consider it if in the end it provided protection, not just for a particular consumer but also for employees in case of bankruptcy or environmental hazards.

I would like to see some kind of international levy for businesses regarding environmental hazardous waste. When companies wind down and leave, who cleans up after them? There is no money available for that, unless it is on a military base or something of that sort, but what about industrial bases? I may be getting off topic, and I think I am, but nonetheless I should probably stop there.

Mrs. Kelly Block (Saskatoon—Rosetown—Biggar, CPC): Mr. Speaker, I am pleased to speak to Bill S-5.

Today we have discussed many of the important features of Bill S-5, which will strengthen Canada's financial sector advantage. As many speakers before me have noted, this is a mandatory, routine bill. Moreover, it includes many technical or administrative amendments that can be somewhat classified as housekeeping. However, there are a few more substantive measures that address current, global and domestic trends that I would like to highlight today.

The financial crisis highlighted the importance of evaluating the overall size of financial institutions, their global linkages and the impact these factors had on financial stability and the best interests of Canada's financial system.

In response to lessons learned, today's legislation proposes to reinstate an existing ministerial approval for select foreign acquisitions of financial institutions.

While Canada's sound financial system is a model for countries around the world, and we want to ensure that it remains secure, the global banking crisis nevertheless highlighted additional risk factors that supported more oversight of large foreign acquisitions.

To provide historical background, prior to 1992, banks were prohibited from owning a foreign subsidiary. In 1992 the government of the day amended the legislation to allow federally-regulated financial institutions to own a foreign subsidiary or hold a substantial investment in a foreign institution with the approval of the minister.

In 2001 that requirement for ministerial approval and review by the Department of Finance was repealed and oversight was limited to the Office of the Superintendent of Financial Institutions.

However, since 2001, the global banking crisis has highlighted additional risk factors that support the need for greater oversight to keep our financial system secure. As such, we are reinstating in today's bill some of those historical oversight provisions that were repealed in early 2001.

This bill would simply add ministerial approval if a federally-regulated financial institution acquired a major foreign entity which increased its assets by more than 10%. The criteria that the minister could consider are hard-wired in the legislation, those being the stability and best interests of the financial sector. The timeline for approval is also hard-wired. The legislation would require the minister's consideration in 30 days or it would be deemed approved. This would likely only apply rarely. In fact, since 2004, there have only been a small number of cases where this proposed legislation would have applied.

The reactions from academics, bankers and the Superintendent of Financial Institutions have been quite supportive of the provision. I would like to share some of their reactions with the House.

Michael King, finance professor of the Ivy School of Business stated:

This kind of a rule is actually one of the reasons why Canadian banks weathered the crisis so well over the years...Canadian banks have done well. And it's helped the Canadian economy to have such stable banks.

Terry Campbell, president of the Canadian Bankers Association stated:

That power was given to OSFI, and now it is back with the Finance Minister to, in our view, give him a full suite of tools as part of his oversight of the financial system in Canada.

Julie Dickson, the Superintendent of Financial Institutions, stated:

—we fully support that decision. It makes sense for the Minister of Finance to ultimately have the ability to approve. It's just going back to the way it used to be.

Government Orders

Today's bill would help ensure that Canadians would continue to have a strong and secure financial system on which they could rely. Canadians are proud that, unlike Europe or the U.S., we did not have to nationalize or bailout banks with taxpayer money. Canada has shown the value of ensuring a well-regulated financial system. That is something that has been recognized around the world.

Canada was ranked as having the soundest banks in the world by the World Economic Forum.

●(1615)

The influential magazine *The Economist* has also proclaimed:

Canada has had an easier time than most during the recent global recession, in part because of a conservative and well-regulated banking system.

Canadians use financial services every day, be it by using their credit card, cashing a cheque, going to the bank, or signing a mortgage. I think members would agree that Canadians deserve to be treated fairly when using these products and to be provided with clear information before agreeing to use them.

Indeed, since being elected in 2006, our government has taken important steps to address consumer concerns and make financial services products more consumer friendly. Those measures have included: protecting consumers with new credit card rules, such as requiring consent for credit limit increases, a minimum 21-day grace period on new purchases, full disclosure for consumers, and limiting other anti-consumer business practices; bringing in a code of conduct for the credit and debit card industry to help small businesses dealing with unfair practices, as the code would help ensure fairness, encourage real choice and competition, and protect businesses from rising costs; and banning negative option billing for financial products. There is much more.

Our government agrees that making financial services products more consumer friendly is an important goal.

In this legislation, we are making a few important changes to federal financial institution statutes, including confirming that Canadians, including bank customers, are able to cash government cheques in amounts of less than \$1,500 free of charge at any bank in Canada, and improving consumer protection by increasing the maximum administrative penalty that the Financial Consumer Agency of Canada, FCAC, could levy from \$200,000 to \$500,000. This would also bring FCAC penalties in line with other financial regulatory authorities, like the Office of the Superintendent of Financial Institutions and the Financial Transactions and Reports Analysis Centre of Canada.

This is in addition to consumer-friendly measures we announced in budget 2011, such as banning unsolicited credit card cheques, moving to protect consumers of prepaid cards, beginning to implement the task force on financial literacy's recommendations, starting with the creation of a financial literacy leader in the government. In fact, it was only last month that we introduced the financial literacy leader act to move forward on the financial literacy front.

I could go on to outline other very important components of the bill, but I will close by encouraging all members of the House to support this very important mandatory and routine legislation so as

to ensure it is passed without delay so that we can continue to enjoy a strong, stable financial sector.

●(1620)

[*Translation*]

Mr. Dany Morin (Chicoutimi—Le Fjord, NDP): Mr. Speaker, as my NDP colleague from Sudbury mentioned a little earlier, the NDP is more concerned about what is not in the bill than about what is actually there.

I am going to start by saying that when it comes to consumer protection, Canadians continue, in general, to get ripped off by the banks with their high service and user fees and their outrageous interest rates on loans and credit cards, despite record profits. Last year, the banks profited to the tune of \$25.5 billion, while Canadians' salaries are in decline.

I want to ask the hon. member the following question. In this bill, why does the government not concentrate more on protecting consumers rather than supporting the position of the big Canadian banks?

[*English*]

Mrs. Kelly Block: Mr. Speaker, what we do know is that we have a very sound financial system and that it is a model for countries around the world. In fact, for the fourth year in a row, Canada was recently ranked as having the soundest banks in the world by the World Economic Forum.

I believe that ensuring we have a sound banking system ultimately benefits consumers.

I would like to talk about what acts are included in this bill.

The four principal acts that govern the financial sector, the Bank Act, the Insurance Companies Act, the Trust and Loan Companies Act, and the Cooperative Credit Associations Act, all have their sunset dates renewed for five years.

There are also changes to related statutes, such as the Financial Consumer Agency of Canada Act, the Office of the Superintendent of Financial Institutions Act, the Bank of Canada Act, the Canada Deposit Insurance Corporation Act, and the Canadian Payments Act.

There has been a fairly broad inclusion with some of these organizations in this legislation.

●(1625)

Mr. Scott Armstrong (Cumberland—Colchester—Musquodoboit Valley, CPC): Mr. Speaker, I congratulate the member on her speech in which she talked about several very important planks that are contained in Bill S-5.

I would like her to expand on some of the consumer protections. We have done some work on expanding the transparency for consumers when they apply for and receive their credit cards, and several other measures to protect consumers. I wonder if she could expand on those aspects.

Government Orders

Mrs. Kelly Block: Mr. Speaker, I appreciate the work my colleague does on the government operations and estimates committee.

As I said in my opening remarks, since being elected in 2006, our government has taken many important steps to address consumer concerns and make financial services products more consumer friendly. I mentioned that we have introduced new credit rules, such as requiring consent for credit limit increases, a minimum 21-day grace period on new purchases, full disclosure for consumers, and limiting other anti-consumer business practices.

We have also brought in the code of conduct for the credit and debit card industry. This helps small businesses deal with unfair practices.

The bill addresses the concerns of consumers. It also ensures that we have a strong financial sector.

[*Translation*]

Mr. Raymond Côté (Beauport—Limoilou, NDP): Mr. Speaker, I listened closely to my colleague's remarks, and I must admit that I am very concerned, as are all my colleagues here, about foreign acquisitions by our financial institutions.

These acquisitions are currently subject to the approval of the Office of the Superintendent of Financial Institutions, but under this bill, they would instead be subject to ministerial approval. Let us be clear. When we look at the work done by ministers in this cabinet, there are no two ways about it: there are a lot of double standards.

How can my colleague justify taking this responsibility away from a neutral stakeholder and handing it over to another stakeholder who may not be impartial?

[*English*]

Mrs. Kelly Block: Mr. Speaker, when it comes to the approval of foreign acquisitions being returned to the minister, we know our financial system is a model for countries around the world. It is something that happened in the past. Many of the quotes that I gave during my speech support this move. This simply requires ministerial approval when a federally regulated financial institution acquires a major foreign entity that significantly increases its assets by more than 10%.

Mr. Glenn Thibeault (Sudbury, NDP): Mr. Speaker, it is an honour to once again rise and speak to this bill.

It was just over one month ago that I stood in this House to speak to this bill. In my speech, I warned the government that the biggest failure of this bill was in fact what was omitted, specifically a provision to ensure that banks were mandated to participate in the Ombudsman for Banking Services and Investments dispute resolution mechanism.

There has been a lot of talk on this side about the consumer protection plan. Avoiding and ignoring this piece completely leaves consumers in the cold. The Conservatives talk about the voluntary code, but they have done nothing to address the online or e-commerce need for the voluntary code. They talk about what they have been doing on credit card interest rates. However, making the font bigger on a bill does nothing to help the consumers. What it does is it lets them know how long it is going to take to pay it off.

The Conservatives are doing nothing to actually support consumers with this. It is mind-boggling how they can say one thing and do another.

Two weeks ago today, I participated in a finance committee hearing on this bill. Witnesses from Option consommateurs and the Canadian Community Reinvestment Coalition echoed the testimony of Doug Melville, ombudsman and chief executive officer of OBSI, that the economic regulatory system that Canadians rely on has been negatively affected by the government turning a blind eye to banks leaving the OBSI system.

In his opening statement, Jean-François Vinet from Option consommateurs said:

Option consommateurs is highly preoccupied with what Mr. Douglas Melville mentioned earlier—that the banks not only choose but pay for the dispute resolution business that tries to resolve the complaints that consumers send against them. The lack of independence of such a structure, and the conflict of interest between banks and the business hired to resolve disputes against them by consumers, doesn't guarantee consumer protection in Canada and access to a neutral party.

He went on to say:

We're asking the government that all financial institutions that are federally regulated be obligated to offer OBSI for complaint resolution by consumers.

That's our key message. We hope government will understand this, and that it is common sense.

Unfortunately, sometimes there does not seem to be common sense coming from that side of the House.

Tyler Sommers from Canadian Community Reinvestment Coalition recommended that the government “ensure that all federally regulated banks are required to use the Ombudsman for Banking Services and Investments to ensure consistency and independence in the resolution of customer complaints”.

What was the government's response in what was meant to be a systematic review of legislation governing the banking system? The Parliamentary Secretary to the Minister of Finance complained that the witnesses were addressing issues that had been missed by the legislative review. Apparently the government did not want to hear how to further improve the banking system. It only wanted to hear witnesses tell the committee what a wonderful job it had done.

The problem is that is not true. Unfortunately, due to the government's decision to make the system review a technical bill with a very narrow scope, the government stopped parliamentarians from bringing forward the amendments required to make this bill the type of banking review that will help consumers, help small businesses and help the economy as a whole.

Today, business sections in some of Canada's top media outlets are reporting that OBSI's board of directors has approved a scenario for winding down operations if the government continues to allow banks to opt out of the OBSI system. The board is worried that its credibility as an independent ombudsman is being undermined by banks leaving the OBSI system if they disagree with OBSI decisions. The closure of OBSI's banking arm would be dreadful for consumers and for small businesses in this country.

Government Orders

The problem with allowing banks to choose their own firms to manage dispute resolution is that the banks become the firm's customers. As the old adage goes, for any business to thrive, the customer is always right. How can consumers trust any decision made by a private firm when they know that the bank is the one writing the paycheques?

• (1630)

As Mr. Melville very eloquently put it when he appeared before the committee:

A service hired by the bank and that consequently has the bank as a client creates the perception, if not the reality, of a loss of that critical independence on which we function. The service will know whom it is they need to please in order to keep the business, and it's not the individual making the complaint. It's a clear conflict of interest.

The problem with the government not addressing the issue of the banks leaving OBSI is that this is entirely a problem of its own making. In budget 2010, the government announced that the banks would be required to be a member of an approved third party dispute resolution mechanism, but it did not explicitly state that it must be OBSI. As such, both RBC and TD took this as a *carte blanche* to pull out of the OBSI system and move to a private dispute resolution system. Without the appropriate regulations or legislation being brought forward by the government, both the banks and OBSI have been in regulatory limbo for the last two years.

The government has had many suitable opportunities to bring forward the required changes, most notably during the financial review that we are currently debating. Now is the time for the government to own up to its mistake and make the OBSI participation mandatory.

Customers at TD and RBC are already paying the price. These customers are being turned away from the new private dispute resolution provider. They are being told their complaint is not within the firm's mandate. They are being discouraged from making their complaint or their complaints are simply not properly followed up.

If OBSI is to shut its doors to banking complaints, all bank customers in Canada will be subject to this level of misinformation and diversionary tactics in order to ensure the happiness of the private dispute resolution provider's customers. Guess who they are? They are the banks.

The irony, of course, is this. Where do Canadians who have complaints with TD and RBC turn to for help with bringing their concerns forward? It is to OBSI.

Unfortunately, I will be supporting this bill, as it needs to be passed by April 20 in order to ensure compliance with the Bank Act and to ensure we do not add increasing insecurity to the economic and financial markets within Canada. However, it is with a heavy heart that I will be supporting this bill, not because of what is in it but because of what could have been. This bill is truly a missed opportunity.

In closing I would like to repeat the words of Mr. Melville in his opening statement before the finance committee:

Should banks be permitted to choose their own provider of dispute resolution, in essence to hire and pay for the organization that will judge and rule on their market conduct? I ask you this. If the banks were given the choice of being regulated by the

Department of Finance, or some private for-profit body of their own choosing, whom do you think they would choose?

It is very obvious.

The government has a role in ensuring the stability of the financial systems. The only way to ensure the stability of the banking sector is by increasing consumer and small business confidence, which was shaken by the financial crisis. If consumers and small businesses do not believe they have access to an impartial ombudsman if they have a complaint with their bank, there will be no way to guarantee their confidence. The government needs to act now to ensure this is not the case.

With that, I look forward to answering questions.

• (1635)

[*Translation*]

Ms. Hélène LeBlanc (LaSalle—Émard, NDP): Mr. Speaker, I would like to thank my colleague from Sudbury for his speech, his passion for defending the rights and the protection of consumers, and the admirable way he represents his constituents in Sudbury.

I would like to ask him how consumers will be protected, given that there is no independent organization that deals with complaints against the banks, such as the ombudsman's office, which he referred to.

[*English*]

Mr. Glenn Thibeault: Mr. Speaker, I would like to thank my hon. colleague for all of her great work on the industry committee and many other places. We recently discussed e-commerce, mobile payments and how the voluntary code is not reaching into those areas yet.

OBSI was created approximately 15 years ago at the request of the government of the day, because the industry at that time was not protecting consumers and small businesses. Consumers and small businesses had nowhere to go when they had a complaint. The government of the day created this great organization and it is in place. Now because the government has chosen not to act, not to put the legislation in place to keep it around, it is going to disappear.

This is not about someone who has lost \$50 in a bank account, this is about when a mistake was made on a mortgage. This was created when a mistake was made on retirement savings, and what we can see happen on the far end of the spectrum is people losing their homes and losing their retirement savings because the government is choosing not to act.

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Mr. Speaker, he talks about OBSI, but what about the role of FCAC as well? Would that not be beneficial for many of the multiple providers to the system?

Government Orders

• (1640)

Mr. Glenn Thibeault: Mr. Speaker, of course, FCAC provides a very positive role to consumers and the banking institutions. However, we are talking specifically about protecting small businesses and consumers and giving them an avenue to ensure they are not being taken by the banks. It provides those necessary rules and regulations. FCAC is looking at competition and making sure there is fair competition in the market. However, a mistake being made by the bank has nothing to do with the competition aspect. OBSI offers resolution when a bank makes a mistake.

The average small business or consumer does not have the deep pockets to take on TD or RBC, or any one of the large financial institutions. Therefore, the consumers need an organization that has those deep pockets, to challenge these guys in court, if need be, and to make sure there is some fair resolution. That is what OBSI does. That is why the government is dropping the ball in protecting consumers.

Mr. Mathieu Ravnat (Pontiac, NDP): Mr. Speaker, I congratulate my hon. colleague on all the work he has done to protect consumers. As a New Democrat, I have an issue when concentration of power is too high. Financial institutions, according to the bill, would now be subject to ministerial approval, rather than approval of the superintendent of financial institutions. I wonder if these decisions risk being partisan, instead of being without political interference?

Mr. Glenn Thibeault: Mr. Speaker, I would like to thank my hon. colleague from Pontiac for his involvement on this file. We have talked about things that we can do to help his constituents and other issues related to consumer protection.

I have been talking about OBSI quite a bit because of the serious ramifications that could result from the government's inaction on this file. To start to see control being taken away from non-partisan, independent organizations right across the country is truly worrisome. At the end of the day we want to ensure that there is fair, independent resolution for consumers and small businesses. I do not know if we will see that when we start involving partisan decisions. Therefore, we need to ensure we are bringing forward organizations like OBSI.

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Speaker, as the member of Parliament for the riding of Renfrew—Nipissing—Pembroke and the beautiful upper Ottawa valley, it is my pleasure to have this opportunity to highlight some of the very important measures in the legislation before us today, Bill S-5, the financial system review act.

We are fortunate in Canada to live in a country with a stable democracy governed by a political party and a Prime Minister who have created a climate in which Canadian businesses can thrive, generating profits and jobs. We respect average Canadians who pay their taxes, work hard and play by the rules, something they expect leaders in public office to do. We are not afraid to stand up against big business or big labour when they break the rules or the laws. We take the time to communicate regularly and honestly with the people of Canada. We have a realistic and uplifting vision of the future of this country, one that respects those who present opposing positions, while at the same time ensuring that individual human beings are treated with dignity.

It is important to keep what we have, that which makes Canada the best place to live in the world today. That includes the public institutions which govern our society. We are fortunate in Canada to have a strong and safe banking system, a system that has been declared the safest banking system in the world for the past four years in a row by the World Economic Forum. The international *Forbes* magazine has ranked Canada number one in its annual review of best countries with which to do business. Five Canadian financial institutions were named in Bloomberg's most recent list of the world's strongest banks, more than any other country.

The measures in today's legislation would further ensure that our financial system remains a Canadian competitive advantage and that consumers receive the highest possible standard of service. Bill S-5 includes measures that would: improve efficiency by reducing the administrative burden on financial institutions and adding regulatory flexibility; expand the consumer protection framework, including enhancing the supervisory powers of the Financial Consumer Agency of Canada, or FCAC; and update financial institutions' legislation to promote financial stability and ensure Canada's financial institutions continue to operate in a competitive, efficient and stable environment.

The act would facilitate: clarifying that Canadians are able to cash government cheques under \$1,500 free of charge at any bank in Canada; improving the ability of regulators to share information efficiently with international counterparts; reducing the administrative burden for federally regulated insurance companies offering adjustable policies in foreign jurisdictions by removing duplicative disclosure requirements; and promoting competition and innovation by enabling co-operative credit associations to provide technology services to a broader market.

As the member of Parliament for Renfrew—Nipissing—Pembroke, a geographically large rural riding in eastern Ontario, one of the issues I deal with on a regular basis is the lack of service in rural areas. Several years ago I found it necessary to contact FCAC regarding the closure of a rural bank. The branch was in the community of Whitney, South Algonquin township, which is east of Algonquin Park.

The closing of the only financial branch in the area represented extreme hardship, particularly for residents without vehicles. Those with vehicles faced a 70 kilometre trip in all kinds of weather to Bancroft, where their accounts were to be transferred. Access to basic financial services is something that most Canadians take for granted. By working together in the community, we were able to come up with an acceptable alternative. A credit union set up a satellite branch in a local grocery store, a location that has better hours and a more accessible location than was previously the case. That arrangement is still working today.

Government Orders

•(1645)

I mention this as an example because the legislation before us today expands the supervisory powers of the Financial Consumer Agency of Canada. In my experience, I appreciated the ability to turn to the agency. I support that capacity and the continuing need to protect financial consumers in Canada.

The determination to continually strengthen our financial system has served this country well. It helps explain why our nation's economy has remained solid and sustainable under recent global stress. However, Canadian banks must also understand that they operate in a highly competitive environment and must be prepared to respond to the specific needs of Canadian consumers.

Our government is committed to ensuring that consumers are protected in their dealings with financial institutions. With the growing array of financial services offered to and used by consumers, making sure that Canadians have the tools and knowledge necessary to be confident in their financial decisions is a priority that we take seriously.

Earlier this month, for example, the Minister of State (Finance) announced that the government is moving forward with several measures to protect Canadian consumers and help them achieve greater control over their own finances. These measures, part of budget 2011, include a proposed ban on unsolicited credit card cheques and a new shorter cheque hold period, taking effect on August 1, 2012 and giving Canadians more timely access to their own money.

The fact is that credit card cheques are considered to be cash advances, which generally incur higher interest rates and fees and do not offer an interest-free grace period. The proposed legislation, the regulations banning the distribution of unsolicited credit card cheques, would amend the credit business practices regulation to require federal financial institutions to receive the express consent of borrowers before distributing credit card cheques. This would help to ensure that Canadians understand fully the terms and conditions of using these credit instruments and the obligations and implications entailed from both a payments and household budget perspective.

At the same time, a new code of conduct on mortgage prepayment information was also announced. The Financial Consumer Agency of Canada, or FCAC, has come out in support of these proposed changes, saying it welcomes the changes the government is proposing to the FCAC act. The changes are technical amendments or clarifications to existing provisions. FCAC would monitor adherence to the code and participating institutions would provide a link on their website to the agency. Lenders would make available a toll-free number so that borrowers could speak to staff members who are knowledgeable about mortgage pre-payments.

This improved disclosure would give Canadians important new details to help them make well informed financial decisions. Mortgage lenders would provide details on any obligations or penalties home buyers might incur when paying down their mortgages. That would include prepayment privileges, an explanation of the charges, a description of factors that could alter charges over time and customized information about the borrower's own mortgage. Most importantly, the code requires this information when

consumers are making key decisions, such as at renewal and in annual statements. After all, if people do not understand the information provided to them by financial institutions, we can never accomplish our goal of empowering financial consumers. These regulations would not sit and gather dust on a shelf; instead, they would be overseen by the FCAC

•(1650)

[*Translation*]

Mr. Pierre Nantel (Longueuil—Pierre-Boucher, NDP): Mr. Speaker, I heard the member opposite mention that Canada's banking system had proven that it was quite safe during the financial turmoil that, in recent years, affected the whole world.

In her opinion, do the consultations and the provisions in this bill really favour consumers? Do they not instead favour the big lobby of financial institutions?

Unfortunately, we saw that in the United States, the financial institutions asked for a great deal of freedom with respect to their activities, which led to the 2008 debacle, among other things. I would like the member's opinion on this.

[*English*]

Mrs. Cheryl Gallant: Mr. Speaker, in the reviews that were done and at the stakeholder meetings, information and recommendations were taken from consumers. Consumers held the highest priority.

I want to speak a bit more about the FCAC. In doing so, the FCAC will continue to do its part to help inform financial consumers in Canada by developing plain-language educational material on a wide range of financial products and services. This is something that was requested during the consultations with consumers.

[*Translation*]

Mr. Dany Morin (Chicoutimi—Le Fjord, NDP): Mr. Speaker, my NDP colleague touched on that a few minutes ago. We know that stock market speculation is largely responsible for the economic turmoil we have been experiencing in Canada since 2008. That is why I was disappointed that the Conservative government did not introduce more banking regulations in this bill.

The Conservative government is refusing even to consider regulatory policies that would restrict unproductive speculation on the financial markets and stock exchanges that does not create jobs but increases financial sector volatility.

We know that many retirees have seen their savings evaporate because of financial speculation.

Why did the Conservative government not include more regulations covering stock market speculation in this bill to regulate financial institutions?

Government Orders

• (1655)

[*English*]

Mrs. Cheryl Gallant: Mr. Speaker, we are continuing to work on the aspects of securing the speculative market.

Furthermore, at the request of consumers, the FCAC has also developed innovative approaches such as a mortgage calculator that quickly determines mortgage payments and the potential savings resulting from prepayments. It has also introduced online tools that help consumers shop for the most suitable credit card and banking package for their needs.

The FCAC also created two tip sheets to help Canadian consumers looking for more ways to save money. One is on choosing the right banking accounts and another is on keeping the service fees low.

[*Translation*]

Ms. Hélène LeBlanc (LaSalle—Émard, NDP): Mr. Speaker, I thank my colleague for her speech and her work as a member of the Standing Committee on Industry, Science and Technology. Committee members work well together. I know that she is focused on protecting consumers and ensuring that they get the straight goods.

Does the government member believe that this bill really addresses consumers' concerns, particularly in terms of transparency with respect to the bank fees they have to pay? Does she think that this bill goes far enough?

[*English*]

Mrs. Cheryl Gallant: Mr. Speaker, I thank my colleague for her kind comments about the industry committee. In one of our recent studies we heard a great deal of testimony on the subject of credit cards. Thanks to the new measures recently announced, the upsetting practice in question and others are coming to an end. That is in addition to other recent changes as well, such as requiring a customer's consent before raising credit card limits. The government has shown a commitment to improving banking regulations in Canadians' favour. I believe this is welcome news to my colleague opposite.

[*Translation*]

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Mr. Speaker, we are at this point today because we have to be, since the legislation requires a review every five years. That last time the financial system was reviewed was in 2007, so it is very appropriate that the members of the House are looking at this issue now.

Like most of my colleagues, the NDP will support this bill at second reading, partly because we would like the Standing Committee on Finance to examine the bill in detail, and partly because we do not have much choice. Indeed, we have very little time, because the bill must pass in April.

That said, this does not mean that we do not have some serious concerns about this bill. One concern is the government's haste to pass this bill so quickly. We believe that the process has been rushed. There was less than a month's notice and consultation was very quick. About 30 submissions were received, most of which were not even signed. Thus, public consultation was very limited.

It is too bad, because this bill, although a necessary part of the review of the financial system, also affects the wallets of Quebeckers and Canadians. We truly regret the government's haste. This is a serious process that should have been taken seriously. As far as we can tell, that has not been the case.

Another one of our concerns is the fact that this bill comes from the Senate. Why? Consultations and consideration could just as easily have begun here in the House of Commons, with a much more in-depth process. We would have had more time, instead of ending up in a situation where the bill is coming from the Senate and was studied there. This House is practically being asked to ratify a decision that was made in the Senate.

There is a big difference between the other place and here. We are elected parliamentarians with a mandate from the people, the same people whose wallets are affected by the proposed changes in this bill. Nonetheless, we, the elected parliamentarians, simply have to comment on a more thorough study that was initiated in the Senate.

This bill is important and it is really sad to see that the process has been taken so lightly.

A third concern is the government's right to veto substantial foreign acquisitions. Some of my colleagues raised this matter. There are two conditions: first, the acquiring bank must have equity of \$2 billion or more; second, the value of the foreign entity's consolidated assets, in combination with the value of the consolidated assets of the bank's other foreign control acquisitions in the past 12 months, must exceed 10% of the value of the bank's consolidated assets.

This process is officially a ministerial guarantee that Canada's banking and financial system will continue to be stable, even though some banks and institutions have a strong desire to expand their activities abroad. The rationale is that this requirement will prevent the purchase of an entity that does not have the same aversion to risk and that could jeopardize the stability of the system in the event of another crisis.

Some uncharitable souls might say that this government is trying to take credit for Canada's strong performance. What concerns me more is the provision whereby the government has 30 days to review a foreign acquisition and, if the time expires, the transaction is deemed to have been approved by the minister.

At the Standing Committee on Finance hearing on Bill S-5, my NDP colleagues tried to get answers about this provision, and the minister of state did not provide any reassurance. When asked by my colleague for Brossard—La Prairie, as well as the Liberal member for Kings—Hants, if the application would automatically be approved if the Office of the Superintendent of Financial Institutions indicated that the proposed transaction was not to Canada's benefit and the 30 days elapsed, the deputy minister replied that that was correct.

Government Orders

Therein lies the loophole. If the minister wants to take credit for Canada's sound financial position, he must also guarantee that significant transactions abroad will benefit our country.

As my time is limited, I will now turn to what is missing from the bill. It is unfortunate, because we would have had the time to study the bill if the consultation process and the review here in the House had not been rushed. We would have liked to have seen some important items, which are not in the bill.

● (1700)

When this bill was announced the Minister of State for Finance said:

The most important thing to us is making sure that we protect ordinary Canadians, that their savings are protected, that there's credit available to them, that we have strong and stable banks. When Canadians need to borrow money, we have to have strong institutions for them. It is overall oversight, the final oversight, that is in the right place in the hands of the finance minister.

The problem is that the government is engaging in doublespeak. On one hand, it is doing a very good thing by expanding and enhancing the powers of the Financial Consumer Agency of Canada. However, on the other hand, the government does not seem to understand the importance of proper regulation to ensure that financial institutions take their share of responsibility for debt and financial literacy.

Credit must be given where credit is due: this government is doing a good thing for consumers by extending the definition of consumer protection provisions. A wider range of organizations will thus be subject to these provisions, including banking representatives and intermediaries.

However, the government is completely missing the mark when it comes to the more specific provisions on consumer rights. How can the government advocate for greater financial literacy—a task force, a motion and a bill—and then turn around and say something like this about personal and household debt:

I'm not the first one to make this statement and I won't be the last: interest rates have only one way to go, and that's up. Canadians need to recognize that whatever debt you take on now, please plan on the cost of carrying that debt increasing at some point. It may stay low for a long time; we don't know that. But the downside is much less than the upside possibilities.

It is important to understand that banking and financial regulation must serve two purposes: the expansion and development of the system and public protection. That is why rules must be implemented by a neutral and impartial third party.

In my opinion, there is a very good example of this problem, and that is the fact that the big banks are not required to participate in the system of the Ombudsman for Banking Services and Investments, the OBSI.

Only last year, the Toronto Dominion and Royal banks pulled out of OBSI system and chose to go with their own ombudsman system. Terry Campbell, president of the Canadian Bankers Association, stated on behalf of the association that this was a change in provider.

While revising the legislation, could the government not have taken advantage of the opportunity to develop a better system and require large federally regulated financial institutions to be governed by that system?

That question is worth asking. Instead of doing that, the minister told the committee that there will soon be regulations governing internal and external dispute resolution mechanisms.

The OBSI's 2011 annual report was released last week and received significant media coverage because of those two pullouts.

The report said that the move by TD Bank and Royal Bank to opt out of the process and instead hire their own independent firms to handle customer complaints lacks credibility:

The dispute-resolution process that consumers access needs to be credible, independent, and impartial—not beholden to any one stakeholder group.... Allowing banks to choose a dispute resolution provider gives all the power to the financial institution and none to the consumer.

This bill fails to address some crucial issues. I think that consumer rights is one of those issues, and this bill would have provided a perfect way to resolve consumer rights issues and remedy the excesses that were in large part responsible for the crisis in 2007, 2008 and 2009.

But that is not in this bill because the process was not taken seriously and was bungled. The process began in the other place, but it should have started here. Parliamentarians have been given very little time for discussion because the deadline to pass this bill and renew the Bank Act provisions is April 20.

We will therefore be supporting this bill on second reading, simply because we have no choice. We are living in a time of economic uncertainty, but that does not relieve the government of its responsibilities. The government should have used this process, which comes around every five years, to do a thorough review of financial legislation in order to protect consumers but also to protect the future of the economy. Unfortunately, there are many things missing.

● (1705)

Ms. Hélène LeBlanc (LaSalle—Émard, NDP): Mr. Speaker, I would like to thank my colleague, whose riding's name I find hard to pronounce, for his work on the Standing Committee on Industry. The committee studied electronic commerce and spent a lot of time looking at the question of payments.

I would like to know, generally speaking, what he thinks about this government's approach to regulation. What does he think about this government's slack attitude when it comes to tighter oversight of financial institutions and the danger this might present to consumer protection and the economy in general?

Mr. Guy Caron: Mr. Speaker, I would like to thank my colleague from LaSalle—Émard and my colleague from Sudbury for their excellent speeches. He is the expert to whom I generally defer on the question of consumer rights. He is now an expert in the House on this subject.

The question is timely because today we have a tendency to think that all regulation is a burden, is excessive and throws an obstacle in the path of commerce or the economy. That may be the case for certain types of regulation, and in those cases a review is in fact worthwhile. Regular reviews are appropriate, but they still have to be useful.

Government Orders

How could we protect the rights of consumers without regulations? By relying on the goodwill of the market? The goal of the market is not, first and foremost, to protect consumers. Its function is to generate profits for corporations, which is not necessarily a bad objective in itself, since those profits can eventually be reinvested and create jobs.

But when we talk about regulations, there are some that are useful. If there had been more regulations governing the banks, particularly in the United States, we could have largely avoided the excesses and the economic crisis that hit North America in 2007, 2008 and 2009. In fact, one of the main causes of the crisis was the massive deregulation we witnessed in the 1990s. Proper regulation can be useful for the economy. It does not need to be a millstone. We have to have intelligent regulation.

Mr. Mathieu Ravnignat (Pontiac, NDP): Mr. Speaker, I would like to thank my colleague for his speech.

In my riding, people are very worried about the big banks overcharging them. I am also shocked by this. It is unbelievable how much of our money flies out the window because of the banks.

I would like to ask my hon. colleague what this bill could have done to genuinely protect consumers from the big banks.

• (1710)

Mr. Guy Caron: Mr. Speaker, I thank my hon. colleague from Pontiac for his question.

The fact that we are discussing this bill so quickly, without additional information, means that we will miss many things.

For instance, when it comes to overcharging, the association and its member banks have a voluntary code. The voluntary code can be useful in many cases, but it is still a voluntary code. Accordingly, businesses, particularly banks and financial institutions that do not comply, will not be punished by laws or regulations, but rather through internal discipline.

I have no problem with leaving a voluntary code in place if it is working, but the legislation needs provisions to ensure that if the voluntary code is not enough to prevent certain excesses—in this case, it might be financial institutions and in other cases, it could be other businesses—we will be able to ensure that the government can and does intervene, once again, in the interest of protecting consumers and not for the sake of gratuitously interfering in the economy. There are specific times when the government has not only the right but also the duty to enforce regulations in the interest of all Canadians. This could be one such time.

Would I support specific regulations? Perhaps not exactly that. I hope that the committee will have the opportunity to address this matter, which is not in the bill but deserves to be considered.

[*English*]

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, I am pleased to rise in the House today to speak to Bill S-5. I have been listening to the debate this afternoon and the comments of my colleagues. Although the NDP has been supporting the bill, we find that it has a very limited form and it misses a big opportunity to address a whole array of consumer issues and consumer protection

for Canadians, which is unfortunate. However, that, unfortunately, is what we have come to know of the government.

It is rather surprising to know that the bill originated in the Senate. We would be interested to know why it started in the other place that is unelected. As members of the House of Commons are directly elected, it seems to us that it would only be legitimate that a bill would begin in the House of Commons, go to committee and follow the usual process. It is very concerning that the bill began in the Senate. We would have thought the government would have given respect to the House of Commons and given the bill first reading and second reading here.

The bill is being portrayed as a very technical bill and would change the Bank Act and 12 other acts, which is all the more reason to go through it carefully because often the devil is in the details. When we look at amending a large number of acts, some significant changes can take place. I have noted that when the bill went to committee, the committee only had three sessions, which was a very limited time review and very few witnesses were called.

I would put this in the context of a larger pattern that is emerging with the government, which is that if bills are introduced here on the floor of the House of Commons they are rushed through. We have seen time allocations, gag orders and closure to limit debate. Now we are seeing bills being introduced and debated in the Senate as opposed to the House of Commons and then dealt with in a very perfunctory and rapid manner at committee.

I would say that is not a good sign, especially for a bill of this nature. It reminds me of a budget bill where, because of the enormous amount of technical details, it is easy for important details to be overlooked.

The NDP has paid an enormous amount of attention to consumer protection. Jack Layton, our former leader, pressed this, and our consumer affairs critic, the member for Sudbury, has done an enormous amount of work in bringing forward in the House of Commons the issue of consumer protection and how people are being gouged and ripped off by financial institutions.

For example, last year the bank profits were a whopping \$25.5 billion, which is astounding. The financial sector industry is not only healthy but incredibly profitable while, at the same time, many people are getting laid off.

This afternoon my colleague from Nanaimo—Cowichan did a brilliant job of pointing out how fewer and fewer people now qualify for employment insurance. I think she said that only 39% qualify. While the need for EI goes up and the qualification period goes down, the length of the waiting time is also going up to about four months.

Government Orders

I wanted to say that because it is part of the growing income inequality that we are seeing in our country. We are seeing more and more people working in part-time jobs, minimum wage jobs or getting laid off. They cannot qualify for EI because of the government's incredibly onerous limitations and restrictions. On the other side of the coin, so to speak, we see major financial institutions making an exorbitant amount of money. It does create a society where there is a widening gap between wealth and poverty. There is a growing gap in income inequality.

• (1715)

When we put into that picture the corporate tax cuts that have been granted, the billions of dollars that we have lost in public revenue that could be providing for public services, when we look at the budget that we know is coming on Thursday and our fears about that budget and its impact on ordinary people and their ability to access needed government services, it is a picture that is very disturbing. We look at Bill S-5 in that context.

I am very proud that we in the NDP stand on a principle and priority of protecting people, of protecting consumers and people's jobs, in saying that we do have to have an economic plan, a jobs plan, a financial plan, and fair and progressive taxation. This bill, which presents itself as a technical bill and brings forward some changes that I think are useful, is a massive lost opportunity overall to provide much better protection for consumers.

I know that most consumers feel completely powerless when it comes to dealing with financial institutions. I speak to people who have made complaints. They come to my riding office and we write letters to the banks on their behalf. We often will write to the ombudsperson of a bank or the banking system overall and put forward a person's complaint that in the overall scope of things is not massive, but for that individual the fact that they feel they have been ripped off or gouged or not listened to by the banking institution is something that I think really plays into the feeling of cynicism they have about the people who run financial institutions and make very powerful decisions.

I am very proud that we in the NDP have always made it a priority to stand up for consumer rights and protections. We do know that Canadians get gouged by service charges, user fees and abusive credit card rates. Again, this is something that the hon. member for Sudbury has raised so many times in this House.

The idea that there are voluntary systems in place is almost laughable. We have seen that with the drug shortages that we have been debating in this House. We had an emergency debate on those shortages two weeks ago. It is the same thing. When we have a very serious systemic problem, whether it is drug shortages because the marketplace is controlling what is going on or now when we see people being gouged by financial institutions, the response by the government has been to let the parties get together and to see what they will do on a voluntary level. That is just not good enough. Therefore, as a piecemeal approach, I do feel that the bill falls far short of what we actually need to do with consumer protection in this country.

This worries me. Just from reading the background on the bill, it is very clear that there was very little consultation done. I think there were about 30 submissions and they were mostly from associations

or from a technical point of view. We have to ask why there was very little consultation done on this bill. Is it because the government knew that if it actually did engage in an adequate public consultation, it would be opening up a Pandora's box and getting a whole mass of feelings and complaints and frustrations from Canadians in response? It is very unfortunate there was not proper consultation done for this bill.

In wrapping up I would say that we support this bill for the limited progress it makes, but it is very disappointing that yet again the government has missed the mark and failed to take into account adequate protections for consumers in this case.

People will still be out there, left out in the marketplace, feeling like they do not have a voice. I hope they know that they do have a voice in the NDP and that we will continue raising these issues in Parliament to ensure there is proper regulation and protection and that the rights of consumers will be upheld.

• (1720)

Mr. Glenn Thibeault (Sudbury, NDP): Mr. Speaker, I would like to thank the hon. member for Vancouver East for her great speech and all the great work she has been doing in the House.

I can recall a specific scenario a few months back in her riding, where a constituent of hers was very concerned about some mortgage insurance and how that mortgage insurance was being paid but was never actually paid for by the insurance company when needed.

We on this side of the House have been talking about what is not included in this bill. I can think of many people who have written to my office. A person named Craig wrote about how he had the same type of unfortunate circumstance relating to mortgage insurance and consumer protection.

The government completely drops the ball when it comes to this file. I can see the work the hon. member has done with her constituents and how this issue affects people from coast to coast to coast. I would like to hear the hon. member's comments on this subject.

Ms. Libby Davies: Mr. Speaker, my hon. colleague is entirely correct that we actually both worked together on that case, which was a difficult case in one way but not in another.

It involved a constituent of mine whose parents had bought mortgage insurance. When one of the parents died, they thought they had mortgage insurance, only to find out that they did not because of the way the rules worked. It was a really huge shock to the family to find out after buying what they thought was protection or the ability pay off their mortgage with the insurance that it was in fact not worth the paper it was written on. It was worthless.

It is a very good example of how consumers can act in good faith and believe that they are operating the way they are meant to operate and are hopefully getting clear, honest and frank information from financial institutions, only to find out that, literally, the small print is so difficult to understand or the way it is being presented that they actually get ripped off.

Private Members' Business

That is a very good example of what the bill could have done. I know that we both wrote to the minister, raising this issue and urging that changes be made. It did involve provincial jurisdiction as well, but there was a federal role. It is a great example of the kind of thing that should have been done with this bill to protect consumers.

These are elderly people who put some money aside based on the belief they would be protected, only to find out that they got ripped off. When we hear these kinds of stories, and that is just one story, we realize that the system is not working properly. It is too bad that this bill is not focusing on the needs of those people and the fact that we could be helping them, if the bill were genuinely looking at consumer protection.

• (1725)

[*Translation*]

Mr. Pierre Nantel (Longueuil—Pierre-Boucher, NDP): Mr. Speaker, I congratulate my colleague for her speech. She is very knowledgeable about this matter, as are my other colleagues.

I would like to ask her if she feels, as I do, that our friends opposite have once again listened carefully to the corporate lobby instead of taking care of the average citizen, just as they favour the all-American way with which they are fascinated.

[*English*]

Ms. Libby Davies: Mr. Speaker, I think that is an excellent point. I wholeheartedly agree with my colleague.

Again, this has become a too familiar pattern. It is a scary place out there. People try to navigate the marketplace. They try to play fair and to figure out what is a good deal and what is not, but unless there are proper regulations in place for consumer protection, people do end up getting ripped off.

When we have a government that is hell bent on basically listening to its friends and paving the way, sometimes through deregulation and sometimes legislation that actually helps these financial institutions, then we can see that it is just ordinary Canadians and consumers who get left behind. I think that is very worrying. Again, I think the pattern of that, with the income inequality involved and the people feeling they have fewer and fewer resources and information to actually deal with the marketplace and to have a sense of integrity about what is going on, is very concerning. It is something that we will keep pressing in this House.

The Acting Speaker (Mr. Bruce Stanton): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mr. Bruce Stanton): The question is on Motion No. 1. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

An hon. member: On division.

The Acting Speaker (Mr. Bruce Stanton): I declare Motion No. 1 defeated.

(Motion No. 1 negatived)

Hon. Jim Flaherty (Minister of Finance, CPC) moved that the bill be concurred in.

The Acting Speaker (Mr. Bruce Stanton): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

An hon. member: On division.

The Acting Speaker (Mr. Bruce Stanton): I declare the motion carried.

(Motion agreed to)

• (1730)

Hon. Gordon O'Connor: Mr. Speaker, I ask that you see the clock at 5:45 p.m. so we can move on.

The Acting Speaker (Mr. Bruce Stanton): Is it agreed?

Some hon. members: Agreed.

The Acting Speaker (Mr. Bruce Stanton): The House will now proceed to the consideration of private members' business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

[*Translation*]

GOVERNOR GENERAL

Mr. Louis Plamondon (Bas-Richelieu—Nicolet—Bécancour, BQ) moved:

That, in the opinion of the House, the Governor General should exercise the same financial discipline that the government is asking of the public, and that the government should make the Governor General's salary subject to the general tax regime.

He said: Mr. Speaker, the motion I tabled states:

That, in the opinion of the House, the Governor General should exercise the same financial discipline that the government is asking of the public, and that the government should make the governor general's salary subject to the general tax regime.

The tax system applies to all Canadians. I tabled this motion when I learned, while doing some research with the help of the Library of Parliament researchers, that the Governor General is the only person in Canada who does not pay taxes. A tiny paragraph in the Income Tax Act states that he is not subject to the tax regime.

That raises a huge number of questions, at a time when everybody is concerned about the measures contained in the upcoming budget, at a time when there is talk of reducing government spending, or of controlling spending, and at a time when there is discussion about cutting back transfer payments to the provinces in the areas of social services and health, for example, beginning in 2016. Members will recall that, in 1994, the federal government covered 50% of the provinces' health care expenses. This has now been reduced to 25%. With the measures announced by the minister, this will drop to 20%.

Private Members' Business

Cutbacks are being made everywhere. There are cuts to government agencies. There will soon be cuts to fisheries. The number of inspectors at Agriculture and Agri-Food Canada has been reduced. There have been huge cutbacks in the environmental field. For example, surveillance and rescue stations are being closed in the Quebec City region. Employment insurance centres are being amalgamated to reduce expenses. Radical cuts to the public service have been announced. The elderly have been targeted. Henceforth, seniors will have to wait till they are 67, instead of 65, to collect their pensions. For many people, that means two years of living in poverty. It also becomes an extra burden for the provinces.

There will be huge cuts in spending. There will be restrictions, cutbacks, and the reassessment of all federal organizations.

The end result will be that people will pay more and more but receive less and less, except for one person, the Governor General. He has no limit on his spending. He receives a salary of \$135,000 without paying a cent in taxes. Worse still, after 5 years of service, he will receive his salary for life. That is quite surprising.

In these conditions, is it normal that a person who holds an honorary position—and I remind members that the Governor General has no ministerial responsibility—who has been appointed, not elected, be exempt from paying tax on his salary? That does not make sense.

The only person in Canada who has this privilege, which is written in the law, is the Governor General of Canada. It is not normal; it is unfair and the situation must be addressed.

I should say immediately that this demand has nothing to do with the person occupying the position. Regardless of who this person might be, and independent of his or her reputation, experience, and influence, the Governor General must, like all Canadians, pay his fair share in taxes and contribute to the running of government, especially since he enjoys exceptional privileges. He is fed, dressed and housed. He has a car and a private chauffeur. He can go on as many international trips as he wants, with the government's Challenger or armed forces' planes.

● (1735)

The least he could do would be to pay income tax on his \$135,000 salary. I would remind the House that some years ago the Queen of England decided to pay income tax. She requested it herself. I would also note that the governors general of Australia and New Zealand pay their share of tax, like other citizens in their countries.

The motion presented today calls on the Governor General to pay income tax, but should we not also be questioning the fact that governors general of Canada receive a pension equal to 100% of their salary immediately after their five-year term? That makes no sense. I do not know anyone in the world who receives a pension like that after five years—100% of his or her salary.

Ms. Jean, for example, who left office at the age of about 53, receives 100% of her salary for the rest of her life. The same is true for Ms. Clarkson, who was Governor General for five years and receives a pension equal to 100% of her salary for life. When a governor general dies, his or her spouse receives 50% for life. For example, the widow of former Governor General Roméo Leblanc,

has been receiving 50% of his salary for 17 or 18 years. The principle that a spouse receives something is acceptable, but the amount should be more balanced.

A member has to sit in this House for 25 years to receive the maximum, which is 75%. The lieutenant governors of the provinces do not receive a pension until age 60, and it is 30% of their salary. That also makes no sense. This is not in my motion, but I urge the government to take action regarding income tax and also remedy the fact that the pension is for life, equal to 100% of the salary and paid immediately, regardless of the age of the retiring governor general. That is unacceptable. That incomprehensible position has to be reviewed. No one receives 100% of their salary for life, particularly when they hold an honorary office.

On the question of honorary offices, the tradition is that this office was created because we are members of the Commonwealth and have agreed to the British parliamentary form of government. This means that bills passed by the House of Commons are reviewed and voted on in the Senate. If there are amendments, they are sent back to the House where they are voted on again, and then they go back to the Senate and ultimately receive what is called royal assent.

Thus, there has to be someone who officially signs the papers on behalf of Her Majesty Queen Elizabeth II. But the person who is designated has, over time, assumed the powers of what is virtually a head of state. The Governor General goes travelling all over the world, which costs tens of millions of dollars, and has a huge staff working for him. But essentially, his real role is to sign bills. Would it not be reasonable, in a time of budget cuts and the government's desire to cut spending, for the Governor General to have an office in Parliament with three or four employees, for him to sign bills once or twice a month, as required, and for this office to be regarded as honorary?

● (1740)

The trouble is that over time governors general have come to think of themselves as the head of state. The Queen of England designates this person, as suggested by the prime minister, to represent her in Canada. Therefore it is not the role of a governor general to travel throughout the world. The Governor General does not represent Canada in the world; he represents the Queen of England in Canada. He should remain in Canada and look after his affairs, which consists of one thing: signing bills that end up on his desk after they are adopted at third reading in the House of Commons, have gone to the Senate to be enhanced, amended or agreed to, thus giving royal assent. The role of a governor general is to sign the royal assent, that is all. Let us stop this extravagant spending and these trips, and give the Governor General back his intended role, that of representing the Queen in a Commonwealth country.

I would also insist that we think about what I call the monarchy madness that has taken hold of the Conservative government. The Conservatives want the portrait of the Queen to be displayed everywhere in Canada's embassies. They want to put the word "royal" on every aircraft, and boat, which basically means repainting every building, ship and war plane, and redesigning military uniforms. This will cost a fortune.

Private Members' Business

Once again, in the name of this monarchy madness, the Conservatives want to honour the War of 1812. I would point out to parliamentarians that in 1812 Canada did not exist. Canada was founded in 1867. The War of 1812 was a war between England and the United States. The Conservatives want to spend \$76 million to commemorate this war. It was the British Empire's war, not Canada's.

The Conservatives are also going to produce \$3 million worth of medals. In fact, they intend to spend \$100 million on visits, among other things. Is it really a good time to spend \$100 million when we are being told about budget cutbacks in the public service and government organizations, for example, the CBC, which has done so much in terms of news coverage in remote regions both in Canada and Quebec? The Conservatives are getting ready to take an axe to all of this while gleefully celebrating the monarchy.

In closing, I have a question to ask parliamentarians. I am a Quebecker, and a proud one at that. I identify with Quebec symbols. Are my colleagues proud to be Canadian? Why do they identify with symbols of the monarchy, this vestige of colonialism? Why do they not identify with Canadian symbols, if they are proud to be Canadian? I am proud to be a Quebecker.

Let us put an end to this pointless and incomprehensible spending that not only perpetuates the monarchy, but also confers upon the Governor General the role of head of state when his real role is simply to represent the Queen and to sign bills.

• (1745)

Mrs. Shelly Glover (Parliamentary Secretary to the Minister of Finance, CPC): Madam Speaker, it wounds me deeply to hear a member of Canada's Parliament say things like that. It surprises and hurts me. I cannot believe that anyone here in Canada would refer to our monarchy as madness.

I really want this to be clear to all Quebeckers and Canadians. I have a question for my colleague. I have a lot of respect for him in other areas, but in this area, there is a problem. He has just attacked the monarchy. That is the real purpose of his motion. Will he make it clear to Canadians and Quebeckers that he is loyal to our head of state, the Queen of England, who is also the Queen of Canada? I expect him to confirm that now.

Mr. Louis Plamondon: Madam Speaker, I have a lot of respect for the hon. member. We were both members of the International Assembly of French-Speaking Parliamentarians, and her comment made me smile a little.

When I said "monarchy madness", I made it clear that I was talking about the government's monarchy mania, its obsession. It never mentioned the monarchy during the election campaign or in its campaign promises, nor did it consult the other parties.

I have no doubt that, had the government consulted the NDP, the Liberals, the Bloc Québécois or the Green Party, it would not have found unanimous support for putting symbols of the monarchy back into every embassy and replacing paintings by great Canadian and Quebec artists with a photo of the Queen. This government is obsessed with bringing back symbols of the monarchy. Thirty years ago, Canada was looking for ways to express itself through Canadian symbols. Consider the rise of the CBC back then. Consider Petro-

Canada. Consider the patriation of the Constitution. Those were all symbols to help show Canadian pride. Now the government is going in the opposite direction.

To me, this is about my pride as a Quebecker. My goal is to enhance Quebec's international profile. But if you are proud to be Canadian, look to Canadian symbols, not symbols of the monarchy.

Mr. Dany Morin (Chicoutimi—Le Fjord, NDP): Madam Speaker, I thank the hon. Bloc Québécois member for this excellent motion, M-313, which calls on the government to make the Governor General's salary subject to the general tax regime. Under the Income Tax Act, income from the office of Governor General of Canada is not included in computing an individual's income for a taxation year. When this news hit in the media, the people of Chicoutimi—Le Fjord were stunned.

I agree with the member. Even though he is a member of a sovereignist party and mine is a federalist party, as a Quebecker and citizen of Chicoutimi—Le Fjord, I agree that the Conservative government is obsessed with the monarchy. It is always trying to ram it down our throats.

I do not have a question for the Bloc member. I simply wish to support him. On behalf of everyone in Chicoutimi—Le Fjord, I will be pleased to vote in favour of this motion.

Mr. Louis Plamondon: Madam Speaker, I thank the hon. member for Chicoutimi—Le Fjord for his intervention.

It goes without saying that all Quebeckers, regardless of their political stripes, any many Canadians outside Quebec, primarily among the many ethnicities that make up Canada's vast mosaic, do not identify with the monarchy. They do not identify with this symbol.

The government did not consult anyone on this. That is why I said the Conservative Party embodies this monarchy madness and why it is doing so without consulting the other parties.

To come back to my motion, it seems to me that it is a simple matter of social justice. Someone who earns \$135,000 should pay taxes like anyone else, especially since he is also housed, fed, dressed and driven around, not to mention that all of his trips are paid for, as I said. It is the least he could do, and it is up to the government to see that he does.

• (1750)

Mrs. Shelly Glover (Parliamentary Secretary to the Minister of Finance, CPC): Madam Speaker, I am pleased to rise in the House today to speak about private member's Motion No. M-313, moved by the sovereignists from the Bloc Québécois, who want to make the Governor General's salary subject to income tax.

Before I begin, I would first like to say how disappointed I am that the Bloc Québécois has once again chosen to play the same old political division card. As we just heard, the hon. member is pretending to have the country's economic interests at heart in order to hide his own personal interests. In reality, he did not even hide them. He just said that he wants to attack the monarchy here in Canada. It is shameful.

Private Members' Business

Rather than focusing on issues that are important to Quebecers and Canadians, such as the economy or the fight against crime, the Bloc Québécois always chooses divisive policies. This philosophy is completely out of touch with Quebec families and that explains why the Bloc Québécois has been practically wiped off the electoral map.

While the Bloc Québécois is playing petty politics, I am going to present some important facts that will further the debate.

[*English*]

In the year of the diamond jubilee, the 60th anniversary of Her Majesty's accession to the throne as Queen of Canada, Canadians have chosen to commemorate her service and dedication to our country. Our Conservative government has embraced this historic opportunity to celebrate the traditions, the history, the symbols, the values and institutions which make our country great.

The jubilee will highlight how Canada has evolved over the past 60 years under Her Majesty's reign and look to the future of our nation and how our young people will contribute to our democracy.

[*Translation*]

For 60 years, Her Majesty has proven to be a perfect example of selflessness toward Canada and Canadians, demonstrating her strong will and commitment. The diamond jubilee is an opportunity to pay tribute to Canadians who, like her Majesty, have devoted themselves to their families, their communities and their country.

While we are celebrating the reign of Her Majesty and the leadership she inspires in Canadians, we are also thinking about the history and tradition embodied by the Crown since our country was founded. Canadians understand and recognize the major role that the Crown has played in unifying our country, a unification that was not achieved through a revolution but through a peaceful consensus.

Ms. Maria Mourani: Through colonization.

Ms. Shelly Glover: Madam Speaker, if the Bloc Québécois continues to interrupt me, I hope that you will do something so that its members discover there are rules here in Parliament.

In reality, the constitutional monarchy represents the continuity of democratic principles acquired over time, which are based on the rule of law and respect for fundamental rights and freedoms.

The Crown is the principle behind our institutional unity and a key component of our Parliament and our democracy. The Crown serves discreetly behind the scenes to ensure the government's continuity and accountability.

When they think of the monarchy, most Canadians think of a visit by the Queen or a member of the royal family, the reading of the Speech from the Throne by the Governor General or, perhaps, the visit of a Lieutenant Governor to a community or an award ceremony for a deserving citizen.

This visible presence of the monarchy is extremely important. It reminds us that the Crown and its representatives are living symbols of our freedoms and our collective institutions and that they are the guardians of our democratic system of government. That is the very foundation of Canada's democracy and national unity.

I am very disappointed that the Bloc Québécois sovereignists have presented this motion just for the sake of playing petty politics.

• (1755)

[*English*]

As the Queen's representative in Canada, the Governor General is indeed a visible and present reminder of our ties to the Crown. The most important characteristic of our constitutional monarchy has been its ability to adapt to the ever-changing needs of our democracy.

Indeed, the responsibilities of the Governor General have evolved over time, along with the evolution of Canada as an independent and sovereign nation.

The Governor General has important parliamentary responsibilities, such as to ensure that Canada always has a prime minister and a government in place that has the confidence of Parliament.

Furthermore, he or she sets out the government's program by reading the Speech from the Throne and giving royal assent, which makes acts of Parliament into law.

The Governor General is also the Commander-in-Chief in Canada. He visits military bases and honours our brave men and women in uniform on behalf of the Queen. He also fulfills important ceremonial duties, such as recognizing the achievements of outstanding Canadians, receiving foreign dignitaries, travelling overseas as a representative of Canada's head of state, and hosting official events.

Perhaps the principal role of the Governor General, beyond constitutional duties, is to promote national unity and identity, something unfortunately the Bloc Québécois does not recognize.

In cities and towns from coast to coast to coast, he participates in community events, visits hospitals and schools, celebrates important anniversaries, and supports a wide range of organizations.

The Governor General encourages Canadians to be proud of their country and to work together to build strong and compassionate communities. It is through an appreciation of ourselves as a unique people that we come to a fuller appreciation of our unity and pride in our country.

[*Translation*]

The office of Governor General is the oldest continuous institution in Canada and is an unbroken link with the early days of our country's recorded history.

In 1952, the appointment of Vincent Massey ushered in a new era in both the history of the office of Governor General and of Canada. Governors general would now be Canadian citizens who represented Her Majesty The Queen and, at the same time, were a true and accurate reflection of the richness of Canadian society.

For more than half a century, 11 governors general—Vincent Massey, Georges P. Vanier, Roland Michener, Jules Léger, Edward Schreyer, Jeanne Sauv , Ramon John Hnatyshyn, Rom o LeBlanc, Adrienne Clarkson, Micha lle Jean and David Johnston—have mirrored our bilingual and multicultural reality and, above all else, demonstrated a strong desire to represent the Canadian Crown with dignity and to use the office to highlight the best that is Canada.

This role is synonymous with national unity and is the legacy of the successive governors general. While some exceptional people from French and English Canada have used their role to bring our country together, the Bloc is obsessed with political games that go completely against the interests of Canadians.

[English]

In this, the year of Her Majesty's diamond jubilee, we celebrate the service and history of the Queen and her representative here in Canada. As our country has matured, Canada has adapted the Crown to suit its needs as a clear reflection of its regional, bilingual and multicultural character.

Once again, I would like to express my grave disappointment with the Bloc for ignoring economic growth and jobs and everything else that matters to Quebec families. Canadians and our Conservative government know that the Crown embodies our past, our present, our future, and most important of all, the lasting legacy of a united Canada that I am proud to call my home.

Madam Speaker, I want to express to Canadians and Quebecers across the televised viewership that I am very disappointed. The entire time I was making my speech, members of the Bloc Qu b cois heckled and made comments that were absolutely unrealistic and disrespectful not only of the Crown, but of Parliament. They have absolutely no respect for what is being said.

• (1800)

[Translation]

I truly feel sorry for Quebecers who have no representation here with the Bloc Qu b cois.

[English]

Some hon. members: Oh, oh!

Mrs. Shelley Glover: Madam Speaker, I just want to say to all Canadians, God save the Queen.

[Translation]

The Deputy Speaker: Order, please.

The honourable member for Brossard—La Prairie.

Mr. Hoang Mai (Brossard—La Prairie, NDP): Madam Speaker, I am pleased to rise to speak about motion M-313 and to tell my colleague from Bas-Richelieu—Nicolet—B cancour that we are going to support his motion.

The question is not necessarily whether one is for against the monarchy. It is a question of social justice and equity. I listened to my Conservative colleague conclude her speech by saying “God save the Queen” when we are simply talking about what is fair and not fair here.

Private Members' Business

We have a Governor General. As my colleague from the Bloc mentioned, this is not a personal attack against the current Governor General, on the contrary. As newly elected members, we had the opportunity to meet the Governor General, who lives in a very beautiful home and it is very kind. That is not the issue.

The issue is that the Governor General earns \$138,000 per year. These are tough times and everyone must do his share. The government says that the most important thing is the economy. Indeed, the economy is important, but families and people are also important. There is also an issue of social equity and sharing. The Governor General earns \$138,000 a year, but is also entitled to \$19.8 million a year on spending for expenses and the office of the Secretary to the Governor General. That is a lot of money.

In our opinion, it is normal that a salary paid and received in Canada should be taxed. It is a question of social equity: a person who works must be taxed. As members of Parliament, we pay taxes. Everybody pays taxes. This is not about increasing taxes, but making sure that everyone pays his share, including the Governor General. Later, if I have the time, I will speak about certain governors general who made decisions that I did not agree with.

The NDP is clearly in favour of a progressive tax system. It is important that each and every person pays the proper share. An annual salary of \$138,000 is a lot compared to the average family's income. Currently, in my riding of Brossard—La Prairie, there are still people who, despite the fact they are working, have to go to food banks to make ends meet.

The government says that it wants to promote the monarchy. Not only does the Governor General not pay taxes, there will also be extravagant spending on the Jubilee, among other things. I agree with my colleague's remarks. The Conservatives can be excessive when promoting the monarchy.

I would reiterate that this is not a question of being for or against the monarchy, but of being for or against fairness and social justice. On this side, we are for social justice.

The Queen herself decided, voluntarily, to make her income taxable. That is reasonable. In 2011, the Government of New Zealand followed Australia. In 2001, the Governor General of Australia was made subject to the taxation system. The trend is that a governor general's income will be taxed. This is what we want to do by supporting this motion.

Why does anyone say that the Governor General should not be taxed? Of course, the Conservatives will say they want to protect their friends, and the Governor General is their friend, and so on, but it is also a result of the fact that it was always said that the Crown may not be taxed. However, as we have seen in the United Kingdom, the Queen decided voluntarily to have her salary taxed. It is time for the Governor General to follow suit.

The Governor General also enjoys benefits. I mentioned the millions of dollars he has available for his office. Is that justified? Again, that is not the issue here. The government and the Governor General need to come to some realizations, but that is another matter.

We have to look at what goes on everywhere in Canada, in the provinces.

Private Members' Business

●(1805)

We know that the lieutenant governors' salaries are also subject to income tax. I think that is really very reasonable. It means not operating extravagantly and ideologically, and simply saying that we do our work and everyone has to do their share, particularly in these times when the government is arguing that we have economic problems and saying it is going to bring down an austerity budget. I think it is somewhat inconsistent to say the Governor General should not do his share. This is not necessarily about the present Governor General. However, if we want to have a system that is fair and socially acceptable, things have to be changed.

I do not agree with the Parliamentary Secretary to the Minister of Finance when she says Quebeckers would not agree on this. On the contrary, I believe Quebeckers and Canadians want to have a certain level of social fairness. If we agree that we have to pay income tax, why should another person not have to do so?

I might say that in certain cases, it is not a question of penalties. Let us consider certain governors general, including one in particular, who agreed to prorogue this Parliament, when she had the possibility of playing a decisive role and living up to her responsibilities. The Governor General could have changed things and made her role important. Instead, she agreed to prorogue Parliament. This is very disappointing. Moreover, when I asked this question of the current Governor General, I got a politician's answer, but that is part of the game.

As I said, Canadians are going to understand that what we are asking is simply to know whether the salary of someone who works here in Canada, who does a job with which we agree or disagree based on our position on the matter and even the generation to which we belong—which is not the issue for debate today—should be taxed.

On this side of the House, we believe that this salary should be taxed. That is why we are going to support our colleague's motion.

I think that this is simply about falling into line with what is happening in Australia, New Zealand and the provinces. It is only natural that the Governor General's salary should be taxed.

I do not understand why the government is not supporting this motion. The government says it is time to tighten our belts, but then it goes and spends millions of dollars to change the name of the army and to put up photos of the Queen. Once again, it is not a matter of being for or against the monarchy, it is simply a question of money.

The Conservatives boast that they are good managers when it comes to public spending, but if we look at what they have done in terms of the G20, the G8 and the F-35s, it is obvious that they mismanage spending. Their spending is quite ideologically driven.

Once again, the fact that the government is refusing or seems to be refusing to support the motion shows that the Conservatives are not really listening. Not only is the government not listening to Canadians, it is not paying attention to Canada's current financial needs. We are being asked to cut pensions by pushing back the age at which seniors are eligible for their pension in order to pay for other things such as the Governor General's salary.

There are some other highly questionable government expenses. We saw this again with the way in which the Parliamentary Secretary

to the Minister of Finance ended her speech. Throughout her speech, she spoke of the monarchy. She said she was in favour of this institution and that it was very important. She praised everything the Queen has done and everything the governors general have done. I wonder whether the Governor General would voluntarily agree to pay income tax, as the Queen has.

Anyone who has any sense of social justice and fairness would answer in the affirmative. He would say that if his fellow citizens are being asked to do their fair share, then he should do his. In this case, it is the Governor General who should be doing his part.

●(1810)

I do not know whether the Conservatives consulted the Governor General before taking this position. If they saw what the Queen did, then they would understand that it is normal for a person who works and earns a high salary to pay taxes.

Hon. Stéphane Dion (Saint-Laurent—Cartierville, Lib.): Madam Speaker, I rise to speak about this issue, although it does not seem to be that important compared to all the other problems that we have. That being said, the Governor General plays a very important role, and one of his duties is to stand as a symbol. It would be very symbolic if the Governor General were to pay taxes like all Canadians, and so the Liberal members will support this motion.

I would like to close by making a suggestion, in the hopes that the government is listening. The parliamentary secretary stormed out earlier. If she is listening, perhaps she will agree with me and we can all vote in favour of this motion, if everyone agrees with the Liberals' suggestion.

The Governor General's salary should be subject to the general tax regime. This is not currently the case because his salary is tax-exempt under the Income Tax Act. Since this is a statutory expenditure approved by Parliament under the Governor General's Act, it is within Parliament's power to change this practice and make the Governor General's salary taxable. This is not a constitutional issue, and it can be resolved through legislation. There are three reasons to tax the Governor General's salary.

First, the Liberals would like compensation to be more transparent. That is why, in 2001, the previous Liberal government replaced members' tax-free allowance with a taxable salary.

Second, the pension paid to former governors general, which was \$130,000 in 2011-12, is taxable under the Governor General's Act and the Supplementary Retirement Benefits Act. It is indexed once a year based on the consumer price index. There is no reason not to do the same with the Governor General's salary.

Private Members' Business

[English]

Third, there is ample precedent for this policy, and my colleague just mentioned it. All of Canada's provincial lieutenant-governors pay income tax. Both Australia and New Zealand have amended their income tax legislation to make the salaries of their Governors General subject to income tax, and even the Queen voluntarily pays income tax in the United Kingdom. Indeed, the Queen pays income tax. On the official website of the British monarchy, one may read:

The Queen volunteered to pay income tax and capital gains tax, and since 1993 her personal income has been taxable as for any other taxpayer.

That is since 1993. We are now in 2012.

The Queen has always been subject to Value Added Tax and pays local rates on a voluntary basis.

God save the Queen.

In Australia in 2001, the Income Tax Assessment Act 1997 was amended to remove income tax exemptions from the Governor General. In New Zealand, although the Governor General's allowance remains tax exempt, in 2010 the Income Tax Act 2007 was amended to make the Governor General's salary taxable. However, in New Zealand the salary was also increased to reflect this change. The salary is \$311,000 New Zealand, which is approximately \$253,000 Canadian. In Australia, the Governor General's salary in 2010 was \$394,000 Australian, which is approximately \$410,000 Canadian.

To recap because there are a lot of numbers, in New Zealand \$253,000 Canadian is paid to the Governor General per year. In Australia, \$410,000 Canadian is paid to the Governor General per year. The conclusion is that it seems Canadians have their Governor General for a bargain.

• (1815)

[Translation]

In fact, in 2011, the Governor General of Canada's salary was \$134,970. If this income had been taxable, the Governor General would have had to pay exactly \$42,767 in taxes, leaving a net income of \$92,203 after 2011 federal and Ontario provincial taxes. That would be \$92,203 for the Governor General of 33 million Canadians, compared to \$253,000 for the Governor General of 4 million New Zealanders and \$410,000 for the Governor General of 23 million Australians.

I believe that it would be quite reasonable to say that Parliament could tax the Governor General's salary and at the same time give him a small raise. Although the government is going through tough economic times, Parliament should ensure that the Governor General's pre-tax salary is adjusted to prevent a punitive reduction as a result of taxes. After all, that is what Parliament did for its members in 2001.

[English]

Mr. Jay Aspin (Nipissing—Timiskaming, CPC): Madam Speaker, I am pleased to speak in the House today about Canada's proud tradition of constitutional monarchy. Unlike the separatist Bloc Québécois, our Conservative government appreciates the monarch's fundamental importance to our democratic governance.

Since our earliest days, we have looked to the Crown for inspiration. I would like to take this opportunity to highlight Canada's special relationship with the monarchy and its privileged role as a member of the Commonwealth.

The Queen has a unique relationship with Canada entirely separate from her role as Queen of the United Kingdom or of any of her other realms. Her Majesty personifies the state and the personal symbol of allegiance and unity for all Canadians.

Although many of her duties have been delegated to the Governor General, the Queen herself has a very personal involvement with Canada and with Canadians. Her service and dedication to our country is especially apparent in her support of the important of Canadian charities. The Queen's patronages include: the Canadian Cancer Society, the Canadian Nurses Association, the Canadian Red Cross Society, the Royal Canadian Humane Association and Save The Children Canada.

The Queen also has a special relationship with the brave men and women of the Canadian Forces, acting as Colonel-in-Chief of various regiments, including the Royal Regiment of Canadian Artillery, the King's Own Calgary Regiment, the Royal 22nd Regiment, the Governor General's Foot Guards, the Governor General's Horse Guards, the Canadian Grenadier Guards, the Régiment de la Chaudière, the Calgary Highlanders, the Royal New Brunswick Regiment, the 48th Highlanders of Canada, the Argyll and Sutherland Highlanders of Canada, the Royal Canadian Air Force Auxiliary, the Canadian Forces Military Engineers Branch and the Air Reserve.

Although she resides in the United Kingdom, the Queen honours Canadian achievements. For example, she hosted the reception for Canadian achievers at Buckingham Palace in 2005.

Through regular visits to Canada, the Queen meets as many Canadians as possible in every region, community, culture and area of Canadian life, travelling to Canada over 20 times over the course of 60 years together with the Duke of Edinburgh.

She made her first visit as Princess Elizabeth in 1951, travelling 10,000 miles using every means of transport imaginable and attending a square dance at Rideau Hall. Since then, the Queen and Duke of Edinburgh have visited all the provinces in Canada and have been witness to many historic occasions.

In 1957 the Queen officially opened the first session of the 23rd Parliament, becoming the first reigning Canadian monarch to read the Speech from the Throne.

In 1959 the Queen opened the new St. Lawrence Seaway with President Eisenhower and visited many remote districts never before seen by a reigning monarch. During that visit, the Queen undertook her first and only foreign visit as the Queen of Canada when she met President Eisenhower in Washington, D.C.

In 1967 Her Majesty celebrated the Centennial of Confederation with a visit to Expo in Montreal and while in Ottawa, she cut a nine metre high birthday cake right here on Parliament Hill.

Private Members' Business

The Queen has also been a welcomed presence at a number of important sporting occasions. She opened the Olympic Games in Montreal in 1976 and officiated at the opening of the Commonwealth Games in Edmonton in 1978 and in Victoria in 1994.

In 1977 the Queen shared her Silver Jubilee celebrations with Canada and in 1982 the Queen travelled to Ottawa for the patriation of the Canadian Constitution, a fundamental demonstration of how our constitutional monarchy has grown and adapted over time.

To mark her Golden Jubilee in 2002, the Queen toured Canada extensively, visiting British Columbia, Manitoba, Ontario, New Brunswick and the National Capital Region, as well as making her first visit to the new territory of Nunavut.

● (1820)

On her last visit in 2005, the Queen described the warmth and affection she feels for Canada:

And as in all our visits down the years, whether watching a chuck wagon race at the Calgary Stampede or athletic prowess at the Montréal Olympics, whether listening to an Inuit song of greeting in Nunavut or the skirl of pipes in Nova Scotia, I have always felt not only welcome but at home in Canada.

All Canadians look forward to welcoming her back again this summer to celebrate the Diamond Jubilee, the 60th anniversary of Her Majesty's accession to the throne as Queen of Canada and a time to celebrate our country's achievements.

The Jubilee year is also a time to reflect on our friendship with the Commonwealth, a voluntary organization of 54 independent countries united by their shared history.

Dedicated to the promotion of democracy, human rights, good governance, the rule of law, individual liberty, egalitarianism, free trade, multiculturalism and world peace, the Commonwealth also serves as a forum for a number of non-government organizations we know as the Commonwealth family.

Probably best known for the Commonwealth Games, an international sporting event frequently held at home in Canada, these organizations strengthen our shared culture through sports, literary heritage, politics and the law.

Indeed, our relationship with these countries is so privileged that we do not consider the Commonwealth countries to be foreign to one another, designating diplomatic missions between Commonwealth countries as high commissions rather than embassies.

Just a few weeks ago, Canadians celebrated Commonwealth Day, along with 2 billion people from all across the globe. The theme for 2012, Connecting Cultures, is about sharing our traditions and customs with one another.

In the words of our Governor General, David Johnston:

In a world where our means of communication have become lightning-fast, humanity must learn to see beyond borders and beneath the veneer of appearance to discover how much we truly have in common.

As head of the Commonwealth for over 55 years, the Queen personally reinforces the links by which the Commonwealth joins people together from around the world, filling an important symbolic and unifying role. Whether travelling overseas to meet citizens and their leaders, presiding at the opening of a sporting event or presenting her annual Christmas and Commonwealth Day messages,

the Queen acts as a personal link and a human symbol of the Commonwealth as an international organization.

As Canadians, our democratic traditions define and unite us.

Unlike the separatist Bloc which seeks to play the tired politics of division at every turn, our Conservative government is proud of traditions, history, symbols, values and institutions which make our country great, all of which are embodied by the Canadian Crown.

God save the Queen.

● (1825)

Mr. Glenn Thibeault (Sudbury, NDP): Madam Speaker, after that last speech, I am not sure if we are here talking about the Queen and the monarchy or debating the motion that is presented to us about the Income Tax Act and the Governor General's salary. Either way, I am here to stand and speak in favour of Motion No. 313, which calls on the government to change the Income Tax Act so that the Governor General's salary becomes subject to the general tax regime.

Let us give some background to this motion. It is worth pointing out why the Governor General does not currently pay income tax. The tax exemption dates back to an old understanding that the British government was not able to tax the Crown. This tradition was passed on to the Commonwealth countries, such as Canada. However, in recent years this tradition has been challenged. In 1993, the Queen agreed to voluntarily opt in to the income tax regime in Britain. In 2001, the Australian governor general became subject to the Australian income tax regime. New Zealand followed suit just last year.

The private income of the Governor General, such as pension and income investments, is already subject to income tax. As such, the argument that the government should not tax the Governor General is tenuous at best. Similarly, the lieutenant-governors of all the provinces are subject to the Canadian income tax regime. As such, taxing the salary of the Governor General would meet national and international precedents.

I would like to take a quick opportunity here to pay tribute to the great work of our current Governor General, David Johnston. Mr. Johnston was born in my hometown of Sudbury. I know that people in Sudbury are very proud of Mr. Johnston's achievements. Prior to being named as the Governor General, Mr. Johnston served as the dean of the University of Western Ontario Law School, as the principal and vice-chancellor of McGill University, and then as the president of the University of Waterloo. Like many Sudburians, Mr. Johnston is a hockey fan. He is a very talented hockey player who captained the Harvard varsity hockey team and who was twice named to the all-American hockey team.

The Governor General has in recent weeks been a strong proponent for further investigating concussions in hockey. This is an issue very near and dear to my heart in my role as NDP sport critic. When great Canadian athletes, like Sidney Crosby, spend months on the sidelines and when sport headlines are dominated by who is not playing rather than who is, something is amiss. Sports concussions are a serious issue, not only for superstars, but for amateur and young athletes from coast to coast to coast. I am glad that inspiring Canadians like the Governor General are happy to go on the record about this important issue, which our government seems too happy to ignore.

The point I wish to make here is that it is not incompatible to hold positive views of the Governor General and to believe that his or her income should be subject to income tax. This is not about the Governor General, per se. Rather, at the heart of the matter, this is a question about fairness.

The revenue that the government would receive from taxing the Governor General's income, in terms of the federal budget, is very small. We know that taxing the Governor General's income is not an answer to paying down the government debt. However, what this revenue represents is worth far more than the dollar value. It represents making sure that all Canadians pay their fair share.

I believe in a progressive tax structure, as do all members of the official opposition. In my model of a progressive tax system there is no room for an individual to make \$138,000 a year tax free.

This is not a new idea. Since the 35th Parliament convened in 1994, and following the Queen's opt-in to the British income tax system, a number of bills and motions dealing with this exact topic have been introduced in Parliament. However, neither the Liberal nor the Conservative government since that time has seen fit to implement the simple amendment to the Income Tax Act which would close the loophole.

Canada needs a progressive tax system. That has been undermined by both Liberals of the past and the Conservatives. Far too many breaks go to the well off and the influential. Unfortunately, I feel that this Thursday's budget will only continue this trend.

The government's failure to address the concerns of average, hard-working Canadians needs to be addressed. While this motion in itself will not change the government's misdirection, by passing this motion, Parliament can send a message to the government that it is time for an economic strategy that puts hard-working Canadian families first.

● (1830)

Ultimately, in my mind this motion is symbolic. It is a symbol that, during hard economic times, when Canadians are struggling to make ends meet, when young Canadians are finding it increasingly hard to find jobs, when big businesses are getting big tax breaks and families cannot get a break on their bills, we as parliamentarians are here for them and we will do something to help them.

We believe in a tax system that is fair and focused on improving equality and giving a break to people who deserve it, not to people with friends in the right places.

Private Members' Business

In December of last year, the Organisation for Economic Co-operation and Development released a report which stated that since the mid-1990s inequality in Canada has been on the rise.

The Deputy Speaker: Order, please. I regret to say I must interrupt the hon. member, but when this item reappears on the orders of the day, he will have four minutes left to complete his intervention.

[*Translation*]

The time provided for the consideration of this item of private members' business has now expired, and the order is dropped to the bottom of the order of precedence on the order paper.

[*English*]

The House will now proceed to the consideration of Bill S-201 under private members' business.

* * *

NATIONAL PHILANTHROPY DAY ACT

Hon. Geoff Regan (Halifax West, Lib.) moved that Bill S-201, An Act respecting a National Philanthropy Day, be read the second time and referred to a committee.

He said: Madam Speaker, I am very pleased to rise this evening to introduce Bill S-201, An Act respecting a National Philanthropy Day.

This bill was sponsored in the other place by my good friend, Senator Terry Mercer. The senator proudly represents the north end of Halifax. He is very familiar with philanthropy and fundraising, having committed a good part of his life to fundraising as a profession. He has made numerous attempts to bring this legislation forward in the Senate. I am certainly pleased to play a minor role as a sponsor in the House.

I hope that all parties and all members will support this bill. I think it is a worthwhile initiative. This act would designate November 15, every year, as National Philanthropy Day.

Let me enumerate the purposes of this bill. First, it would increase public awareness of National Philanthropy Day, which is already celebrated, as a time to say thank you to those who give throughout the year. Second, it would focus public attention on the major accomplishments that are made possible because of contributions and because of people giving in a whole bunch of ways and in various amounts. All those philanthropic contributions are important.

Third, it would honour key local individuals and corporations for their philanthropic endeavours. Fourth, it would recognize local fundraisers and volunteers, thanking them for their time, talent and dedication. We can all think of lots of examples of the kinds of people who ought to be recognized on an ongoing basis for the wonderful contributions they make to volunteer and charitable organizations.

This type of nationally recognized day would encourage schools, community groups and individuals to become more aware of the impact of philanthropy and to get more involved as philanthropists, donors or volunteers.

Private Members' Business

The day would also be used to recognize and pay tribute to the great contributions that philanthropy has made to our lives, our communities and our country. We can all think of ways that we have benefited from people giving, financially supporting various organizations. If people played minor hockey, they probably had somebody sponsoring their sweaters. We certainly did when I was in minor hockey.

There are groups that give to so many things, such as the Lions Clubs and the Rotary. Many groups work hard year round to raise money so that they can support worthwhile initiatives in their communities. There are the hospital auxiliaries. There are many groups that ought to receive recognition and need our support.

First held in 1986, National Philanthropy Day celebrates the endless daily contributions of individuals and organizations across the world to countless causes and missions. Many of those causes are outside Canada. Many causes that Canadians support are international, particularly in the developing world.

Last year there were more than 100 National Philanthropy Day events and activities across North America with over 50,000 people taking part in those events. That is a significant day. I think this would help to make it even larger, making it official in Canada. Sixteen Canadian events honoured philanthropists and volunteers in most major Canadian cities.

As a society we need to rededicate ourselves to charitable giving, to philanthropy. Canadian giving has dropped for the last three years to about \$7.8 billion in 2009, which is down from an all-time high of \$8.5 billion in 2006, according to Statistics Canada. Even more significantly, the percentage of Canadians claiming charitable deductions on their tax returns has dropped from 24% in 2008 to 23% in 2009. That does not sound like a very big drop, but the impact in dollars is enormous. That leaves Canada with approximately 5.6 million donors.

As members who have connections to volunteer groups in our communities, we have all seen the dwindling ranks of volunteers and the challenges that many organizations have in getting and replacing volunteers. Volunteers serve a period of time and then move on, deciding to either take a break from that activity or go on to another organization.

● (1835)

The charitable sector in Canada has more than \$100 billion in annual revenues. It possesses even more than that, of course, in its net assets. The charitable sector is approximately equal in size in this country to the economy of British Columbia.

We can just imagine an economic activity that large in this country and its importance and what an impact it has across this country in all our communities. If that is dwindling, it sure as heck needs our support. It sure needs us in this small way, through supporting the recognition of National Philanthropy Day, to say that this is important and that it is important to get behind giving in Canada and to recognize people who do that and who volunteer for activities.

Furthermore, the charitable sector in Canada is made up of more than 161,000 organizations with over 1.2 million paid staff and 6.5 million volunteers. That is another way it has a big economic impact in this country.

Both at home and around the globe, as I was saying earlier, Canadians are recognized for their generosity and compassion. We can be very proud of the many Canadians who go abroad and work, let alone the millions who volunteer here at home. I think we all continue to be inspired by the dedication of volunteers who give freely of their time to improve the lives of others because that is really what charitable giving and volunteering is all about.

Through Senator Mercer's persistence, dedication and hard work, the Senate passed the bill on several occasions. I hope this time it will have time to do this and that it will be passed by my colleagues in the House because every one of us is a beneficiary in some way or other of Canada's generous spirit of volunteerism.

This philanthropy is exemplified by organizations like Beacon House, a food bank in Sackville, Nova Scotia, that actually serves part of my riding and part of the riding of my colleague from Sackville—Eastern Shore. That food bank depends on the generosity of people who care about their friends, neighbours and primarily about people they have not even met and will not meet. They give support, whether they give at their Sunday church service or whether they give donations in cash, sometimes they will bring food but also cash.

It is valuable to note that often a food bank might be better off receiving cash as a donation because usually they can get food wholesale where we cannot and therefore they can get more food for the buck than we can if we spend it at the grocery store. However, the food bank will not say no, and people who decide they want to give food are to be thanked and recognized for that.

Larger organizations, like Feed Nova Scotia, formerly the Metro Food Bank, collects and distributes food to more than 150 food banks and meal programs across my province of Nova Scotia. It is an organization that thrives under the care and support of many Nova Scotians.

As well as corporations in Nova Scotia, Feed Nova Scotia sends me its annual report each year. I note the number of corporations that make donations in kind. Some of the food companies, like Sobeys and Loblaw's and others, give massively on an annual basis in a way that I think should be recognized. That is an important part of getting the job done and ensuring that people who are going hungry are getting fed.

Nationwide, Canadians give more than two billion hours a year of their time to help others and two-thirds of all Canadians donate to charitable organizations each year. We need to encourage that and try to increase that.

It is in recognition of these immeasurable contributions that we look to recognize National Philanthropy Day every November.

● (1840)

[*Translation*]

I hope my hon. colleagues will support this excellent bill. I congratulate my colleague in the Senate, Senator Terry Mercer, for his efforts. I hope my colleagues from all parties will agree with this bill.

Private Members' Business

[English]

Mr. Paul Calandra (Parliamentary Secretary to the Minister of Canadian Heritage, CPC): Madam Speaker, I am pleased to rise today to speak to Bill S-201 which calls on the government to designate November 15 of every year as National Philanthropy Day.

As was mentioned by my colleague, it was celebrated for the first time in 1986 and, since then, has gained momentum across the continent. It has been adopted by many organizations as a day to reflect on their achievements and to honour and recognize those who contribute to their community.

When the Prime Minister announced the volunteer awards, he said, "Across Canada, volunteers are the backbone of community life". However, Canadians do not just give at home. They also contribute abroad. Canadians have recently contributed to disaster relief in Japan, Haiti and East Africa. Canadians have volunteered in great numbers to assist those in need when they are called upon.

Volunteers need to be acknowledged and honoured for their work. National Philanthropy Day would be a moment when we could celebrate the acts of kindness and giving that Canadians have demonstrated in Canada as well as internationally. We should also be inspired by the words of our Governor General who, in a recent speech, said:

...I...urge people to...give what they can to a cause that is meaningful to them. And let us celebrate all those who contribute because they truly understand the philanthropic spirit of our country. After all, when people come together, extraordinary things happen.

Today I would also like to mention a group of people who we do not usually think of when we talk about philanthropy; those who give their time in the military reserve. There are 114 reserve units across Canada located in communities across this country. One such reservist is Major Kiss in my riding who just came back from a 13-month tour of duty in Afghanistan on Friday. He was welcomed back to our community by firefighters, the York Regional Police and hundreds of people who came to celebrate his safe return and what he has done for this country in Afghanistan. However, what makes this person even more special is that he is also a volunteer firefighter in the town of King, which is a very large geographical community. He gives of his time not only abroad but also right here in our community in King township. He is one of these special Canadians who understands how important it is to give back to our community.

Since the year 2000, there have been more than 4,000 primary reservists who have been deployed in the Canadian Forces operations in Afghanistan, Haiti and other international expeditionary operations. These are people who believe in Canada and in what Canada is doing at home and abroad.

In addition, reservists often help with or participate in cultural events, parades, festivals and other public events in communities across Canada. In a recent speech, the Prime Minister said:

...service in the reserves is a form of volunteerism, of giving, of giving back, of giving particularly to our country, and it is of the very highest order.

I also want to highlight another gentleman in my community by the name of Matthew Kerr. Matthew is a resident of my hometown of Stouffville. He is a hard-working family man and works very long hours every day but he still finds time in the evenings and on weekends to volunteer as an auxiliary police officer for the York

Regional Police. This gentleman understands how important it is to give back to the community. We can see Mr. Kerr at festivals and parades. We can see him volunteering and keeping our community safe. He ensures that the events across our community and my riding are the best events and also contributing to what makes my community and others across this country such a great place to live and what makes our country such a spectacular place to be. He is like Major Kiss who just came back from Afghanistan. These are two individuals who understand that this country is a great place to live but that we also need to give back and that philanthropic spirit is not just what can be given in monetary resources but often what can be given back in terms of time. These are two individuals who have taken time away from their families to help make our community a better place to live, and I salute them.

This year, we should also consider recognizing another person who is an excellent example of someone who has dedicated her life to philanthropy, Her Majesty Queen Elizabeth II, our head of state and Queen of Canada.

● (1845)

This year, Canadians join the celebrations of Her Majesty's Diamond Jubilee, 60 years of service to Canada and the world. In a speech given on her 21st birthday, she famously said:

I declare before you all that my whole life, whether it be long or short, shall be devoted to your service and the service of our great Imperial Commonwealth to which we all belong.

She has kept this promise to Canadians for over 60 years.

It is clear that Canada would not be the country it is today if it were not for volunteerism and philanthropy. Each year, millions of Canadians demonstrate the spirit of giving and the sense of caring can be found in all aspects of our society. We should be proud of our achievements as a country and as individuals. This bill would set aside just one day a year to recognize and honour those people who make Canada such a great place to live, people like Matthew Kerr and Stephen Kiss.

In November, I had the opportunity to participate in the president's banquet for the Markham Fair. This is a community fair that has been going on in my community for decades. At the president's banquet, there was something remarkable. One volunteer, a grandmother from my riding named Gerry Seeley, a survivor of cancer, was celebrating 45 years of volunteering at the Markham Fair in my riding. What was also remarkable was the amount of people who were celebrating. It was not only Ms. Seeley who was celebrating 45 years but there were volunteers who had served for 40 years, 30 years, 35 years, 20 years and 15 years. These are people who take time away from their families to volunteer in the community. We would not have such a spectacular community if we did not have volunteers like Gerry Seeley. In fact, it has become an important tradition for her entire family to give back to the community through the Markham Fair. I am extraordinarily proud of people who volunteer.

Private Members' Business

In a member's statement that I had the honour of giving before our last constituency week, I talked about the expansion of the Markham Stouffville Hospital and all of the people who have donated to make that hospital bigger and better. This Friday another event taking place in my community. People in my community, led by a gentleman by the name of Khalid Usman, will be coming together. When the hospital needed to be expanded, they made a pledge that they would raise \$1 million to help with the construction and expansion of the Markham Stouffville Hospital. These people went into the community and asked everyday people in my riding to contribute to help expand the local hospital. I am told that they will not only be meeting their goal of \$1 million for the local hospital but will actually be exceeding that goal and will have an extra contribution for other vital important community services.

Those are the types of people we are recognizing. We are recognizing people like Khalid Usman, the Seeleys, Matthew Kerr and Major Kiss, people who understand that it is extraordinarily important to give back to the community. What makes this country such a spectacular place to live is that we have individuals who work hard every day but still find time to give back to the community, like those people have.

I support the bill that is before us. I know all Canadians will look forward to the one day a year when we can actually single out all the people who have given so much to make our communities, our provinces and our country the best place in the world to live, work and raise a family.

● (1850)

Mr. Glenn Thibeault (Sudbury, NDP): Madam Speaker, I am thrilled to be up here once again today to speak to another private member's bill. This time I am pleased to speak to Bill S-201, An Act respecting a National Philanthropy Day, sponsored in this House by the member for Halifax West.

As a former executive director of the United Way in Sudbury, this is a subject that is very near and dear to my heart. Anything which encourages charitable donations is certainly praiseworthy in my mind.

In essence, the goal of this bill is indisputable. I believe that all members of the House as well as the majority of the Canadian public will be in strong support of the recognition of a national philanthropy day on November 15, which this bill proposes.

Before I delve into the merits of this legislation, let me provide some background and context.

This day was celebrated for the first time on November 15, 1986. Canada was the first country to officially recognize this day back in 2009 when the hon. Minister of Canadian Heritage gave a statement in the House declaring that henceforth November 15 would be known as national philanthropy day in Canada.

Since then there have been six attempts in Parliament to formally enshrine November 15 as national philanthropy day. However, all six attempts have been stymied by prorogations and elections and unfortunately, the bill ultimately died on the order paper. I think it is safe to presume that this time, after some delay in Parliament, we will officially enshrine November 15 as national philanthropy day in Canada.

It is important to note that while merely 70% of Canadians made a charitable donation in the last 12 months, I truly believe that a national philanthropy day will heighten public awareness of the importance of charitable giving and will ultimately raise this figure to the point that nearly 100% of Canadians will be engaging in charitable activities on a regular basis.

With the majority of Canadians indicating they expect to give the same or more to charity in 2012 than the \$487 average which was given in 2011, it appears that enshrining this day might have the effect of driving further charitable giving. I think this is a completely achievable goal.

If we take dollars and cents out of the equation, we would already find close to 100% penetration in the charitable sector as low income Canadians, who often cannot afford to give financial contributions, do indeed give their time to charitable organizations. I can think of many people who were unable to give financially but dedicated their blood, sweat and tears to the United Way Centraide Sudbury district when I was the executive director. It is these contributions which give rise to the claim that Canada is one of the most charitable countries in the world. I would like to recognize that my own community of Sudbury is the fourth most giving community in Canada. I am very proud of the people of Sudbury who always give of their heart.

Someone mentioned miners. When I was running the United Way over the last few years, the miners and steelworkers in the United Steelworkers Local 6500 with Inco, now Vale, were able to come up with a \$1 million contribution through employee and employer contributions to the United Way. That \$1 million helped to fund 64 programs in our community. It was a fantastic endeavour. Of course, by enshrining a day to encourage people to give we will only see more and more of this happening each and every day.

Historically, philanthropy has been vitally important to Canada. From organizations like the Shriners, to the Lions Club, to the hundreds of rotary clubs right across the country, of which I am a former member but unfortunately I had to resign, our nation has become what it is today through acts of passion, dedication and charity, which the individual members of these organizations have given to their communities and the country more broadly.

● (1855)

Unfortunately, I do not have the time to name all of the organizations which do great charitable work right across the country. Needless to say, there are thousands who do great work but often do not receive the recognition they so rightfully deserve. I am glad to say that some of them this year will be getting a Queen's Jubilee Medal as well.

Although I cannot name each great organization individually given I only have 10 minutes to speak to the bill, I would like to take this opportunity to recognize some of the great donors who contribute so much in my riding of Sudbury: Gerry Lougheed, Jr.; Geoffrey Lougheed who just last week was awarded the Sacred Letters from Huntington University; Abbas Homayed; and the late great Dr. James Grassby, who unfortunately passed away a few years ago but would contribute at times \$5,000 to specific organizations. He was a great leader in our community and he is sadly missed.

Private Members' Business

It is not just individuals who make important contributions to communities across the country. For instance, in my riding of Sudbury, mining giant Inco, which is now Vale, had a remarkable track record in terms of making charitable contributions which benefit the whole of northern Ontario. For instance, the Maison Vale Hospice provides valuable compassionate care to the families of terminally ill patients from right across northeastern Ontario. The contribution which the hospice makes to the community cannot be taken for granted. Truly, without the support of corporate contributions, we would not be able to continue to offer respite to patients and their loved ones.

I am very proud to say that I am the honorary chair of their "Wheels for Hospice", a motorcycle ride that raises money every year for the hospice. It is something I am very proud to be involved with on a yearly basis.

Another noteworthy corporate contribution which merits applause is Bell Canada's "Let's Talk" campaign to raise awareness about mental health. In fact, the campaign is so well regarded that the Association of Fundraising Professionals will honour Bell Canada as this year's most exemplary philanthropic company with the 2012 Freeman Philanthropic Services Award for Outstanding Corporation. I would like to applaud the work of Bell Canada on this campaign. I also point out that this is just one example of how corporate charitable contributions are vitally important.

In conclusion, I truly hope that this bill will receive unanimous support in the House, as I truly believe that philanthropy helps Canadians. This bill would encourage Canadians to make more charitable donations, whether they be financial or otherwise. Truly, without the work of thousands of volunteers in our community, without the donations of literally thousands of people in each and every one of our communities, we would not have the great services that are offered in each and every one of our communities.

From coast to coast to coast, I tip my hat to, as I am sure every MP in this House does, and thank everyone who gives to charity, who gives of their time and their resources. We are a better country for it.

● (1900)

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Mr. Speaker, I rise to speak to this bill put forward by my hon. colleague from Halifax.

I want to congratulate my colleague from Sudbury who gave a fantastic speech about the area of Sudbury and the charitable giving by the people there, all the way from the lowest contributor financially up to Vale which is involved in a hospice.

I want to talk about many things in national philanthropy day, what it means and the symbolism of it which is certainly grand for our country. A recent survey pointed out that Newfoundland and Labrador is once again the most giving province of any province in the country.

An hon. member: Hear, hear!

Mr. Scott Simms: Mr. Speaker, I thought that would get a rise out of my colleague from St. John's South—Mount Pearl and apparently so. He is my biggest cheerleader during this speech.

I recently attended two events which, to say that I found them to be quite sad would be an understatement. Two people in my riding passed away. One was a gentleman named Dean Cross. He was from Lewisporte. He was a volunteer firefighter. All the volunteer firefighters were there, many from around the entire area. There were people wearing firefighter uniforms and others wearing hockey jerseys because of what he had given to minor hockey. There were people from the different organizations that he had been involved with, including the air cadets. People from the military were there. There were a lot of uniforms. It goes to show what it takes for one individual to make such a large impact on a community of that size, and not just that one community of Lewisporte, but the entire region. That was the service he provided and the time that he gave.

Prior to that I went to Glovertown for the funeral of Forbie Adams, who owned a construction company. He too was a giving individual to the entire region, not just in Glovertown. His entire family was there.

By saying this, we look to them as community leaders because of what they provided not just in the work that they had done and the hours that they had spent doing this, but also the money and donations that they provided. They did it for one very simple reason. They knew it takes a community to help them feel safe and feel good about their own communities.

For that reason, we create things like national philanthropy day. On November 15 we pause to think that if it was not for these people, where would rural Canada be? I speak only of rural Canada because I am from rural Canada. There are 195 communities in my riding in Newfoundland and Labrador.

If it were not for those individuals who give not only of their time, but also of their money, it would not be possible to have the service organizations, the volunteer firefighters, the volunteer search and rescue, and all of the organizations which we raise our families around because we love our communities.

This is just a token of our appreciation as parliamentarians to support this bill, and I am glad to hear we are supporting it.

National philanthropy day is the type of day we would encourage schools, community groups and individuals to become more aware of the impact of philanthropy and to get involved as a volunteer. The volunteerism that we have experienced around the country is quite phenomenal. As a result, our communities are that much stronger for it.

I want to say a great thank you to my colleague in the other place, Senator Terry Mercer. I would like to quote from his speech, because I thought he summed it up quite well:

For most of my career, I have been a fundraiser for various organizations across a number of fields of interest and in various parts of the country. The joy of helping and working with others is very dear to me and it is something that I know is dear to all of you.... National Philanthropy Day occurs annually November 15, when we all pay tribute to hundreds of thousands of volunteers across Canada who make our lives better. Thousands of people, at hundreds of events across North America, participate in celebrations each year and it keeps growing.

● (1905)

Here is a final passage from his speech:

Private Members' Business

Again, the statistics bear out the impact of the voluntary sector. In Canada, over two billion volunteer hours are given, which is the equivalent of over one million full-time jobs. What better way to say thank you to those volunteers and those in the charitable sector than by having the federal government officially recognize, by enshrining it in the legislation, the tremendous impact this has on our society? I can think of no better way to say thank you.

We thank Senator Terry Mercer for doing this. He mentioned the volunteer hours spent and how governments save money, millions and millions of dollars each year saved by volunteer organizations like firefighters and search and rescue. The volunteer tax credit that the federal government is providing, along with things like this, does not go nearly as far as it should. We should be doing a lot more for these people.

As a matter of fact, I would even propose to the government that volunteer tax credits for firefighters should be extended to search and rescue volunteers as well, as a way of thanking them for the services they provide.

In closing, I want to say that when we consider what people have done in this country for organizations like this, we also have to remember that when we look at people who give money to these organizations, we see that they do this because they believe in the particular organization they are supporting. A lot of it comes down to our children, whether it is minor hockey or minor baseball or whether it is music programs or the Kiwanis Music Festival, which is happening this weekend in my riding. We give money in these situations because it is not only a way of saying thanks but also an investment for a better community.

The Kiwanis Music Festival is a prime example of people giving their money and time to watch our children illustrate to the world just how talented they are. It is a good way to build up our communities through the arts. It is a good way to build our communities through investing in our children so that they can have confidence. As I can say to anybody in this House who has children, they may feel nervous, slightly, when they get up to speak in this House, but there is no more nervous parent than one watching a child on stage about to perform. It is phenomenal. My heart has never raced as much as when I have seen this.

This stuff does not happen unless we encourage the people in our communities to give of their time and to give financially as well. National Philanthropy Day, what a way to say yes to our smallest and largest communities.

Mr. Gordon Brown (Leeds—Grenville, CPC): Mr. Speaker, I am pleased to rise this evening to talk about Bill S-201, which calls on the government to designate the 15th day of November of every year as National Philanthropy Day.

In October 2009, November 15 was declared National Philanthropy Day throughout Canada. In January 2011, the Prime Minister announced the creation of the Prime Minister's volunteer awards to honour the enormous contribution volunteers make across Canada.

The bill seeks to take this recognition one step further. It seeks the designation of Philanthropy Day by means of legislation.

Philanthropy certainly has many faces. Early usage of the word “philanthropy” related to the concept of concern for human welfare. Over time, we came to think of how philanthropy is shown in society, usually related to donations of money, of property, of

volunteer labour to good causes or of individuals providing direct help to others. It shows itself in grand gestures and in small ways. It is both personal and collective and can be public or private.

Whichever way it is shown, philanthropy plays an important role in our country. It is at the heart of who we are as a nation. It is part of our identity and the core of our values. The spirit of giving of every type, from donating to volunteering, is central to the values of Canadians and is worthy of recognition. It defines our people and our country.

There is barely a part of our society that has not been touched by philanthropy at some point and in some way. Philanthropy has helped Canadians enjoy an enviable quality of life at home and it has helped construct our country's reputation as a caring, giving nation on the world stage.

One may wonder: Why volunteer? With so much going on in our everyday lives, at work, in our homes and in our country, why give so much to others? What makes us give of our time and of our hard-earned dollars?

The reasons are particular to each individual, but there is always a purpose. From it being a way to give back to the community, to sympathy for those in need or for those who are less fortunate, to simply wishing to make a difference in the world, reasons for volunteering are numerous and personal to each person.

Canadians have admirable values, which contribute greatly to our giving. Even in the most difficult economic times, Canadians are still ready to give their time, to give their money and to give of themselves.

In my own riding of Leeds—Grenville, I know people are involved in their communities, donating their time, donating their money and, most important, assisting in projects that are good for the community. They do it to improve the lives of everyone.

I would just like to mention a few of our more prominent donors. People like Don and Shirley Green, David and Anne Beatty, George Tackaberry, Gerry Tallmon and Dave Jones are just a few of those who give their money. However, there are thousands of others in my riding who give their time and their money to help make our community so much better.

Often, people believe that government can solve all the problems. However, communities are so much better when people step up and volunteer on their own. I have been a strong advocate of that in my riding, urging people, young people especially, to get involved in giving and volunteering. I am really happy to see that this bill is coming here to actually legislate National Philanthropy Day.

Taking a closer look at Canadians' philanthropic nature, it is interesting to note that this generosity comes across in all income groups. In 2007, Canadians with a higher household income made the highest average donation of \$686. However, what is astounding is that those Canadians with annual household incomes of less than \$20,000 also contributed at very high levels.

The generosity of Canadians is not only found across annual household incomes; it also crosses all age groups. In 2007, those aged 15 to 24 donated an average of \$142 per person.

Private Members' Business

It is heartening to think that despite the fact that these young people are just starting out in life, they still find the means to give to their fellow citizens. The giving nature and dedication of our youth is an inspiration to us all.

● (1910)

Young people in our country have grown up with a strong awareness of world issues. Many have experienced tragedies such as September 11, the earthquake in Haiti and numerous other tragedies. These devastating events have instilled in youth a strong sense of empathy, understanding and also concern.

Now more than ever, children of all ages are involved in some sort of philanthropic activity. Take for instance the work of Darren Cole, 16. He was chosen as the top teen philanthropist of 2011 by Mackenzie Investments. He helped fill 10,000 backpacks with school supplies and sorted food at the local food bank. This inspiring young man has been helping those in need since he was just six years old.

In grade 9, Darren created TOPS for Teens to raise money for his school, and he created the group Kids Against Canadian Hunger to encourage schools to raise money for food banks. Darren took his efforts one step further by organizing a conference on the hunger problem in Canada to help raise awareness and funds for food banks.

He is a great example of the ability and determination the youth have to make a difference in the world, and it is up to us to foster and promote this great Canadian value.

It is clear that Canadians care and will continue to do so. As the Prime Minister said in his speech, volunteers need to be acknowledged and honoured for their work. This day will do just that.

Furthermore, a National Philanthropy Day will inspire Canadians to come together and, as His Excellency the Governor General said, make extraordinary things happen.

I admire the aims of this proposed legislation and ask members to join me in supporting that November 15 become known as National Philanthropy Day by means of legislation and to call attention to the actions of so many Canadians who have given of themselves.

For all of these reasons, I encourage and urge all my fellow hon. members of this House to support this important legislation that reflects Canadians values in such a positive way.

I appreciate the opportunity to rise on the bill and I look forward to its passing.

● (1915)

Mr. Tyrone Benskin (Jeanne-Le Ber, NDP): Mr. Speaker, I am pleased to rise today to add my voice to the unanimous support for Bill S-201, including the support of the Parliamentary Secretary to the Minister of Canadian Heritage and my colleagues from Sudbury and Halifax West.

Today we are exploring an idea that should meet with unanimous agreement across this House. It is an idea that seeks to properly recognize, honour and further encourage the important work of Canada's philanthropic sector and the millions of citizens who daily donate their time, energy and money, even now in times when all these precious resources are challenged.

In legislative terms, this bill is relatively simple. However, the core message it sends to volunteers and the organizations they support is long overdue. It is a message that simply says "Thank you, we hear you, we see you and appreciate your efforts". Although it seems that we live in an age of cynicism, this is a message and an idea that can and must resonate far beyond the walls of this House. The impact that charitable work and philanthropy have had on our history, the crucial role they play in sustaining communities from coast to coast to coast, as well as the potential contribution they will make to our common future is an idea that is well worth recognizing.

A responsible government has an absolutely essential role in supporting the most vulnerable members of our society and it can do so in a number of critical ways: by providing social, economic and personal security, and a viable infrastructure and a sustainable environment. However, government cannot do it all. This is where the compassion and the passion of individuals to do for themselves and for others comes into play. Throughout our history, conscientious citizens have acted autonomously to address the imbalances and imperfections of their generation. It is those individuals who contributed to the building of our society, who contributed to the building of our social safety net, and who enfranchised women and those who were kept apart from the dominant mainstream culture. It is those who fought for civil rights for all. It is those who encouraged the most desperate to get back on their feet, and it is a legacy that lives on today. It lives on in the work of countless community groups, advocacy organizations and faith-based and cultural groups who enrich our communities daily. It lives on through the volunteer firefighters who risk everything simply because it is the right thing to do. It lives on when a church, a synagogue or mosque rallies to provide for its followers, and when a coach forfeit his or her weekend for the chill of a rink. It lives on when Canadians lead the world in per capita donations to earthquake-ravaged Haiti or tsunami-ravaged Japan.

The premise or idea of this bill brings to mind words from one of my heroes, Dr. Martin Luther King Jr., who said that philanthropy was commendable but must never give even the most generous philanthropist an excuse to overlook the circumstances of injustice that make philanthropy necessary. In these times, the circumstances that make philanthropy necessary are more evident. The gifts of time and financial support are getting harder to find, not because of cynicism but because those who would give have less to give.

With a budget looming on the horizon that potentially threatens the foundations of the social programs upon which so many people count for assistance, and similar austerity measures anticipated at the provincial and municipal levels, there is a real likelihood that an even more crushing weight will be assumed by volunteer organizations. Already we hear disturbing accounts of long lines at food banks or of over-strained shelters and declining access to social services for those fortunate enough to be employed.

As parliamentarians, we are by definition representatives of communities. Whatever small part of this nation we represent, each of us has surely come to know the everyday Canadian heroes and heroines this bill seeks to honour.

Private Members' Business

● (1920)

[Translation]

In my riding, Jeanne-Le Ber, I see the enormous contribution that volunteers involved in social causes that affect their communities make to our society every day.

There are hundreds of outstanding examples of social commitment among volunteers and the organizations they represent: the Regroupement Information Logement de Pointe Saint-Charles seeks to improve conditions in social housing and empower people to improve their living conditions; the Table de concertation Action-Gardien encourages groups and individuals to mobilize around social, political, economic and urban issues; the organization called J'apprends avec mon enfant works with young people to prevent them from dropping out of school and promote the joy of reading; the Réseau d'entraide de Verdun does food security work with disadvantaged people in the community; DESTA Black Youth Network offers mentoring for marginalized young adults in the areas of education, employment and personal growth; the Centre communautaire des femmes actives offers a full range of activities to break down isolation and develop greater autonomy among women in Saint-Henri and the surrounding neighbourhoods.

All these examples illustrate the tremendous work done every day by the organizations and activists in my community to combat poverty and promote a fairer and more just society.

[English]

They are the conscientious, compassionate and engaged citizens who when seeing someone in need are compelled to come to their aid. They make the fight their own. Seeing persistent injustice, they choose not to sit on their hands. They, acting as individuals, personify this nation's fundamental decency, and by extension they become ambassadors of the Canadian spirit. It is only right that we honour them, but we must go further. It is my hope that we do more to support and encourage those who give so much to their communities.

My friend from Halifax West deserves immense credit for his efforts. As such, I close by expressing my support for the bill on behalf of the many people and organizations in my riding and invite all of my hon. colleagues to do the same.

Mr. Sean Casey (Charlottetown, Lib.): Mr. Speaker, I am honoured to have the opportunity to speak this evening on the bill before the House of Commons to establish a national philanthropy day.

One of the outstanding qualities of Canadians is our willingness to extend our sense of purpose beyond our immediate families and friends and to engage the wider community. We do so to make our communities, provinces and, by extension, our country a better place. As well, honouring the contributions of millions of Canadians is an important function of Parliament.

It should be noted that there have been similar bills introduced that would have recognized the value of giving and volunteering. Unfortunately, those efforts were derailed due to multiple prorogations and two dissolutions of Parliament. At the start of the 41st Parliament last June, the Senate, under the leadership of Senator Terry Mercer from Nova Scotia, reintroduced this bill in support of

national philanthropy day. I want to congratulate and thank Senator Mercer for reintroducing his bill and the hon. member for Halifax West for guiding it through the House of Commons.

Canadians may wonder why there is a need to designate November 15 of each year as a day to celebrate and acknowledge the efforts of Canadians who give of their time and money. It is simple. It is important that we recognize this activity so as to encourage its continuance and to set an example for others in the hope that more and more Canadians will give of themselves.

My colleague, Senator Mercer, when speaking in the Senate on this bill, captured quite well the purpose of this legislation. I realize that this quote has been read into the record already by my colleague from Bonavista—Gander—Grand Falls—Windsor, but it bears repeating. I am quoting Senator Mercer, who stated:

—the statistics bear out the impact of the voluntary sector. In Canada, over two billion volunteer hours are given, which is the equivalent of over one million full-time jobs. What better way to say thank you to those volunteers and those in the charitable sector than by having the federal government officially recognize, by enshrining it in legislation, the tremendous impact this has on our society? I can think of no better way to say thank you.

I certainly agree with those sentiments.

A couple of years ago I had the opportunity to listen to an excellent speech given by our then newly installed Governor General, the right hon. David Johnston, a speech, I might add, that he gave in my home province of Prince Edward Island as part of the prestigious Symons Lecture on the state of Confederation. The Governor General spoke about philanthropy and volunteerism as a cornerstone of community life. He stated:

On October 1st, I delivered an installation speech entitled, "A Smart and Caring Nation: A Call to Service."...

I outlined three pillars to achieve this vision: supporting families and children; reinforcing learning and innovation; and encouraging philanthropy and volunteerism.

This is the vision I suggest for 2014, and together we should ask, why not?

The Governor General went on to state that it would be his goal during his time as Governor General to highlight the value of family, education and the importance of philanthropy and volunteerism. He also took the opportunity to quote from Sir Winston Churchill, who said:

We make a living by what we get, but we make a life by what we give.

Our Governor General gave a wonderful and inspiring speech that day to a large crowd at the Confederation Centre of the Arts.

Statistics Canada tells us that charity and philanthropic endeavours vary from province to province. The data indicate, and I am quite proud of this, that the people of Atlantic Canada are a generous lot. The top three provinces in terms of giving are Newfoundland and Labrador, Prince Edward Island and New Brunswick.

One of the benefits of speaking to this bill is the opportunity to highlight a few people, and there are many back home, who have done so much to support and help our community. These people have seen much success in life and in business, and have given much back in return.

• (1925)

I want to salute, in particular, the following people. Many of them have given generously to our educational institutions back on Prince Edward Island, the University of Prince Edward Island and Holland College and our major hospital, the Queen Elizabeth Hospital.

I will start with Mary-Jean Irving and the Irving family, who have enjoyed substantial success with Master Packaging and Indian River Farms. They are very generous donors. In addition, Robert Irving, who although not an Islander, has employed thousands of Islanders through Cavendish Farms and is extremely generous in giving back to the community.

Danny and Martie Murphy have been tremendous donors, especially to children through the Oak Acres Children's Camp and also the Alzheimer Society. They have a big, beautiful home in Stanhope that they open to the community for numerous and sundry fundraising events, true pillars in our community.

The late Harry MacLauchlan and his wife Marjorie are veritable institutions within the province of Prince Edward Island. Harry MacLauchlan, during his life, would greet people, regardless of the weather, the conditions and his spirit, in the same manner with "It's a great day." It could be 20 below with the wind chill and blowing a gale and if Harry saw anyone, he would say "Great day". That was the way he carried himself through life and he always gave back to his community. He was an extremely generous donor. The hockey rink at the University of Prince Edward Island bears his name and the Queen Elizabeth Hospital would not be what it is but for Harry MacLauchlan.

Fred and Shirley Hyndman show their passionate support of history, heritage, the university and the hospital.

One of my former law partners, Alan Scales and his good wife, Patsy, along with his brother David and Doris Scales, have forever been generous donors in my community of Charlottetown.

Canadians are generous and compassionate people. We founded and built a country based on the idea of shared responsibility and shared prosperity. Not all Canadians benefit from our collective and individual success. For far too many Canadians, life can be difficult. For them, poverty is a sad reality passed from generation to generation.

The role of government in this regard is to provide equality of opportunity to give a hand up, not a hand out. We do this so all Canadians might share in our prosperity and live and raise their families with a sense of dignity. The role of civil society, of volunteerism and of philanthropy is to complement those efforts. Philanthropy and volunteerism do make a difference in the lives of people.

In closing, I once again want to thank my Liberal colleagues in the Senate and in the House for introducing and moving this important legislation through Parliament.

• (1930)

The Acting Speaker (Mr. Bruce Stanton): 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.

Adjournment Proceedings

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[*English*]

THE ENVIRONMENT

Ms. Kirsty Duncan (Etobicoke North, Lib.): Mr. Speaker, last December I asked the government why Canada was totally abdicating its leadership responsibilities on climate change on the world stage.

Perhaps tonight we will receive an answer rather than yet another rehashing of the government's talking points: its version of the history of Kyoto; it being proud of its negligent record on climate change; its supposed plan, just in the final stages of writing new regulations for coal-fired electricity and merely beginning consultations with the oil sands, cement, gas and steel industries; its attack on two past Liberal leaders; and its approach of "balance and real action".

Let me be clear. Mere wordsmithing and attacks will not cover up the government's failure with respect to climate change such as cutting greenhouse gas reduction targets by 90%, meeting only 25% of its new target and withdrawing from the Kyoto protocol.

Now that I have addressed the government's tired talking points, let me address what matters fundamentally.

For many of the world's poorest countries, climate change is not an academic, esoteric debate but rather a pressing reality faced every day. In Bangladesh, for example, rising sea levels threaten farmland and water supply, despite the fact that its population of 160 million emits less greenhouse gases than Manhattan. In the future, a one metre sea level rise will submerge one-fifth of the land mass and displace 20 million people.

The reality is that climate change affects poor countries disproportionately and threatens energy, food, health, livelihoods and water. In total, it threatens human security. If human security was being threatened by war, countries would rise to the challenge to protect the vulnerable. Why not then with sea level rise?

Perhaps it is because some developed countries have removed humanity and human rights from the discussion. Instead, they focus on whether climate change is real or not, how much of the burden they should bear and what the economic costs are to their respective governments.

Adjournment Proceedings

The truth is that the intergovernmental panel on climate change confirmed over 15 years ago that “The balance of evidence suggests a discernible human influence on global climate”. Despite this, governments continue to find and give voice to the perhaps 5% of scientists who are deniers so as to delay real and meaningful investment.

This postponement tactic is in stark contrast to the world's response to the thinning of the ozone in the 1980s. After the Antarctic ozone hole was identified, a few short years later the world's countries agreed to a global agreement.

Clearly, it should be unacceptable to use the term “burden” when discussing the suffering of our fellow citizens around the world and surely we do not want to repeat the mistakes of the past when the world stood by in the face of atrocities by failing to adequately respond.

In terms of financing climate mitigation and adaptation, the benefits of strong, early action on climate change dramatically outweigh the costs. For example, it has been estimated that to stabilize emissions at manageable levels would cost about 1% of global gross domestic product, but that not to act would cost at least 5% now and forever.

Instead of repeating talking points tonight, perhaps the parliamentary secretary will answer the world's most vulnerable countries that are suffering now.

• (1935)

Ms. Michelle Rempel (Parliamentary Secretary to the Minister of the Environment, CPC): Mr. Speaker, we just had a great environment committee meeting to discuss the development of a national conservation plan. I commend her for her commitment to these issues, but there are some things I want to talk about tonight and clarify some of the points she made.

First, she talked about the concept of abdication of responsibility. In fact, in the past, during the Liberal government's tenure, greenhouse gas emissions in our country rose by almost 30% over some of the Kyoto targets. Perhaps she could answer how many megatonnes of carbon emissions the Liberal government put into the atmosphere through its inaction on climate change.

This is so important because it is the same concept, when we look at international agreements, to ensure that we have a reduction in global greenhouse gas emissions. When the Kyoto protocol was ratified, it included less than 30% of the major greenhouse gas emitters. Now that figure is considerably less. Maybe she could answer how many megatonnes are released into the atmosphere because major emitters like Brazil, India and China are not party to that agreement.

By contrast, our government stands for the creation of an international agreement which sees all major emitters coming to the table under international binding targets and stringent reporting mechanisms. This will ensure real action in the reduction of global greenhouse gas emissions in contrast to her party's inaction in this area and unfortunate mismanagement.

The other thing I am curious to understand from her is this. She talked about the need for climate change adaptation, yet she and her

party voted against our budgetary measures designed to support a transition to the climate change adaptation research into the field. She often talks in the House of Commons about the need to support scientists, yet these very fundamental budgetary measures to support research and action in this area are voted against by the Liberal Party. It is quite unfortunate.

By contrast, our government has a real action-focused plan. It is one that understands the need to both balance economic growth and environmental stewardship. We are approaching our greenhouse gas emissions targets in a very fundamental action-focused way by looking at regulations on a sector-by-sector approach.

We understand that the transportation sector is one which is a major cause of greenhouse gas emissions. We have started with regulations in that area. We are currently looking at the electricity sector, but I would note that Canada's electricity sector is one of the cleanest in the world, with over 75% of our electricity generated by non-carbon emitting sources. However, even in that we are looking at ways to reduce greenhouse gas emissions through a regulatory approach and we are looking at other regulations in other areas as well.

We are doing this in consultation with industry groups, affected stakeholders, communities and academia because our government understands both the need for action and the need to implement it, but also to do it in such a way that it does not detrimentally impact our economy.

We are proud of this balanced approach. It is something that we are hearing from Canadians. They understand the need for jobs and economic growth and to balance that within a strong environmental stewardship plan. We feel very strongly that the sector-by-sector regulatory approach takes that action.

Therefore, in the spirit of the good discussions that we had this afternoon in the environment committee, I would ask the member to look at the real action plan that we have, to get behind it and support some of our budgetary measures in these important areas.

• (1940)

Ms. Kirsty Duncan: Mr. Speaker, we had a plan which would get us 80% of the way to meeting Kyoto targets. The Conservative government killed that plan. As for adaptation, the government is now cutting the climate adaptation and impacts research group of which many of its scientists share part of the Nobel Prize.

We must refocus the climate change debate on humanity, human rights, climate justice and the personal rather than the anonymous faceless other. The most vulnerable countries understand that 2015 is already too late, that urgent action and a commitment to protect are required.

Adjournment Proceedings

Canada's strong foreign service should be funnelling back climate change information to the government from their respective postings and should be inviting representatives of the government to witness climate change in their countries. The children of Bangladesh on the streets invite the government to taste climate change. It is salty, they explain, because salt water is already inundating their water supplies.

Ms. Michelle Rempel: Mr. Speaker, it is so unfortunate that my colleague opposite talks about cuts to climate change adaptation when her party does not even support the budgetary measures we put in place to fund these. I certainly hope she will support these in the future rather than talk about false cuts.

I also implore her one last time to get on board with our government's strong action-focused plan and the sector-by-sector regulatory approach to reduce greenhouse gas emissions and to pursue an international binding agreement where all major emitters come to the table.

SENIORS

Ms. Irene Mathyssen (London—Fanshawe, NDP): Mr. Speaker, this past December, I asked the Minister of State for Seniors a question about seniors' poverty in Canada. She said:

Seniors' poverty is something all Canadians should be concerned about.

Well, I agree. Yet a month later, her leader, the Prime Minister made an announcement in Davos, suggesting that changes to the OAS will involve either cuts or a change in age eligibility, or both, and that these cuts were coming down the pipe pretty soon. Along with the GIS, the OAS is our pension program to prevent seniors' poverty in Canada. Any cuts to it are cuts to benefits for the very poor. I am really unsure why the government wants to ask the poorest Canadians to take on the brunt of the planned budget cuts.

This money, OAS and GIS, is immediately reinvested into the economy. Seniors do not sit on their money. They spend it, every penny of it. Their spending helps create jobs and boosts our economy.

Clearly, the money to invest in OAS is readily available. The Parliamentary Budget Officer and the OECD have told us this very clearly. We have the money to lift seniors out of poverty in the present, and the money to address additional expenses the government will face in the future as our population continues to age.

Instead of investing in Canada, the Conservatives have chosen to saddle the treasury and Canadians with corporate tax giveaways that will not guarantee a single job.

The government's talking points suggest that income and pension splitting will help alleviate poverty for seniors. It is not true. Pension splitting benefits only those lucky enough to have adequate pension, not unattached Canadians nor the seniors who rely on the OAS and GIS to make ends meet. The government also trumpets the recent increase to the GIS, but the sad fact remains: it was less than half the amount needed to truly raise every senior out of poverty.

The billions of dollars trumpeted by the government in investment in affordable housing is actually \$1.4 billion in total for the entire country. That is not enough. That number is a combination of federal, provincial and territorial money, not the total spending of the

federal program. Furthermore, there is no guarantee that this money will even be spent. Provinces have to match the federal dollars. If they do not initiate the project, the housing will not be built.

The government's arguments do not make sense. This frightens me because it leads in exactly the wrong direction.

Seniors represent one of the fastest growing populations in Canada today. The number of seniors in Canada is projected to increase from 4.2 million in 2005 to 9.8 million by 2036. With so many seniors retiring in the coming years, we need a social safety net in place that will prevent dramatic increases in poverty. We need investment in seniors, investment in affordable and appropriate housing, long-term care, home care and pharmacare. This will boost our economy and save money in the long term while it protects our seniors.

I want to repeat my question from December, and I hope that the member is able to give a better answer than before.

There is an elderly couple in Toronto. She has asthma and bronchitis. He has Parkinson's. They can barely make ends meet. In fact, they just won a contest because of the depth of their needs. However, there are no winners here. Three hundred thousand seniors live in poverty. The government offers no help. Seniors should not have to turn to a contest just to keep their heads above water.

When will the government stop ignoring seniors and actually start helping them?

• (1945)

Ms. Kellie Leitch (Parliamentary Secretary to the Minister of Human Resources and Skills Development and to the Minister of Labour, CPC): Mr. Speaker, I would like to thank the member for London—Fanshawe for raising the important issue of supporting seniors, something we as a government strongly believe in.

Canadians can be rightfully proud of the achievements we have made together as a country, bringing down the incidents of low income among seniors. From 1980 to 2009, we have seen those rates drop from 20% to 5%.

Seniors are more than a demographic element or statistic. They are neighbours, mentors, friends, family members and trusted colleagues, like Isobel and Bill McDougall, in my home of Creemore, or Dr. Jack Crawford, in Collingwood. These are fellow Canadians, and their valuable contributions have helped to build a stronger Canada.

Adjournment Proceedings

Our government is committed to ensuring seniors have the highest possible quality of life. Through budget 2011, we introduced a new guaranteed income supplement top-up benefit to help the most vulnerable of those seniors. The change represents the largest increase in GIS for the lowest income seniors in a quarter century. The new measure is further improving the financial security of more than 680,000 seniors across Canada.

We increased the GIS in 2006 and in 2007, for a total of 7% over and above the regular indexation, while also introducing automatic renewals for seniors.

In budget 2008, we increased the GIS earnings exemption from \$500 to \$3,500 to allow working low-income seniors to earn extra money while they are working.

We have also provided \$2.3 billion annually in additional tax relief to seniors and pensioners, achieving this through pension income splitting, as well as increasing the age credit.

Our government has been working hard to reinforce sustainability of our retirement income programs, as well as enhancing seniors' quality of life, not just today but in ways that will be sustainable for Canadian seniors in the future. These are mutually inclusive goals, and both of these goals must be met.

Challenges lie ahead. The number of Canadians over the age of 65 will double in the next two decades. That means that the number of old age security pension beneficiaries is expected to grow from 4.7 million to more than 9.3 million in 2030. While today there are four workers for every person over 65, by 2030 there will be only two to one. A smaller number of working taxpayers will be supporting a much larger number of OAS recipients.

Will they be able to carry this load? Is it fair to them? That is the question, and one must be upfront and deal with this important issue now. This has to be done in a responsible way that gives everyone time to plan and adjust.

Ms. Irene Mathysen: Mr. Speaker, it is clear that the member did not hear a single word I said. It is just the same old rhetoric and the same misinformation.

I have been travelling across the country, listening to what seniors have to say, and they have lots to say. They are not impressed with the Conservatives. They want their pensions protected. They want to retire in dignity, and they want their children to have a chance at the dignified retirement that they wish for themselves. They do not like the path the government is taking.

Investing in our seniors is smart, economically sensible and humane and has everything to do with how we should behave and nothing to do with what the government is perpetrating on the seniors of Canada.

• (1950)

Ms. Kellie Leitch: Mr. Speaker, the member for London—Fanshawe should know that this year Canadians will receive close to \$72 billion in benefits through the Canada pension plan, as well as the old age security programs and the GIS. It is true that these benefits do not come automatically. Older Canadians have to apply for them. That is why we have taken steps to inform Canadians about their eligibility for these benefits through the application process.

Through HRSDC and Service Canada, our government uses direct mail, information campaigns and partnerships with community organizations to reach out to seniors to tell them about their eligibility for OAS and GIS. Some of these efforts are aimed at seniors who are particularly hard to reach. These could include people who live in remote areas, immigrants, aboriginal seniors, seniors with disabilities or those who do not speak either English or French.

More than 600,000 application forms are issued to Canadian seniors not yet receiving CPP or OAS to encourage them to apply. Every year, mail-outs of thousands of pre-filled applications to people who qualify for the GIS are completed. Most GIS recipients only need to apply once and then it will happen automatically for their renewal. We are making great efforts in order to make sure low-income seniors are informed about their benefits.

FISHERIES AND OCEANS

Hon. Lawrence MacAulay (Cardigan, Lib.): Mr. Speaker, I am pleased to stand in this House this evening, but I am not pleased with the subject that we have to discuss. It is of great concern to me and it is of great concern to the people of eastern Canada, the Gaspé and the Atlantic region.

On March 1, I asked the Minister of Fisheries and Oceans a question concerning fleet separation and owner-operator policies, looking at the massive input that this has to our economy in Atlantic Canada. All I wanted the minister to do was to assure us that he would ensure that these policies remained in place, that the fishermen remained independent and that they would be able to own their own fleets.

The minister basically said he was going to consult with fishermen or had consulted with fishermen. I have travelled for the last number of weeks and I have not met many fishermen who have been consulted.

The owner-operator policy was put in place by the Hon. Roméo LeBlanc, the greatest minister of fisheries that this House has ever seen. He understood what owner-operator and fleet separation policies were all about. Fleet separation just means that one cannot own the fleet and process the product. It means that one does not own everything. It means one does not have control of everything in the sea and everything on the land.

Owner-operator means, simply, that one owns the boat and goes out and fishes.

That is the basic livelihood, that is what keeps our small communities in Atlantic Canada and the Gaspé in Quebec alive. If they were to lose this, it would be quite devastating.

Adjournment Proceedings

In the last number of weeks, I have travelled across Atlantic Canada. My good friend, the member for Papineau, who happens to be the son of one of the greatest prime ministers in this country who was the prime minister with the Hon. Roméo LeBlanc, met with a number of fisheries groups. He also met with the fisheries policy dialogue in Chelsea, Quebec. They have the same concerns as all the fishermen I had met across Atlantic Canada. Their concern is that they have something that is quite valuable, that is going to be more valuable, and that the government could take it from the fishermen, take it from the communities, and give it to the corporate sector.

He also met with the professional fisheries alliance in Quebec. It also was very concerned.

The minister spoke about young people not being involved in the fishery. I met with fisheries groups in a number of different places in Newfoundland. There were people in the room who were yelling, young men and young women. Sure, there were also some white heads. It was the same in Halifax, Nova Scotia. I met with a lot of fisheries groups.

Last Sunday, I attended the MFU's annual meeting. Though some members talked of the MFU supporting looking at this, the MFU made it quite clear that it fully opposed discussing the owner-operator and fleet separation policies. This is not on the table for it to discuss. It does not feel that the government should take from the fishermen and give to the corporate sector.

I only hope that the parliamentary secretary, for whom I have respect, will confirm that these policies will remain in place.

● (1955)

Mr. Randy Kamp (Parliamentary Secretary to the Minister of Fisheries and Oceans and for the Asia-Pacific Gateway, CPC): Mr. Speaker, we have heard a lot of opinions with respect DFO's policies in recent days, some from my hon. friend from Cardigan. I am not here to say whether I agree or disagree with these policies but to say that we need to be able to have a discussion about these things. I am not alone in this position. In the words of the respected host of *The Fisheries Broadcast* in Newfoundland, John Furlong, it is time to have "Discussion without fear of recrimination".

We have heard a broad spectrum of views and many people have expressed how important it is to understand the origins of these policies. My colleague has mentioned this as well, but allow me to provide a bit more background on both the owner-operator and fleet separation policies to which he has referred.

The fleet separation policy was introduced in the Atlantic inshore fishery in the 1970s. Basically, it states that corporations and processing companies may not be issued new fishing licences. Originally, the purpose was to separate the harvesting sector from the processing sector to help prevent any one group from controlling the supply chain. The owner-operator policy was introduced in the 1980s to address an imbalance that emerged from the fleet separation policy. This policy requires licence holders to be onboard the vessel to personally fish the licence. It was designed to support the individually operated inshore fleet.

These policies have evolved over time in response to specific requests. Many rules have been adapted over time to allow for exemptions. This has led to regional variations that complicate the

administrative process and may create unfair advantages. Thus across the country we can find these policies displayed in many different ways. In British Columbia, for example, neither of these policies are in place. However, in Newfoundland and Labrador, for example, a fisherman can get a 120-day exemption from the owner-operator policy, allowing someone else to operate his vessel. Perhaps he is sick during that period. In the Maritimes region, the exemption only permits 30 days. As another example, in some cases processors were providing capital to harvesters in order to secure a supply of fish, and in some cases trust agreements did indeed put the control and decisions in the hands of the processors.

As a result of all these changes, another policy was introduced in 2007 to preserve the independence of inshore harvesters and strengthen the owner-operator and fleet separation policies. Last year, the fleet separation policy was further amended to allow wholly owned corporations to hold fishing licences. Accordingly, these policies have developed and evolved over the years.

Typically with every rule and policy that has been adopted over time, exemptions have had to be adopted to provide the flexibility that harvesters need to manage their business. Therefore, to be clear, our review is not focused solely on the owner-operator and fleet separation policies, though we recognize their importance to many harvesters in the Atlantic. These policies and others are complex and need to be considered in today's context to see if they remain effective in the face of fluctuating resources and changing market conditions. The purpose of our current work is not to arbitrarily remove or support policies but to see where there are unnecessary complexities and inefficiencies that exist, and to identify barriers to improved economic prosperity for fishers. I hope the hon. member would agree with that goal.

It is for these reasons that we went out to speak with Canadians with an open mind to hear their views on what works and what does not. Now we are going to consider the feedback we received, through in-depth and objective analysis, which will allow us to better understand the issues.

● (2000)

Hon. Lawrence MacAulay: Mr. Speaker, I am very disappointed with what the Parliamentary Secretary to the Minister of Fisheries and Oceans had to say. Consulting, I would think, means talking to people. It means talking to people in the industry.

I have travelled all through Atlantic Canada. My colleague from Papineau travelled through the Gaspé and Quebec. None of them have talked to anyone in government, but it is funny because the corporate sector knows all about this. The corporate sector knows very well that the inshore fishermen in eastern Canada have something valuable and the corporate sector wants it, and I am fearful that the government is going to give it to them.

Adjournment Proceedings

Why would they destroy the economy? I have had the privilege to work for 23 years in the riding of Cardigan to help provide economic development. Why in one swoop would they destroy the economic development of the whole east coast of Canada? Why?

Mr. Randy Kamp: Mr. Speaker, my question for my hon. colleague is why he would be opposed to our talking to fishermen and asking about the barriers they see to earning a living.

He is from the wealthy part of P.E.I., I suppose, where there are lobster fishermen who make a good living, but if he travelled throughout the Atlantic provinces, as he says, then he must have come across fishermen in Newfoundland and Labrador and other parts of the Maritimes who have difficulty making a living. They do

the best they can. They have these policies, not just these two but others that might be barriers to their earning a living. We need to listen to them and take their advice. We talked to them and they had every opportunity to respond both by email and letter, and to attend the meetings. Now we are looking at the information they have given us to see if there is a way to provide the prosperity they are looking for.

The Acting Speaker (Mr. Bruce Stanton): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 8:02 p.m.)

CONTENTS

Tuesday, March 27, 2012

ROUTINE PROCEEDINGS			
Conflict of Interest Code			
The Speaker	6529	Mr. Allison	6538
Government Response to Petitions		Mr. Bevington	6540
Mr. Lukiwski	6529	Mr. Lamoureux	6540
Business of the House		Mr. Rickford	6541
Mr. Van Loan	6529	Mr. Giguère	6541
Motion	6529	Mr. Chisholm	6542
(Motion agreed to)	6529	Mrs. Groguhé	6542
Petitions		Mr. Rickford	6542
The Environment		Mr. Aspin	6542
Mr. Tilson	6529	Mr. Chisholm	6544
Afghanistan		Mr. Rickford	6544
Mr. Atamanenko	6529	Mr. Chisholm	6544
NATO		Mr. Rickford	6545
Mr. Atamanenko	6529	Ms. May	6546
Meat Inspection		Mr. Van Kesteren	6546
Mr. Atamanenko	6530	Mr. Rousseau	6547
Nuclear Weapons		Mrs. Ambler	6547
Mr. Atamanenko	6530	Mrs. Hughes	6548
The Environment		Ms. Sims	6548
Ms. May	6530	Mrs. Hughes	6549
Canadian Broadcasting Corporation		Mr. Rickford	6549
Ms. May	6530	Mrs. Groguhé	6549
Abortion		Mr. Rickford	6549
Mr. Cannan	6530	Ms. Raynault	6551
Pensions		Mr. Brison	6551
Mr. Andrews	6530	Mr. Brown (Leeds—Grenville)	6551
Immigration		Mr. Lamoureux	6551
Mr. Lamoureux	6530	Mr. Poilievre	6553
Questions Passed as Orders for Returns		Mrs. Hughes	6553
Mr. Lukiwski	6530	Mr. Storseth	6553
		Mrs. Hughes	6554
		Mr. Cuzner	6555
		Mr. Sorenson	6555
		Mr. Mai	6555
		Mrs. Hughes	6557
		Mr. Lamoureux	6557
		Mrs. Groguhé	6557
		Mr. Goguen	6557
		Mrs. Hughes	6559
		Mr. Lamoureux	6559
		Mr. Allen (Tobique—Mactaquac)	6559
		Mr. Masse	6559
		Mrs. Hughes	6561
		Ms. Chow	6561
		Mr. Poilievre	6561
		Mr. Truppe	6561
GOVERNMENT ORDERS			
Financial System Review Act			
Bill S-5. Report stage	6532		
Speaker's Ruling			
The Deputy Speaker	6532		
Motion in Amendment			
Mr. Julian	6532		
Motion No. 1	6532		
Mr. Lamoureux	6534		
Mr. Bevington	6534		
Mr. Rousseau	6534		
Mrs. Ambler	6534		
Mrs. Truppe	6536		
Mr. Chisholm	6536		
Mr. Cuzner	6536		
Mr. Brison	6536		
Mrs. Hughes	6538		
Mr. Van Kesteren	6538		
STATEMENTS BY MEMBERS			
Elmira Maple Syrup Festival			
Mr. Albrecht			6562
Human Rights			
Mr. Sandhu			6562

Living Tree Metaphor	
Mr. Reid	6562
World TB Day	
Ms. Foote	6563
Bioindustrial Innovation Centre	
Mrs. Davidson	6563
Government Priorities	
Mrs. Turmel	6563
Foreign Affairs	
Mr. Obhrai	6563
Women's Curling	
Mr. Hillyer	6564
NDP Leadership Race	
Mr. Saganash	6564
Iran	
Mr. Weston (West Vancouver—Sunshine Coast—Sea to Sky Country)	6564
Leader of the New Democratic Party of Canada	
Mr. Chisholm	6564
Juno Awards	
Mr. Galipeau	6564
Events in Toulouse	
Mr. Cotler	6565
Public Safety	
Mr. Warkentin	6565
Leader of the New Democratic Party of Canada	
Ms. Davies (Vancouver East)	6565
Leader of the New Democratic Party of Canada	
Ms. Rempel	6565

ORAL QUESTIONS

National Defence	
Mr. Mulcair	6565
Mr. Kenney	6566
Mr. Mulcair	6566
Mr. Kenney	6566
Pensions	
Mr. Mulcair	6566
Mr. Kenney	6566
Ms. Davies (Vancouver East)	6566
Ms. Leitch	6566
Health	
Ms. Davies (Vancouver East)	6566
Mrs. Aglukkaq	6567
Air Canada	
Mr. Rae	6567
Mr. Kenney	6567
Mr. Rae	6567
Mr. Kenney	6567
Ethics	
Mr. Rae	6567

Mr. Kenney	6567
National Defence	
Ms. Moore (Abitibi—Témiscamingue)	6567
Mr. Fantino	6567
Mr. Kellway	6567
Mr. Fantino	6568
Mr. Christopherson	6568
Mr. Fantino	6568
Mr. Christopherson	6568
Mr. Fantino	6568
41st General Election	
Mr. Boulerice	6568
Mr. Poilievre	6568
Ms. Ashton	6568
Mr. Del Mastro	6568
Ethics	
Mr. Angus	6569
Mr. Paradis	6569
Mr. Angus	6569
Mr. Paradis	6569
Mr. Caron	6569
Mr. Paradis	6569
Air Canada	
Mr. Dion	6569
Mr. Lebel	6569
Ethics	
Ms. St-Denis	6569
Mr. Paradis	6569
Mr. Easter	6569
Mr. Del Mastro	6570
Air Canada	
Ms. Chow	6570
Mr. Lebel	6570
Ms. Morin (Notre-Dame-de-Grâce—Lachine)	6570
Mr. Lebel	6570
Ms. Nash	6570
Mr. Lebel	6570
Mr. Martin	6570
Mr. Lebel	6571
Status of Women	
Ms. Bateman	6571
Mr. Kenney	6571
Search and Rescue	
Mr. Harris (St. John's East)	6571
Mr. Fantino	6571
Mr. Cleary	6571
Mr. Fantino	6571
Ms. Papillon	6571
Mr. Ashfield	6571
Mr. Toone	6571
Mr. Ashfield	6572
Mr. Byrne (Humber—St. Barbe—Baie Verte)	6572
Mr. Fantino	6572
Mr. Byrne (Humber—St. Barbe—Baie Verte)	6572

Mr. Fantino.....	6572
Employment Insurance	
Ms. Crowder.....	6572
Ms. Leitch.....	6572
Ms. Crowder.....	6572
Ms. Leitch.....	6572
Nuclear Proliferation	
Mrs. Gallant.....	6573
Mr. Obhrai.....	6573
National Defence	
Mr. McKay.....	6573
Mr. Fantino.....	6573
Aboriginal Affairs	
Ms. Duncan (Edmonton—Strathcona).....	6573
Mr. Duncan (Vancouver Island North).....	6573
Syria	
Mr. Wilks.....	6573
Mr. Toews.....	6573
National Defence	
Mr. Bevington.....	6573
Mr. Fantino.....	6574
Air Canada	
Mrs. Mourani.....	6574
Mr. Lebel.....	6574
Presence in Gallery	
The Speaker.....	6574
Points of Order	
Member for Charleswood—St. James—Assiniboia	
Mr. Rae.....	6574
Oral Questions	
Mrs. Sellah.....	6574
Mr. Lebel.....	6574
Member for Hull—Aylmer	
Mr. Mulcair.....	6574
Mr. Paradis.....	6575
Mr. Rae.....	6575
Mr. Plamondon.....	6575
Ms. May.....	6576
Mrs. Turmel.....	6576

GOVERNMENT ORDERS

Financial System Review Act	
Bill S-5. Report Stage.....	6576
Mrs. Truppe.....	6576
Ms. LeBlanc (LaSalle—Émard).....	6577
Mr. Armstrong.....	6577
Mr. Mayes.....	6577
Ms. LeBlanc (LaSalle—Émard).....	6577
Ms. Boutin-Sweet.....	6578
Mr. Stewart.....	6578
Mr. Ravnat.....	6579
Mr. Bruinooge.....	6579
Mr. Nantel.....	6580

Mr. Armstrong.....	6580
Mr. Benskin.....	6580
Mrs. Truppe.....	6581
Mr. Simms.....	6581
Mr. Thibeault.....	6582
Ms. May.....	6583
Mrs. Block.....	6583
Mr. Morin (Chicoutimi—Le Fjord).....	6584
Mr. Armstrong.....	6584
Mr. Côté.....	6585
Mr. Thibeault.....	6585
Ms. LeBlanc (LaSalle—Émard).....	6586
Mr. Simms.....	6586
Mr. Ravnat.....	6587
Mrs. Gallant.....	6587
Mr. Nantel.....	6588
Mr. Morin (Chicoutimi—Le Fjord).....	6588
Ms. LeBlanc (LaSalle—Émard).....	6589
Mr. Caron.....	6589
Ms. LeBlanc (LaSalle—Émard).....	6590
Mr. Ravnat.....	6591
Ms. Davies (Vancouver East).....	6591
Mr. Thibeault.....	6592
Mr. Nantel.....	6593
(Motion No. 1 negated).....	6593
Mr. Flaherty.....	6593
Motion for concurrence.....	6593
(Motion agreed to).....	6593

PRIVATE MEMBERS' BUSINESS

Governor General	
Mr. Plamondon.....	6593
Motion.....	6593
Mrs. Glover.....	6595
Mr. Morin (Chicoutimi—Le Fjord).....	6595
Mrs. Glover.....	6595
Mr. Mai.....	6597
Mr. Dion.....	6598
Mr. Aspin.....	6599
Mr. Thibeault.....	6600
National Philanthropy Day Act	
Mr. Regan.....	6601
Bill S-201. Second reading.....	6601
Mr. Calandra.....	6603
Mr. Thibeault.....	6604
Mr. Simms.....	6605
Mr. Brown (Leeds—Grenville).....	6606
Mr. Benskin.....	6607
Mr. Casey.....	6608

ADJOURNMENT PROCEEDINGS

The Environment	
Ms. Duncan (Etobicoke North).....	6609
Ms. Rempel.....	6610
Seniors	
Ms. Mathysen.....	6611
Ms. Leitch.....	6611

Fisheries and Oceans

Mr. MacAulay..... 6612

Mr. Kamp 6613

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