



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

House of Commons Debates

VOLUME 146 • NUMBER 203 • 1st SESSION • 41st PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Monday, February 4, 2013

—

Speaker: The Honourable Andrew Scheer

CONTENTS

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

HOUSE OF COMMONS

Monday, February 4, 2013

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

• (1105)

[*Translation*]

CANADA LABOUR CODE

Mrs. Sana Hassainia (Verchères—Les Patriotes, NDP) moved that Bill C-464, An Act to amend the Canada Labour Code and the Employment Insurance Act (parental leave for multiple births or adoptions), be read the second time and referred to a committee.

She said: Mr. Speaker, I am pleased to rise in the House today to explain to my colleagues why it is so important that we pass Bill C-464.

This legislation will have major implications for Canadian families. It will have a profound impact and affect the day-to-day lives of numerous Canadians.

Bill C-464 proposes changes to the Canadian Labour Code and the Employment Insurance Act that would offer better coverage for parents blessed with multiples.

The birth of a child brings such joy, but it also comes with anxieties and hard work. As wonderful an event as childbirth is, it comes with a set of responsibilities that require a tremendous amount of time and energy from the parents. And those responsibilities increase tenfold when multiples are involved. Taking care of an infant is a tremendous job; taking care of two, three or even four infants is even more demanding.

Unfortunately, the current legislation makes no distinction between these two types of childbirth. Whether one child or multiple children are brought into this world, parents receive the same coverage and support. That is a major flaw that Bill C-464 addresses to bring justice to parents of multiples and to truly encourage parents to have children.

The current legislation works well enough for those who are expecting or adopting a single child. They receive employment insurance benefits for up to 35 weeks of leave. The amount varies, but it is up to 55% of regular salary, to a maximum of \$501 per week. Generally speaking, this helps new parents take care of their

child during the first weeks of life, but for those who have twins, for example, it is often insufficient, given that they have twice as many demands.

As anyone who has experienced a multiple birth knows, having twins presents twice as many challenges. Parents have two mouths to feed. They have to buy twice as many clothes and twice as much food. Sometimes they have to renovate their house or even move, not to mention the fact that two children require twice as much time from their parents. These details cannot be ignored. Psychologically and physically, multiple births also demand more of parents. They have to care for, feed and nurture two babies.

I think I speak for all parents in Canada when I say that it is a challenging experience. However, our current legislation does not recognize that. It treats parents who have one baby the same as those who have two or more. But that is definitely not the reality. This only makes sense: two children, twice as many needs.

I can think of a number of good reasons to provide concrete assistance to parents who have multiple births. It is important to note, for instance, that compared to 1991, the number of multiple births in Canada has risen by 50%. At present, over 3% of pregnancies in Canada are multiple pregnancies, and we can only expect the number of multiple births to increase in the years to come.

We have to help these people. These parents need to be able to look after their children properly. We will be providing concrete assistance to Canadian families who truly deserve it. As elected members representing Canadians, it is our duty to support these families and to encourage them to add to their family for the common well-being of our society.

Not only is it the right thing to do, but it simply makes sense because it will help our society in the long term. A society that looks after its children is a healthy society, and families with less debt contribute to Canada's economic development. That is why Bill C-464 increases the maximum number of weeks of parental benefits to 70 in the case of multiple births or adoptions. It is simple: 70 weeks divided by two gives each parent 35 weeks of benefits to stay at home and take care of their children together.

We would all agree that this is a much more appropriate period of time given the responsibilities associated with the arrival of two or more children at once.

Private Members' Business

Promoting gender equality is another important reason. We have come a long way in that regard in the past few decades, but we still have work to do. Giving the same rights to all parents, no matter how many children they welcome into their family, is a step in the right direction. I am also thinking of the fathers. We must not forget them. In a potentially difficult situation, they have to be given the same support as mothers. Making it possible for fathers to stay home with their families also helps mothers and the entire family to better cope with this challenge.

Bill C-464 does exactly that. It allows the father and the mother to take enough time to deal with the challenges of a multiple birth.

I know that I am speaking on behalf of parents who have experienced a multiple birth when I say that Bill C-464 will be of great assistance to them.

Multiple Births Canada is a Canadian organization that focuses solely on this issue. After studying the main provisions of the bill, the organization provided its unqualified support. The associations of parents of multiples in Montreal, Quebec City and Trois-Rivières also back Bill C-464. Need I say that we have strong support from Vancouver to Halifax for this bill?

Naturally, as is the case with any public policy, there is a cost associated with passing Bill C-464. In these uncertain economic times, we absolutely have to ensure that we make good use of taxpayers' money. We all agree with that. That is why I am pleased to inform you that Bill C-464 is an affordable and very effective initiative. With a modest amount of money and some goodwill, we can improve the quality of life of many Canadians and, at the same time, improve the economic health of Canadian families in these difficult economic times.

It is important to remember that the bill proposes changes to employment insurance. Taxpayers as a group will not have to foot the bill for this; workers will pay for it themselves. I sincerely believe that this is a fair, feasible and cost-effective measure. The public as a whole will not bear the burden of this new policy. It will be placed on those who will benefit from it. This is an honest and low-cost way for us to offer better coverage to parents.

What kind of money are we talking about? Experts have estimated that this change to employment insurance would cost approximately \$27 million a year. As my colleagues are aware, Canadian workers already pay into employment insurance. They are entitled to these benefits. We must remember that this is not just an expense; it is an investment in the health of our families and in lowering household debt, and it is a tangible incentive to increase Canada's already too-low birth rate.

Workers who adopt or give birth to two or more children are also entitled to support. They do not deserve inferior treatment simply because they had a multiple birth. They also pay into the employment insurance system every week. It only makes sense to be fair and practical and to offer Canadian families appropriate coverage that is suited to their needs.

I believe that it is our duty as a society to help those who choose to start or expand a family. I know that my hon. colleagues here in this House share this determination to improve the lives of our constituents. The current system works well for most new parents.

However, as I have already explained, there is a glaring deficiency when it comes to multiple births, which have been on the rise over the past few years.

That is why Bill C-464 seeks to help young families who are facing this big responsibility. This bill is thoughtful and efficient and would provide financial assistance to families who are greatly in need of it. The household debt of families with more than one child is often too high. Bill C-464 responds directly to that need.

We are all well aware that the issues that Canadians care about most are the economy and the importance of family. I can assure hon. members that Bill C-464 very effectively addresses both of these concerns.

It is through helping families—the heart of Canadian society—that we will improve the lives of Canadians. By so doing, we will also help Canadians get out of debt: a family with less debt is a family that can more effectively participate in Canada's economic development.

We are also responding to Canadians' demands by promoting gender equality within families. Such gender equality also benefits all Canadians who just want to thrive within their families.

Another issue that is of concern to Canadians is the dramatic drop in our country's birth rate. No doubt, one reason for this drop is that families are in tight financial situations and cannot afford to have a lot of children. Once again, Bill C-464 responds to this concern because it encourages Canadian families to have more children and provides security in the case of multiple births. Encouraging families to have children is a very good thing to do in a country with a declining population.

Finally, Bill C-464 is being introduced in the House today in order to meet the needs of parents that are not taken into consideration by employment insurance, despite the fact that, in the case of multiple births or adoptions, parents need twice as much help. This is a fair, sustainable and pragmatic bill.

For all of these reasons, I am quite convinced that passing this bill would be very helpful to thousands of Canadians.

● (1110)

I ask my colleagues to set aside all political gamesmanship and work together to develop and improve our society as well as our economy. This is how we will move forward. Let us take advantage of this historic opportunity and deliver a clear statement that Canada is a country that is concerned about the welfare of families from coast to coast to coast.

Once this legislation has been passed, we will be able to look back with pride at what we have accomplished. Future generations will be grateful.

Private Members' Business

•(1115)

[*English*]

Mr. Erin O'Toole (Durham, CPC): Mr. Speaker, my question relates to the cost of the bill.

In my colleague's remarks she mentioned that experts estimated the cost of the bill at \$27 million, the Parliamentary Budget Officer estimated an \$80 million cost and department estimates go up as high as \$100 million. I would like the hon. member to take the House through how those costs were calculated for the \$27 million in her bill and tell the House what specific experts were called upon to come to that number.

[*Translation*]

Mrs. Sana Hassainia: Mr. Speaker, obviously studies have already been done on this subject. Of course, the figures vary from year to year, depending on the number of births.

Where is the money going to come from for this program? Parents already pay EI premiums. This bill is an attempt to mitigate an injustice in the present system. While all parents pay premiums, the fact is that a parent with a single baby is currently entitled to 35 weeks of benefits. A parent of multiples is also entitled to 35 weeks of benefits.

A parent who subsequently has a second child is entitled to an additional 35 weeks of benefits, for a total of 72 weeks of benefits, whereas the parent of multiples will have been entitled to only 35 weeks of benefits overall.

Of course it is up to the government to decide where it wants to invest its money. We know that we want to invest these dollars in the health of Canadian families.

[*English*]

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, I am somewhat sympathetic as to what the hon. member is talking about, especially since over the weekend my son's wife gave birth to my first grandchild, and I am very happy.

Having said that, I wonder if the member sees the benefit of, and to what degree she would be open to, amendments in committee. At the end of the day I think all members recognize the importance of keeping mums and dads at home at the time of birth and in the first little while when the baby is developing.

Could the member comment on the degree to which she feels her bill would be better if it were amended in committee and how open she is to that?

[*Translation*]

Mrs. Sana Hassainia: Mr. Speaker, the bill that I have introduced would clearly meet the needs of Canadian parents of multiples, whether these are the result of multiple adoption or multiple birth.

We are prepared to study this issue in committee, and we would gladly welcome any amendments, if need be.

Mrs. Anne-Marie Day (Charlesbourg—Haute-Saint-Charles, NDP): Mr. Speaker, I congratulate the member for Verchères—Les Patriotes on her speech. Her bill is a completely legitimate initiative.

We know for a fact that multiples have low birth weights and that multiples born prematurely often require a higher level of care than a single baby.

Could the member for Verchères—Les Patriotes talk to us about the consequences for parents of multiples of having two babies who wake up and eat at different times and who require more postnatal care than single babies?

Mrs. Sana Hassainia: Mr. Speaker, I thank the hon. member for asking that excellent question.

A multiple pregnancy generally results in some health problems and multiples, for example those born prematurely, may have serious health issues. A woman who gives birth to multiples may also experience serious postpartum health problems.

Therefore it is very important to allow the mother the time she needs to recover, with the help of the father who stays home to care for one or both babies in order to give her time to catch her breath, slowly get back on her feet and return to work later. Even her employer will benefit, because she will be healthier, both mentally and physically, when she returns to work.

[*English*]

Mr. Erin O'Toole (Durham, CPC): Mr. Speaker, I am pleased to speak today to Bill C-464.

Any child is a gift. I would like to congratulate the hon. member for Winnipeg North on the birth of his first grandchild. That is certainly a momentous occasion.

Any child is a blessing. I would also like to call out in the House the birth of Aurélie and Clémentine Smith, twins born at Christmas to very good friends of mine, Paul Smith and Gillian Hewitt Smith. Children are blessings that should be recognized in our communities and today in the House.

First, the bill would amend the Employment Insurance Act to double the maximum number of weeks of parental benefits for new parents who are blessed with multiple children from a single pregnancy or those who adopt more than one child at the same time. Second, the bill would amend the Canada Labour Code to protect the jobs of these parents for 72 weeks in federally regulated workplaces.

Unfortunately, the government cannot support Bill C-464. While we understand the good intentions of the hon. member, her bill would be economically challenging and would run contrary to the structure and ideals of our EI system.

This government more than any previous government understands the importance of family. The families of Durham certainly understand that and I understand that as the proud father of Mollie and Jack, our two children. My wife, Rebecca, and I have had to make decisions in relation to child care and who works in our household.

Private Members' Business

However, the bill that is presently before the House would not be financially responsible at this time and would undermine the insurance-based principle of the EI system. It was estimated by the member of Parliament for Verchères—Les Patriotes that the extension of parental benefits proposed through her bill would cost \$27 million. However, the government estimates that program costs alone could be closer to \$100 million, not mentioning possible administrative costs. Therefore the financial implications on the EI program could be four times the hon. member's estimate.

Apart from the costs of the legislation, which as I said would approach \$100 million, the NDP has proposed over \$3.8 billion of new EI spending per year. That is \$3.8 billion that would need to be contributed by workers and employers through increased premiums to pay for these benefits. In these fragile economic times, when the EI account is still in a deficit situation, this would not be economically or financially prudent.

These premium increases would come from the pockets of hard-working Canadians who would have less money to bring home to support their families. Employers would also have to spend more money on premiums, which in some cases could be the difference between a business thriving, surviving or going bankrupt.

Just this weekend I met with Scott Delong, a small business owner in the Durham area who is already being squeezed by provincial changes to WSIB. He cannot afford yet another burden, such as the one the NDP is proposing. While our government introduced a new rate setting mechanism to ensure stability and predictability for EI premiums, the NDP is proposing measures that would see EI premiums rise over 16% in a single year.

Allow me to speak for a moment to the insurance-based principles of EI.

First and foremost, we have a good system currently in place that supports parents while providing flexibility so that they can decide what works best for their families. Under the Canada Labour Code parents welcoming a new child into their home can legally take 37 weeks off work to care for that child following the birth or adoption. They are also entitled to 35 weeks of parental benefits under the employment insurance program. The EI parental benefit is designed to temporarily replace income lost while caring for a child. It makes it easier for parents to stay home and care for their newborn or newly adopted child. It is also flexible, allowing parents to share the 35 weeks as they see fit.

The legislation is clear. The EI parental benefit is not tied to the number of children born or adopted at any one time. In fact, no jurisdiction in Canada currently provides additional leave under its employment standards legislation for parents of multiple newborns or multiple adopted children.

● (1120)

The EI program is an insurance program. It is not a social welfare program where the financial needs or circumstances of each individual are considered or measured when determining eligibility, entitlement and the rate of weekly benefits. To put it another way, EI special benefits are meant to replace a portion of an individual's income while they are away from work. What is being insured is the loss of wages, not the personal circumstance of the claimant. To

support the bill would fundamentally change the approach to EI special benefits, which is not something the government could support.

Let me also briefly touch on a federal court of appeal decision from January 24, 2013, just weeks ago, which deals with the subject matter we are discussing today. A brief summary of the case is that a Canadian couple was fighting for 35 weeks of EI benefits for each parent because they had given birth to twins. The federal court of appeal was clear in its decision that the act allows for 35 weeks of parental leave for each pregnancy, not for each child resulting from a pregnancy or adoption. The court also found that it did not constitute discrimination, nor inequality under the charter.

Canadian families are a key priority for our government. We have proven our commitment by assisting families with dedicated initiatives, such as the Canada child tax benefit, the national child benefit supplement and the universal child care benefit. Over 1.5 million families benefit from the universal child care benefit each year. It is a program that was created by our government to provide parents a choice in how they will manage their families. Also, 3.3 million parents claimed the child tax benefit. The average Canadian family is now saving \$3,000 per year in taxes from what they paid before our government was elected. In my recent byelection in Durham hundreds of parents told me how much they appreciate the choice and assistance these family-centred policies provide.

The child tax benefit and the universal child care benefit are in addition to the 15 weeks of maternity leave granted to mothers, as well as the 35 weeks of parental leave currently offered under EI. As the Prime Minister said previously, we believe that families are the building blocks of our society. Our government has reduced taxes and increased benefits so that parents will have flexibility when it comes to how they raise their children. This is because we believe parents are best suited to decide how to raise their children.

In conclusion, the government cannot support a bill that would increase the cost to the EI account of up to \$100 million per year. We also cannot support a bill that would change the fundamental nature of a national program that has already proven to be flexible and adaptable to the needs of families. Therefore, I ask all members of the House to join me in supporting our current robust EI system by voting against Bill C-464.

Private Members' Business

●(1125)

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Mr. Speaker, I am pleased to join in the debate this morning, not just as the critic for human resources and skills development for the Liberal Party but as the father of three boys. There is a fairly significant storm hitting the east coast today and schools have been cancelled in Cape Breton and in many districts. As my wife teaches at the community college, she is home today. Therefore, I will be very cautious not to try to overstate how much impact I had in those early days in rearing the three boys. However, from my perspective, I was a spectator in something that I thought was pretty impressive with all that goes on with raising three pretty high-energy boys who were sort born in steps and stairs.

Young mothers almost need a third arm, with all the bags, strollers and kids. We can only imagine the impact when they are trying to do this for twins. When there is a situation with multiple births, we can only appreciate the additional effort and work that has to go into that situation. It is certainly not a normal situation. It is not an abnormal situation, but it is certainly one that I think deserves this opportunity to look at the bill that was brought forward by my colleague.

There are a number of points that I want to raise in my 10 minutes. The challenge is to find that balance between the special circumstances that arise in cases of multiple births and balancing good, fair, reasonable social policy against the cost to the people who fund the program. That is where we have to come up with something pragmatic that also makes sense.

Millions of employers and employees pay into the employment insurance fund. It is our responsibility, as legislators, to ensure that changes in legislation and regulation are looked at and vetted here. Unlike what we have seen with the changes to the current EI system, when we look at working while on claim and some of the other changes that have had a significant impact on seasonal industries, I believe it is in Canadians' best interests that these changes be vetted.

However, I have some questions that I think need to be answered before the bill can be properly judged. I do not think we have seen all the information. There have been a couple of points made. I certainly am not confident in the information that I have. I believe the vetting of this issue and the opportunity to hear witnesses on both sides of the issue would serve us well. It would serve the committee well and that would serve the House well, as this goes forward.

However, I do not think that we can dismiss the intent of the bill, which is to help families deal with unforeseen and challenging circumstances. That is why I want to support the bill going to committee so that we can assess the merits of the bill.

Canada is one of the most generous countries when we talk about maternal and paternal benefits. Being a proud member of the Liberal Party, I think there is much that the Liberal Party has done in contributing to the reputation that we hold in the world. In 1971, the government led by former Prime Minister Pierre Trudeau brought forward the first maternity leave, the 15-week maternity leave. Nineteen years later, Prime Minister Chrétien's government increased those parental benefits to 35 weeks and reduced the hours of eligibility from 700 to 600, allowing more parents to spend more time caring for their children without worrying about losing their jobs or where to find income.

●(1130)

It is noteworthy that my colleague from Durham is speaking on behalf of the Conservative Party. It is worth pointing out that when Mr. Chrétien brought that legislation in to increase the benefits, the Canadian Alliance, in fact, voted against those increases. I was not surprised to hear that he was not ready to get up and champion this particular piece of legislation.

Bill C-464 is admirable in the sense that it is trying to help parents who face a special situation. I think all of us here in the House can agree that multiple births are a very special situation. The Dionne quintuplets were very special and captured the excitement and imagination of an entire country. Many times, in multiple births, there are problems with the pregnancy and delivery, whether it is twins, triplets or quintuplets. There is physical, emotional and psychological stress placed on the parents and children, not to mention the financial burden that comes with multiple births. I think those challenges are high and worth noting.

According to Multiple Births Canada, 57% of twins and 98% of higher order multiples are born pre-term, with low birth weights and postnatal concerns. These facts cannot be overlooked or lessened. They are part of the basis of why this bill should at least be studied.

However, some of the arguments put forward in support of this bill have flaws as well. For example, the fact that some countries, most notably Europe, have additional benefits for multiple births argues that Canada should. However, in many of these countries, the total benefits provided are less than what Canada's current system already provides.

Proponents of the bill say that the additional challenges multiple-birth parents face warrant an additional 35 weeks of unpaid leave and EI benefits; if a single birth parent gets 35 weeks, it would automatically mean that parents of twins should get double, or at least should be viewed as getting double. With twins, I am not sure that there is twice as much work, so to take that correlation and apply it here to simply double the 35 weeks I am not sure is something we are able to do or it makes sense to do.

What we should be charged with as elected officials is to try to get something right, to try to get something that works for the parents that is responsible in terms of protecting the employment insurance fund.

According to the PBO, there are approximately 13,000 multiple births per year, and 6,700 parents would be eligible for this extended benefit. The PBO estimates this cost at approximately \$80 million per year. That seems fairly high. However, it is approximately the same cost as Bill C-44, the government legislation that created the new special parental benefits last fall. This is another reason we should absolutely send this bill to committee to have it looked at.

Private Members' Business

My time is winding down here, so I am just going to sum up. I am sure there are things we can agree on in this House. Multiple births are very much a special circumstance. Whether we ultimately agree that parents of twins, triplets or other multiples should get twice the benefits as parents of single births is not the most relevant question with respect to whether this bill should go forward. This bill is at second reading, so it is about trying to gather more information.

• (1135)

For this circumstance, I believe we should support the bill. Whether doubling is the right way to go, I do not know, but I think we should recognize the challenges faced by the parents of families with multiple births and at least support this legislation as it goes forward to committee.

[*Translation*]

Mrs. Anne-Marie Day (Charlesbourg—Haute-Saint-Charles, NDP): Mr. Speaker, I would like to begin by thanking my colleagues, particularly the hon. member for Verchères—Les Patriotes, for her positive contribution to the deliberations we must have as MPs regarding the issue of parental leave in cases of multiple births or adoptions. This is an important debate, one that must reflect the reality of modern families when it comes to balancing labour market demands and the needs of families.

In Canada, multiple births are on the rise. Over 100,000 children under 13 were born in a multiple birth. Of those children, 41,000 are under five years old. Between 1974 and 1990, the number of twin births rose by 35% and the number of triplets and quadruplets jumped by 250%.

Multiple birth babies represent 2% of births in Canada, but they account for 16% of all low birth weight babies. Just under 50% of twins are born prematurely or are underweight, and that percentage rises to 90% in the case of triplets, quadruplets and quintuplets. These babies need more attention and care.

Low birth weight and premature babies need more assistance than full-term babies, especially if they are very small or born at less than 35 weeks gestation. Premature babies need help surviving outside of their mother's womb. They might have special needs because certain parts of their bodies may not have had the time to develop fully. Premies can have difficulty breathing because their lungs are not fully developed. They often have difficulty breathing, feeding and maintaining their body temperature. In hospital, they will often be placed in an incubator in order to keep their body temperature up.

Premature births represent a serious public health concern because they are the leading cause of infant mortality in many countries. Premature births are very costly, both for our health care system and for the families involved.

As the member for Verchères—Les Patriotes said, these families face enormous and constant challenges. Babies born in a multiple birth are often premature and experience developmental problems and lasting effects. These families are often under increased physical and financial stress. The NDP wants to give them a break and support them from the beginning.

In North America, the rate of premature births has increased over the past few decades. Many factors, including delayed child-bearing and the use of assisted human reproductive technologies, have

contributed to the rise in multiple and premature births. The growth in the number of obstetrical interventions, namely those related to premature births for medical reasons, is the main reason for this increase. In Canada, the rate of premature births has steadily increased from about 6% in the early 1980s to 8% in the past few years.

Mothers living in low-income neighbourhoods can experience many social and economic disadvantages. In poor neighbourhoods, there is a higher rate of unemployment, a lower level of education, and a high rate of tobacco, alcohol and drug use. Clearly, these mothers will need more support.

Normally, under Canadian legislation, parents can take a total of 35 weeks of parental leave following the birth or adoption of a child while receiving the benefits set out in Canada's Employment Insurance Act. These measures apply regardless of the number of children that are born or adopted at the same time. That is already within the purview of Canada's employment insurance program.

The Canada Labour Code allows natural and adoptive parents to take parental leave of up to 37 weeks under the same conditions as maternity leave, that is that employees, including managers and professionals, are entitled to 17 weeks of maternity leave if they have completed at least six consecutive months of continuous employment with the same employer before their leave begins.

The employee can take this leave any time during the period that begins 11 weeks before the expected date of delivery and ends 17 weeks after the actual delivery date. Female employees who have given birth can take both maternity and parental leave, but only one period of time for each type of leave. Employees who want to take parental leave must do so in one block of continuous time that is not interspersed with periods of work.

• (1140)

Furthermore, an employee, a mother or father, who takes care of a newborn or newly adopted child is entitled to parental leave of up to 37 weeks, as was said earlier. However, the total length of maternity leave or parental leave must not exceed 52 weeks.

What the member for Verchères—Les Patriotes is seeking in this bill is not something that is new elsewhere in the world. For example, in Luxembourg, parental leave is an individual right for both parents, if they both work. Each parent who meets the qualifying conditions is entitled, on his or her request, to six months of full-time parental leave per child. In cases of multiple births or adoption, the length of leave is multiplied by the number of children from the same birth or adoption. If there are four children, it is multiplied by four.

Private Members' Business

A Norwegian father will soon be able to take 14 weeks' leave to care for his newborn child and receive 100% of his salary. A member party of the government coalition announced on Friday, October 5, 2012, that the government would extend parental leave by two weeks to 49 weeks with full pay and to 59 weeks at 80% of salary. We are nowhere near that.

In Norway, parental leave includes maternity leave and paternity leave. Of those 49 weeks, the father's small share, which is not transferable to the mother, will be increased from 12 to 14 weeks. That measure, which will come into force on July 1, 2013, was officially announced in the finance bill introduced on October 8, 2012. The purpose of this provision is to involve men to a greater degree in child-rearing, but also to reduce professional gender inequalities, since mothers are often penalized for being absent from their jobs for extended periods of time. This will make the Norwegian system one of the most generous in the world.

The current state of affairs is a problem. Canada is no longer a leader in child welfare. It ranks in the bottom third of OECD countries for child mortality, health, safety and poverty. Canada may have been a leader in 1971, but it will have to catch up in 2013.

The social determinants of health are increasingly being recognized and studied. Several organizations that focus on health are examining them. One of those organizations, and not the least of them, is the World Health Organization. The WHO defines the social determinants of health as the circumstances in which individuals are born, grow up, live, work and age, as well as the systems put in place to deal with illness.

We know that parents who give birth to twins and triplets find it much harder to manage. Parental leave makes it possible for the parents of young children to interrupt or limit their professional careers so that they can be with their children at important points in the child's development and have the assurance that they can return to their jobs when their leave expires.

In closing, in view of the sharp increase in the number of multiple births in Quebec and Canada, the member for Verchères—Les Patriotes has introduced a private member's bill to provide financial support for families in the case of multiple births or adoptions. The member is making children our main priority. The NDP supports her. The public and, especially, parents who have experienced multiple births support her as well. I thank her.

• (1145)

[English]

Ms. Kellie Leitch (Parliamentary Secretary to the Minister of Human Resources and Skills Development and to the Minister of Labour, CPC): Mr. Speaker, there is no argument that children are a blessing. I became a pediatric orthopedic surgeon in part because of my love for children, so I understand that the hon. member has only the most compassionate motives in proposing this legislation. However, accepting the bill as it stands would run contrary to the intent of the Employment Insurance Act, as I will explain.

On multiple births, the EI legislation is very clear. It stipulates that regardless of the number of children born or adopted, the maximum number of weeks of EI parental benefits that can be paid as a result of a single pregnancy or adoption is 35 weeks. The legislation allows

one parent to receive the benefit, or both parents to share the benefit at the same time or consecutively. The Federal Court of Appeal recently ruled on this issue and the decision of the court affirmed the legislation as it stands and rejected the charter argument on unequal treatment.

The bill seeks to increase the maximum number of weeks during which parental benefits can be paid from 35 weeks to 70 weeks in the case of multiple births or adoptions. Unlike a social welfare program where the financial needs or circumstances of each person are considered in determining eligibility, EI is an insurance program. It is the loss of wages that is being insured against. EI benefits replace a portion of those wages of a person's losses for their time away from work. Allowing this change would undermine the insurance nature of the EI program and change its purpose.

In addition to the 35 weeks of parental benefits, a new mother also qualifies for an additional 15 weeks of maternal benefits. The principle of maternity benefits is that a new mother should be protected from an earnings loss while she is physically unable to work or seek work in the weeks surrounding the birth of a child or children. The EI program ensures that working families who experience loss of income receive support to balance the demands of both work and family by providing the flexibility they need to stay home and care for their children, their newborn or adopted child.

Our government has delivered several initiatives recently to provide greater financial stability to parents facing difficult circumstances, through the Helping Families in Need Act. We amended the Employment Insurance Act to facilitate access to EI sickness benefits for claimants who had fallen ill or injured while collecting parental benefits. Also, a new EI benefit for parents with critically ill children will help ensure that families do not suffer undue financial hardship due to their child's illness.

As a pediatric orthopedic surgeon, I have seen the immense pressure a family faces when they have a sick child. I can say from personal experience, having seen parents present at the bedside of their child, that it is crucial that they be there when their child needs them. As parents in my riding of Simcoe—Grey have said, they are very pleased that the government has made this substantial investment in supporting families in their greatest time of need.

As well, there is a new grant now available to parents of murdered and missing children. These parents face tremendous emotional stress and often have to take time off work to cope with this tragedy or to be part of the criminal justice process.

Private Members' Business

We recognize our responsibility to help parents balance work and family responsibilities. We have repeatedly shown our commitment to support families and will continue to do so. Through Canada's economic action plan we have strengthened the universal child care benefit to help more than 2 million young children and 1.5 million families every year. Since it was introduced, this benefit has lifted approximately 22,000 families out of poverty.

We are helping working parents by making major investments in creating new child care spaces. Our government has allocated billions of dollars to support early childhood development and child care through transfers to the provinces and territories, direct spending and tax measures for Canadian families. To assist low and middle-income families, we have provided additional support through the Canada child tax benefit and the national child benefit supplement.

In addition, through foster-to-adopt programs, foster parents are eligible for EI parental benefits as soon as they have taken the necessary steps to adopt a child into their care. Moreover, self-employed persons are now able to opt into the EI program to receive maternity benefits as well as parental sickness and compassionate care benefits. In addition to this, Canadian Forces members who are ordered to return to duty while on parental leave or whose parental leave is deferred as a result of a military requirement also have an extended eligibility window for EI parental benefits.

Regarding the suggested change to EI, we have estimated that the cost to workers and employers would be approximately \$100 million per year if implemented. This is in addition to the \$4 billion a year in EI measures the NDP would like to create, including a 360-hour work year, that would drive up EI premiums by 16%.

• (1150)

I was fortunate enough to be involved in the EI rate-setting consultations that occurred in the fall of 2001. I heard from businesses and workers all across the country about the importance of stable and predictable EI premium rate-setting. While our government introduced a new rate-setting mechanism to ensure stability and predictability for EI premiums, the NDP is proposing measures that would see EI premiums rise by over 16% in a single year.

Nothing is more important than the role a mother or father plays in caring for their child. The family is the fundamental unit of society, the backbone of a successful country. Time and again our government has demonstrated its commitment to helping families. However, in this fragile economic time when small businesses are concerned about EI premiums, supporting a bill that would result in increased EI premiums would be fiscally irresponsible.

While I certainly understand the good intentions of the hon. member opposite in proposing this bill and fully share her desire to provide greater support for Canadian families, as we done most recently with Bill C-44, the Helping Families in Need Act, I cannot support this bill at this time because of the huge negative impact increasing premiums would have on small businesses in my riding of Simcoe—Grey.

I encourage all members of the House to join me in voting against this legislation, which will put a huge burden on the backs of small businesses, employers and employees in this country.

[*Translation*]

Ms. Mylène Freeman (Argenteuil—Papineau—Mirabel, NDP): Mr. Speaker, before I begin, may I ask how much time I have?

The Acting Speaker (Mr. Bruce Stanton): There is probably enough time for you to have 10 minutes.

Ms. Mylène Freeman: Thank you for the clarification, Mr. Speaker.

I am pleased to be speaking today in support of the bill introduced by my colleague from Verchères—Les Patriotes. Bill C-464, An Act to amend the Canada Labour Code and the Employment Insurance Act, which would grant extended parental leave for multiple births or adoptions, is simply a way of levelling the playing field for parents of multiples.

This bill addresses a simple situation. Parents normally receive 35 weeks of parental leave and benefits per child, but that is not the case when parents have two or more children at once. That discrepancy is based solely on the children's date of birth. Birth or adoptive parents of twins or multiples are at a disadvantage.

This bill is designed to help these families by granting them more parental leave and providing adequate financial support. Parents could take as many as 72 weeks of leave for multiple births or adoptions. These 72 weeks could be shared between the two parents, depending on their needs. Obviously, every family's situation is different. We want this to remain flexible. The weeks could also be fully used by one parent.

Currently, neither the Canada Labour Code nor the Employment Insurance Act provides any flexibility for parents who give birth to or adopt multiple children. This is unfair to parents of twins, triplets, quadruplets and so on, and to parents who adopt more than one child at the same time. On the Service Canada website, the section on employment insurance maternity and parental benefits simply states the following:

The number of weeks of EI maternity or parental benefits you are entitled to receive does not change, even if you have a multiple birth...or if you adopt more than one child at the same time.

Having more than one child at a time may seem to be an uncommon occurrence, but it is not at all unusual and is happening more and more frequently. In 1980 in Canada and Quebec, twins occurred once per 54 births. In 2010, twins occurred once per 33 births. The rate has gone up.

Since 1981, the incidence of multiple pregnancy has increased by 50%. Today, 3% of all pregnancies are multiple pregnancies. With twin births alone, 6% of children born today would be affected by this legislation, not to mention pregnancies involving more than two children and adoptions.

This is not a huge number, but it represents many children who will have less access to their parents early in life because they are multiples. We want to give all newborns the same opportunity.

• (1155)

[English]

The rate of twins born in Canada has increased dramatically, according to Statistics Canada and Health Canada, and the rate of multiples even more than that. Each day, more than 26 Canadian moms give birth to multiples. This increased number of multiple births can be seen largely in consequence, but not a direct effect, of the trend toward women delaying childbirth. More and more women look to complete an education, establish a career and gain economic stability before starting a family. Studies show that the older a woman is, the greater her chance of conceiving twins or multiples.

That is why it is important to support the bill and acknowledge that the situation of moms is changing and that more multiples will be born. We need to understand that these children and parents need to be treated fairly within our employment insurance system. We should always be thinking about equal treatment when looking at laws in the House.

[Translation]

I want to briefly refer to a book written by an expert on the matter, Gisèle Séguin, who is the mother of twins. For many years, she was very active in the twins parents association in her area.

Her book, *Jumeaux: mission possible!*, was published by the CHU Sainte-Justine Mother and Child University Hospital Center. According to the author, a multiple pregnancy is automatically a risk pregnancy. I believe my colleague mentioned this. A multiple pregnancy can result in premature birth. The children require more care. Being pregnant with more than one child probably changes people's plans, such as returning to work as quickly as anticipated. In any event, a child who is more at risk requires more care from the parents.

Moreover, the financial stress makes life difficult for parents. Raising twins costs twice as much as raising one child or two children born at different times. There are twice as many diapers, high chairs, and car seats to buy. Everything needs to be doubled. When children are not the same age, some things can be reused. But with twins, two bicycles or two sets of hockey equipment are needed at the same time. With a multiple birth, the cost of education doubles or triples. We must bear in mind that raising multiples requires more energy and results in greater financial stress.

I think that my colleague has found a good solution to this problem, one that will help us support families with multiples.

I hope that the Conservatives and all members of the House will acknowledge that this is a question of equal treatment for the children and parents in the case of a multiple birth. I am very pleased that my colleague has introduced this bill.

In closing, I am asking all my colleagues to support this bill.

• (1200)

The Acting Speaker (Mr. Bruce Stanton): The time provided for consideration of private members' business has now expired and

Government Orders

the order is dropped to the bottom of the order of precedence on the order paper.

* * *

[English]

SUCCESSION TO THE THRONE ACT, 2013

(Bill C-53. On the Order: Government Orders:)

January 31, 2013—Second reading of Bill C-53, An Act to assent to alterations in the law touching the Succession to the Throne—the Minister of Justice.

Hon. Peter Van Loan (Leader of the Government in the House of Commons, CPC): Mr. Speaker, there have been consultations among the parties and if you seek it, I believe you shall find unanimous consent for the following motion. I move:

That, notwithstanding any Standing Order or usual practices of this House, Bill C-53, An Act to assent to alterations in the law touching the Succession to the Throne shall be deemed to have been read a second time and referred to a Committee of the Whole, deemed considered in Committee of the Whole, deemed reported without amendment, deemed concurred in at the report stage and deemed read a third time and passed.

[Translation]

The Acting Speaker (Mr. Bruce Stanton): Does the Leader of the Government in the House of Commons have the unanimous consent of the House to propose this motion?

Some hon. members: Agreed.

The Acting Speaker (Mr. Bruce Stanton): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to, bill read the second time, considered in committee of the whole, reported with amendment, concurred in, read the third time and passed)

GOVERNMENT ORDERS

[English]

FAIR RAIL FREIGHT SERVICE ACT

The House resumed from February 1 consideration of the motion that Bill C-52, An Act to amend the Canada Transportation Act (administration, air and railway transportation and arbitration), be read the second time and referred to a committee.

Mr. Matthew Kellway (Beaches—East York, NDP): Mr. Speaker, I am very pleased to stand in the House today to speak to Bill C-52 and to kick off today's debate on an act to amend the Canada Transportation Act.

Here is a word about the rail industry in Canada to set some context for this discussion of Bill C-52. First, rail transport is critical to Canada's economy, and 70% of all surface goods in Canada are shipped by rail.

Government Orders

The rail industry has to work for Canada. Under the current government, our trade deficit is ballooning, reaching nearly \$2 billion in November alone. There can be no tolerance, because there is no room in our economy for the kinds of inefficiencies, excess costs and performance woes that characterize our rail system presently.

The problem is that rail freight customers are struggling to get fair and reliable services from the virtual monopoly of CP and CN that control Canada's rail system. Many rail freight customers cannot even get a contract for service from one of these companies. Those who do get them have to contract for unreliable services that are costing the Canadian economy hundreds of millions of dollars every year.

Rotting crops, idled plants and mines, missed connections to other forms of transportation, all of this is hurting Canada's exporters, damaging our global competitiveness and costing us jobs.

These issues affect a broad range of economic activity, from agriculture, forestry, mining and the chemical industry to the automotive industry.

This set of circumstances is not new. It has defined the industry for a number of years, frustrating rail freight customers so that 80% of them are now unhappy with their rail service. They have been demanding change: action from the federal government, legislation that would compel CN and CP to provide service agreements to shippers.

Change has been slow in coming, however. The rail freight service review began in 2008. We had the panel, its report, a mediation exercise, another report and then the promise of legislation from the minister.

However, it seems that it was the private member's bill, Bill C-441, of my colleague, the NDP member for Trinity—Spadina, that pushed the government at last to release the government bill we have before us.

This is a tepid response to a real economic problem. It does not cover existing contracts. It offers only a narrow, costly arbitration process for failed negotiations for new contracts. Freight customers' demands to include penalties in service agreements, performance standards and accessible conflict resolution were ignored.

It is a start, but much more needs to be done and we will support the bill through to committee for amendments to redress the weaknesses and omissions in the bill.

Before it gets to committee, I think it is useful to think through more carefully and thoroughly what opportunities are lost to our economy, to us, with our rail system structured and regulated as it is presently.

The current issues confronting freight customers stem from the fact that the rail industry in this country is a virtual monopoly. It was made that way in 1995 with the sale of Canadian National Railway, along with the tracks, to private interests.

What was made with the sale was a virtual monopoly of a \$10 billion industry that sits at the heart of the Canadian economy. Quoting from a Transport Canada document on rail transport:

Of total Canadian rail transport industry revenues, CN accounts for over 50% and CPR for approximately 35%. Together, CN and CPR represent more than 95% of Canada's annual rail tonne-kilometres, more than 75% of the industry's tracks, and three-quarters of overall tonnage carried by the rail sector.

It is important for both our economy and our environment that our rail system run with full efficiency. The alternative to rail freight is on-road transportation by way of trucks.

According to the latest Environment Canada national inventory report, 1990-2010, most transportation emissions in Canada are related to road transport. Emissions from road transport rose by 37 megatonnes, or 38%, between 1990 and 2010. Of those 37 megatonnes, emissions from heavy duty diesel vehicles or large freight trucks rose by 20 megatonnes. That is a 101% increase.

● (1205)

It is worth noting here that the GHG emission intensity of freight rail improved by 24% between 1990 and 2008. It should also be noted that there remains plenty of room for improving the emission intensity for both freight and passenger rail travel.

We know that not all truck freight is replaceable by rail freight and vice versa, but this is a worrying trend. It is worrying not just from an environmental perspective, but it also speaks to the broader issue of congestion on our roads and the environmental and economic costs of that congestion. Clearly, the more freight we can move by rail, the fewer trucks are unnecessarily using our road network for freight transport.

The same obviously holds true for passenger travel. It is notable that while passenger kilometres—that is, passenger travel by motor vehicle in Canada—have been on a long upward trend, passenger kilometres by train have remained virtually steady since plummeting in 1990. Of course, it was in 1990 that VIA Rail lost over 45% of its ridership in the aftermath of the federal government ordering VIA to abandon certain corridors and branch lines. As a result, passenger travel on VIA fell from its peak of about eight million passengers per year in the 1980s to a ridership that has bounced around the four million mark since.

Government Orders

Efforts to increase rail service for passengers have been stifled by the virtual monopoly of CN and CP. VIA operates its trains on 12,500 kilometres of track, but it owns a mere 2% of that. Eighty-three per cent is owned by CN and CP, with CN owning the majority of that track. The remaining track VIA uses is short line infrastructure, which is owned and maintained to reflect the freight market that these tracks serve. Therefore, with virtually no ownership of track and no priority access to track, VIA Rail must negotiate train service agreements with these major freight carriers in order to provide its passenger service, and it finds itself in the unenviable position of sitting between a virtual monopoly and the succession of Liberal and Conservative governments that failed to recognize the enduring value and incredible economic and environmental potential of rail travel to the country.

This indifference of our government to the economic and environmental potential of rail extends well beyond freight-related issues and intercity passenger travel, right into our cities. This is certainly the case in my city of Toronto. Investment in transit infrastructure, particularly in the form of rail transit, is critical to unleashing the economic potential of Toronto's city region. Infrastructure, and transit infrastructure in particular, is a key component of a competitive business environment.

This is most certainly the view of members of the Toronto Board of Trade. They identified transit infrastructure as their top priority. The Board of Trade's 2011 annual global benchmarking study shows why it requires urgent attention and investment. Toronto finished 19th out of 24 global cities on transportation issues, including last place in commute time and, significantly, 16th for kilometres travelled by rail. There is near consensus that the absence of adequate transit infrastructure in Toronto and the Toronto city region is the biggest impediment to Toronto's global competitiveness. It has been estimated that the annual cost of congestion to Toronto's regional economy is \$6 billion. That cost is projected to rise to \$15 billion if no significant action is taken.

It is time to take significant action. The cost of the status quo is too great and unnecessary. It is one of the great mysteries of the current government. It continues to contradict its own marketing materials and brochures every day. It is emphatically not a sound economic manager. It stands idly while opportunities for economic growth pass it by.

Bill C-52 is just the latest example of any easy fix but also of a government that responds only when pushed, and only then half-heartedly, to opportunities to improve the economy of the country and the lives of Canadians.

• (1210)

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, we acknowledge and recognize the importance of this legislation, particularly to our shipping industries. Over the last number of years, since 2007, they have been calling for legislation of this nature.

Could the member indicate what the NDP's position is in regard to the nationalization of the rail line, or CN or CP? He stated that he seemed to be in opposition of what took place in the 90s.

Mr. Matthew Kellway: Mr. Speaker, today's issue is not about nationalization of rail lines. My speech is about lamenting lost opportunities and the sale of Canadian National under the Liberal

government in 1995. It undermined great opportunities that we had to increase the competitiveness and efficiency of our rail services in this country both in terms of freight rail and passenger rail. We are stuck in these circumstances with passenger rail in particular, with VIA Rail not being able to establish priority schedules for passenger travel in this country. I note too that throughout the 1990s the funding was consistently undermined by the Liberal government of the time.

• (1215)

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, this legislation proposes small measures when what we really need are comprehensive steps toward a national transportation strategy, within which rail is key.

I want to raise one issue with my colleague that has troubled me for a long time as an advocate for passenger rail. The member pointed out quite rightly that VIA Rail does not own its own tracks. It must get permission and lease them from freight. The increasing problem is that freight trains are getting increasingly longer, which means they can no longer use the sidings that are available. That means that passenger rail always has to go to a siding, because of shorter trains, and wait there while freight goes by. That is undermining the efficiency of passenger rail through freight.

I wonder if my colleague would have any comments.

Mr. Matthew Kellway: Mr. Speaker, the future of transit in this country should be focused on making passenger transit more efficient. The environmental impact of that would be tremendous for Canadians. I would note too that the emission intensity of passenger rail over the last 20 years or so has improved by about 26% and there is lots of room for greater improvement for passenger rail.

It would be wonderful if there were a way to give passenger rail greater priority on the tracks, to work out some system, so that freight travel could also continue in a competitive and efficient way as well.

[*Translation*]

Mr. Raymond Côté (Beauport—Limoilou, NDP): Mr. Speaker, I thank the member for his speech.

I have noticed that my Conservative colleagues often turn up in big numbers for cocktail parties. It is easier for large groups to organize these kind of events, but that is not the case for a nurse from Saskatchewan or a small manufacturer.

The government has been dragging its feet on this, and I wonder what my colleague thinks about the way the government has been listening to small-business owners compared to big groups?

[*English*]

Mr. Matthew Kellway: Mr. Speaker, the evidence before us suggests that the government has not listened at all well to the customers of these major freight companies. Eighty per cent of them are unhappy with the service they are receiving.

Government Orders

Bill C-52 only goes part way in redressing the concerns and complaints of the customers of CN and CP. The major freight rail companies seem to have had the government's ear in the drafting of the bill.

Ms. Olivia Chow (Trinity—Spadina, NDP): Mr. Speaker, every day Canadian shippers suffer from the consequences of getting unreliable freight services.

Farmers cannot get their grain, soybeans and canola delivered to the port on time, resulting in missed ships, upset overseas customers and rotting crops. Lumber and paper companies in more than 500 forestry dependent communities cannot get their products shipped or supplies delivered because of patchy rail freight services, affecting the livelihoods of hundreds of thousands of Canadians. Mining operations, the largest employer for aboriginal people, have to idle productions because they cannot get their coal and other minerals picked up on time.

The effects are real: hundreds of millions of dollars in lost productivity; and countless lost jobs and lower competitiveness for Canadian businesses in the global marketplace. Canada's farming, natural resources and manufacturing companies are innovative and hard-working, but they lose out against global competitors when they cannot connect with their export partners and disrupted supply chains.

Why is this? Why are our farmers frustrated about delayed pickups of their crops? Why are mining companies frustrated about promised rail cars that are never delivered? Why are paper factories frustrated about damaged rail cars on which they cannot put their products? It is because we have a classic case of market power abuse. The small lentil farmer in Manitoba simply cannot get reliable and affordable freight services from a rail company like CN, even though CN made an annual profit last year of \$2.7 billion. Those lucky enough to get a contract with CN and CP have to put up with service disruptions, while many smaller companies cannot even get a contract in the first place.

Eight out of ten rail customers are unhappy with the freight services they get from the big rail companies. Around 80% of rail commitments between the rail companies and farmers and grain elevators are not fulfilled. The future picture is even more dramatic. Forty-five per cent of shippers say that their rail freight services have become worse over the past three years.

Why is the situation so bad? Healthy competition in a marketplace brings prices down and creates a balance between supply and demand. However, that is not the case with rail freight services. Rail freight customers are faced with the entrenched dual monopoly. Together CN and CP dominate with a market share of close to 95%. CN alone accounts for 57% of the market based on revenues and CP accounts for 38%. The remaining 5% is 49 short-line operators that haul freight to the 2 main lines.

Around 80% of rural shippers are captive, meaning they have no choice but to go with the one big rail company that operates in their area, a textbook case of a monopoly. They have no choice but to pay higher prices, no choice but to suffer the consequence of unreliable services and no choice but to endure scheduling changes without advance notice.

Canadians have no choice but to get a black eye on the international stage for unreliable export delivery. It is a marketplace that is broken, where legitimate demand is not countered by adequate supply of services. In the words of the Canadian Industrial Transportation Association:

Railway Freight is not a normally functioning competitive market....This is the fundamental issue underlying all the price and service problems encountered by rail shippers....It is dominated by the sellers.

By that, it meant CN and CP.

What about other modes of transportation? Why can rail freight customers not ditch the rail companies and go with delivery by truck or ship?

The Canadian Industrial Transportation Association said:

—the reality of moving to other modes in most cases is not practical in any reasonable scenario. Truck equipment may not be available in the short to medium term and volumes may be too great to transfer to truck....Over the past seven decades, the railways have lost significant market share to trucking and it is likely that most traffic that could take advantage of the trucking option, has moved to truck.

● (1220)

In other words, trucking only works for certain distances, depending upon the value and the volume of the freight. Just to illustrate this point, a train hauling potash carries an average cargo of 10,000 tonnes. That is the equivalent 385 semi-trucks.

Leaving aside considerations like pricing and delivery time, just getting such a fleet of trucks is simply unrealistic, in most case, when the rail company decides not to show up on time.

It is not just the shippers that are captive. Many of Canada's ports are as well.

East of Montreal to the Port of Halifax, CN is the only major railway. A similar situation exists in northern B.C., with CN being the only railway serving the port of Prince Rupert. Likewise, southeastern B.C. and southern Alberta are served only by CP. In parts of northern Ontario, the CN and CP main lines are enough separated that they are monopoly rail carriers in those areas as well.

Given this situation, any efforts from the industry and the government must focus on improving rail freight services, while making the pricing competitive so rail freight customers are not left completely vulnerable.

One of the core issues is that shippers have no effective way to get the contracts fulfilled, if they are even among the lucky ones who are able to sign an agreement.

In the words of the Western Grain Elevator Association, rail companies continue to deliver unreliable services, "because they can—there are no effective legal or financial consequences".

Government Orders

When it comes to consequences for non-performance we, again, have a completely lopsided situation.

By contrast, shippers have to pay penalty fees to CN and CP if they do not have the promised volumes ready for shipping or if they fail to load the rail cars on time. However, it does work the other way around. If rail cars do not show up on time or if goods are delivered late, there is no problem for CN and CP. They get away with all the unreliable behaviour, or bad behaviour, without paying a penny, or should I say a nickel today? The shipper has no choice but to suffer the economic consequences caused by the rail companies. Therefore, we have a pretty desperate picture of Canada's rail customers.

What has the government done to protect them?

For years, it kept itself busy with talking and making promises. In 2007 the government promised an independent investigation of the situation. The much-heralded rail freight service review finally started in 2008. For almost three years, its experts gathered information, talked to shippers and rail companies, commissioned a much revealing survey and came up with eight key recommendations. The final report was tabled in early 2011.

The minister of transport at that time promised legislation. Then what happened? There was an election. After the election, there was more talking.

More than half a year after the final report, the Minister of Agriculture and Agri-Food decided it was not time for action yet, so he started the crop logistics working group.

Of course, the Minister of Transport did not want to be outdone, so he kicked off a mediation process between shippers and rail companies in late 2011.

However, as predicated, the mediation was ultimately fruitless because there was a complete imbalance of power. CN and CP were unwilling to make meaningful concessions during the several rounds of negotiations. Without yielding any concrete results, the chair, Jim Dinning, released a report in June 2012.

• (1225)

New Democrats have stood with the shippers along the way. I tabled my own bill, the rail customer protection act, using the recommendations of these various reports. I have repeatedly called on the minister to give rail customers fair, reliable and affordable services they need to be successful and to make Canada's economy stronger.

The shipping community has consistently been asking the federal government to fix major issues. They have been talking about this for at least over 10 years. One would assume, after all those deliberations and investigations, the government would present a rock solid bill that would protect rail customers, would level the playing field and would bring a balance of power to shipping customers. Unfortunately, while Bill C-52 is a step forward, it falls short of what should be accomplished.

How? While shippers would have the right to a service agreement in the bill, there is no model, guideline or template to back up that right. Shipping customers want a model service agreement that gives shippers and rail companies flexibility to negotiate, while starting

with certain elements already on the table, like performance measurements and consequences for non-performance. They did not get one in the bill.

Instead, the bill has said nothing about what should be in the service agreements. Many shippers are already afraid they have won a hollow victory. They will sit down with a rail company, knowing they have the right to an agreement, but ever component would have to be a concession of CN and CP, which is a very tough place from which to start.

It comes as a disappointment for many shippers that penalties for non-performance are not included in the bill. Rail customers desperately need to include such penalty fees in service agreements to get compensation for service disruption and the resulting damages and productivity losses. The current bill only includes fines of up to \$100,000 in the case of arbitration outcome being ignored by either party. That arbitration process is only available to shippers that negotiate a service agreement for the first time.

The other problem is that such a fine would be paid to the federal government, not to the customer. To act as a real deterrent, fines would have to be significantly higher. Keep in mind unreliable rail services are costing customers millions of dollars, while CN made \$2.7 billion last year.

Another shortcoming of Bill C-52 is the brand new arbitration process is only available for shippers that are negotiating new contracts. Instead of offering quick and reliable help through conflict resolution to all shippers, Bill C-52 offers arbitration to a small group of shippers. The other problem is that the outlined arbitration process could end up being too costly for smaller shippers. To place the burden of proof on the shippers to demonstrate that they need rail customer services, that they are indeed captives, is indeed unfair and one-sided.

Bill C-52 applies only to new service agreements, not existing ones. That means many shippers will continue to be stuck with unreliable, unfair and unaffordable services. They will continue to be without any conflict resolution process in the case of violations to existing service agreements.

The bill does not even tackle the elephant in the room, which is pricing. For years shippers have been complaining about uncompetitive freight rates. It is common that shippers pay prices that are three times as high as the rail companies' variable or direct costs for services, just because shipping companies can get away with it. There is no choice for customers.

The government is wasting the opportunity to get rail customers not only fair, reliable, but also affordable and competitively priced freight services to give rail customers real protection from unreliable services, price gouging and a monopoly that costs the farm, logging and mining industries millions of dollars.

Government Orders

• (1230)

In conclusion, it is clear that federal action is needed to create a level playing field for Canada's rail customers and shippers, many exporters among them. They deserve fair, reliable and affordable rail freight services to compete and survive.

Bill C-52 is a step in the right direction, but it falls short of the hopes of many shippers. The bill would not cover all rate freight customers. Many would be left behind. It would not provide a model agreement, and customers would have to start from scratch. The bill would not compensate for bad service. What would be the consequence for unreliable service? There would not be much. The bill would not curb the monopoly power of the rail company giants, and it would not end price gouging.

In committee, I will work hard to improve the bill, in line with key customer demands. I look forward to working with the government and the shipping community to address the shortcomings of Bill C-52. I am optimistic that a stronger and more useful bill is possible. It is within reach to finally make rail freight services reliable and affordable for Canadian businesses.

This country was built on railways, and we owe it to the farmers in the Prairies, the paper mill workers in Quebec and the miners in British Columbia that we make Canada's rail system work again for all.

• (1235)

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, I would like to thank my hon. colleague for an excellent presentation on the things that are missing from the bill. I wonder if I can turn attention from the pricing, which she quite rightly pointed out is the elephant in the room, and ask about a concern I have that the private freight controllers, the companies running our freight, have been cutting back in a dangerous way on the personnel on board.

We no longer have people on board in the last car, the caboose, which used to be required under regulation, to monitor safety. I believe that the spill at Wabamun Lake, which the hon. member for Edmonton—Strathcona knows about very well, occurred largely due to the cutbacks of key safety positions of personnel on board freight.

It needs to be reliable and safe. We are having far too many derailments.

Ms. Olivia Chow: Mr. Speaker, the Transportation Safety Board of Canada has made a series of recommendations, some of which are on staffing. Others are on the need for advanced technology to be installed in rail cars. For example, voice recording in the locomotive cab has not been done yet, even though the recommendation is eight years old.

There has been a recommendation for a positive train control system that would provide an automatic braking system. If the conductor happened to miss a light, a track or a red light stop sign, the train would stop automatically based on GPS technology. Unfortunately, that recommendation is again being ignored by the minister. The United States made it mandatory that all trains have automatic braking devices for safety, but we do not have such legislation in Canada.

Therefore, both staffing and technologies should be in place to keep train services safe.

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, following up on the previous question, I would appreciate more elaboration from the hon. member.

Clearly, the legislation brought forward deals with, to a small extent, the concerns of the sector that needs and wants to ship equipment, supplies and products by rail, including for export. Properly maintained and inspected rail lines are important also to those who are shipping their goods, because if there is a series of derailments, communities get very nervous about the shipping. As was mentioned, in the case of the spill at Lake Wabamun, which was the largest freshwater spill of bunker C seen in the history of North America, a number of things became very evident. One was that there simply was not proper response equipment along the line to immediately address the spill. That would then delay the startup of a train and so forth and create a further backlog.

Could the member talk about the need for bringing these matters together, about the proper maintenance of the rail and the increasing number of shipments of dangerous substances? I find it very interesting that there is wide public dialogue about the potential risk of shipping bitumen by pipeline, yet apparently a higher risk of—

• (1240)

The Acting Speaker (Mr. Bruce Stanton): Order. Time is limited, even though we have 10 minutes.

The hon. member for Trinity—Spadina.

Ms. Olivia Chow: Mr. Speaker, because the entire supply and demand are so unbalanced, and because we are basically dealing with a monopoly, raising the situation where the government is very reluctant to act, many agencies, such as the auditor, who talked about the importance of tracking and following through on recommendations on dangerous goods that have been spilled, have not had their recommendations implemented. The Transportation Safety Board recommended ways to make sure things are done in a safe way. Yet there is a long list of recommendations of the board that are being ignored. The government has talked about the situation, but actually making things happen, such as having a standard voice recording in the cab so that we can find out what caused the accident, have not been accomplished yet, which is really unfortunate.

Mr. Fin Donnelly (New Westminster—Coquitlam, NDP): Mr. Speaker, we know that rail freight customers and users have been very unhappy. In fact, we know a large number of them have been very unhappy with the shipping of their goods across the country for some time. We know that over three-quarters of rail freight users are quite concerned. The hon. member has highlighted some of those concerns and has put forward some solutions.

Could the member elaborate on what some of those solutions would be in the context of a national transportation strategy, which I know she has called for, and how the bill could move toward a national transportation strategy?

Government Orders

Ms. Olivia Chow: I will try to answer that question, Mr. Speaker, in the few minutes I have.

My private member's bill would accomplish all of the things rail customers want. My bill would cover all customers, whether they have existing contracts or not. My bill would provide a model agreement so that it would be much faster and easier for the customers and the company to come to a consensus and sign an agreement. My bill proposes that there be financial consequences for bad service delivery so that the customers are compensated if their grains do not show up on time or they end up rotting at port. Customers would not have to book several containers in case the train shows up late or early.

My bill proposes to deal with price gouging and the monopoly of power the rail company has. Unless we deal with that, the situation will still be one-sided. We have to find some balance between the customers and the companies. If not, the customers will continue to be gouged, and the services will continue to be unreliable. I hope my Conservative colleagues across the way will work closely with me and be non-partisan about it.

Let us fix Bill C-52 so that it works for all customers and shippers. Let us make sure that there are substantial consequences if the services are not reliable.

[*Translation*]

Mrs. Anne-Marie Day (Charlesbourg—Haute-Saint-Charles, NDP): Mr. Speaker, I congratulate the member and I have a question for her.

I get the impression that railroads have been used less and less for many years now, and companies have a tendency to close unprofitable routes, such as the route between Gaspé and Chandler. The train goes to Chandler but no longer goes all the way to Gaspé.

I would like the member to tell me whether that same trend is being seen across the country.

● (1245)

[*English*]

Ms. Olivia Chow: Mr. Speaker, yes, in fact, what is happening is that our national dream is slowly drifting away as CN and CP are abandoning rail lines because they are not always profitable in this vast country of ours. Even though CN made \$2.7 billion last year, it is unwilling to service some of the areas that are not turning a substantial profit. Thousands of tracks are being given up, whether they are for passenger rail or freight services. More trucks are on the road. VIA Rail is losing customers. It just had its budget cut by \$20 million.

We need to re-examine our entire rail service so that we can come back to the Canadian dream of a rail line connecting all of us from coast to coast to coast.

Ms. Jinny Jogindera Sims (Newton—North Delta, NDP): Mr. Speaker, it is a pleasure to rise today in support of Bill C-52, with the understanding that it is not exactly the bill that was needed. However, I have absolute faith that our critic, the member for Trinity—Spadina, will be in there valiantly fighting for the amendments to improve this legislation, which does not go far enough.

I also want to acknowledge and thank the member for the amazing work she has been doing on her transportation portfolio. I know in my riding of Newton—North Delta, one of the most critical issues for the residents there is to have a national transportation strategy to help provide a framework so that we can have good, comprehensive public transit that will help us get rid of the gridlock, for the movement of goods and for people. When people do not have to sit for hours and hours in traffic gridlock, their mental health improves and they are much more productive at work.

Today we are here to talk specifically about the amendments to rail freight provisions. We are talking about rail freight customers. We live in a huge country, which is geographically challenged, or I might say, advantaged. We have a diverse climate. When I left Vancouver last night at 11:20, it was still 6°C. Then when I arrived here to our beautiful, balmy weather in Ottawa, it was minus whatever.

Moving goods for mining companies, farmers and even for people who want to ship cars across the country, we realize that shippers have a huge geography to contend with. It was with that in mind that our forefathers had the foresight to build a national railroad. It is unfortunate that we have not been good caretakers of the national gift that was given to us. We have seen it face quite a few challenges. On the passenger side of rail, my colleagues who have rail service in their areas tell us how wonderful it is, but out where I live in B.C. we have had much of our passenger rail cut and the rest is not running that regularly.

When we talk about freight in Canada we are not talking about moving goods 100 miles or 300 miles, we are talking about moving goods thousands of miles across the country, going through mountainous terrain, our prairies, from coast to coast to coast. As well, there is the incredible challenge of our climate, yet we have to keep our freight moving throughout the year.

I am an absolute fan of trains, be they freight trains or passenger trains. Having grown up in England I had access to some of the best train service way back before the British privatized their train service. Britain is now looking to see how it can buy back the rail services and move toward nationalizing that national treasure once again.

● (1250)

I want us to look at some of the key facts surrounding this issue in Canada. We usually talk about quality service. However, here is a fact: 80% of rail freight customers are unhappy with their services. When I think that 80% are unhappy, that means that only 20% are happy. If I were teaching in my classroom today and I was grading a paper that was only 20% okay, it would not receive a very high mark or even a passing mark. As a matter of fact, it would be an abysmally failing mark, and I feel that is exactly what we are doing. We are failing our mining industry, our farmers and other shippers in industries that transport goods using the freight service.

Government Orders

Our services are so unreliable. They cost the Canadian economy hundreds of millions of dollars every year. If there were no other argument, surely my colleagues across the way could accept the fact that when it costs our economy hundreds of millions of dollars a year, it is an issue they need to address immediately. It is not something we should tinker with part of and then just leave alone for a long time.

By the way, I do not give much credit to my colleagues who are sitting in opposition either, the Liberal Party, because it was under them, under their stewardship, that the CN was privatized in 1995. They privatized the track. There is another way, which other countries are looking at where they keep the track and privatize the actual rail service. However, it was that kind of privatization, without checks and balances, without guarantees, without getting contracts in writing into the future, that is jeopardizing the transportation of goods. I want my colleagues to remember that.

We always have to look at our history. History is a great teacher. Basically what we are looking at here today is that if 80% of the people are unhappy and the unreliable freight service is costing us hundreds of millions of dollars each year, just think what it is costing the companies that invest. Think of the rotting crops for farmers who cannot get the service they need when they need it to move their goods from, let us say, the Prairies out to the west coast to be shipped away, or to the east coast. The transportation is stopped. Imagine the idled plants, even on our coastline, that are waiting for the railways to arrive, but they are running late and so they have backlogs. Imagine the mines that miss their shipments. These are the day-to-day realities that these industries have shared with us.

This is a missed opportunity by my good colleagues across the way to come forward with a comprehensive piece of legislation. This particular misstep will continue to hurt Canada's exporters, damaging our global competitiveness and costing us decent jobs. The bill takes a baby step in the right direction, but when we are dealing with hundreds of millions of dollars and peoples' livelihoods, baby steps are not always what needs to be taken. This is a missed opportunity for the Conservatives to address the bill in a comprehensive way.

What we find when we read the bill is that the protective measures do not even cover existing contracts between shippers and rail companies. As well, the legislation will only offer a narrow, costly arbitration process for failed negotiations for new contracts. Key demands, such as the shippers' call to include penalties for rail companies and service agreements, performance standards and an easily accessible conflict resolution process were basically ignored in this piece of legislation.

By the way, these are not the key demands of the opposition. These are not key demands that we have dreamed up. Our critic has done an amazing job consulting with the industries that feel the most impact.

• (1255)

Once again I would say the government is pandering to its corporate friends instead of the industries it needs to be supporting so that Canada can grow its export business and thus address its own economic strength.

Our rail transportation system, despite all its problems, is the backbone of Canada's economy, with 70% of all surface goods shipped by rail. As a matter of fact, if anyone has ever travelled through the Rockies by rail, there is a point where one can stand and see the beginning and the end of a train, because of the geography and the way the rail track was built. If anyone ever gets the opportunity, they should go see that. It is truly amazing. Watching that for what seems like forever, it really strikes home just how much Canadians rely on rail to transport our goods.

Pricing for rail freight services is also damaging Canada's shippers. Bill C-52 explicitly excludes pricing, despite the fact that many in the shipping community were calling for this very thing. One has to think, what is the driver for the Conservative government? It certainly is not listening to the people who need to move crops, who grow crops or mine minerals, or the people who are using the freight service. The government is not even listening to the shippers.

Canada's trade deficit is ballooning. I know the Conservatives like to live under the delusion that they are fine economic managers. However, when we look at the real world outside, it is a very different story. I would like to invite some of them to visit my riding and see that reality for themselves.

Canada's trade deficit is ballooning, reaching almost \$2 billion in November. I am not talking about hundreds of dollars or hundreds of millions of dollars. I am talking about \$2 billion, a number I do not think many of us could even write down or imagine how many zeroes come after the number two. We would have to go back to our high school days to remember that. We cannot afford to lose even more ground by taking little baby steps. This is the time when the government could have been bold, addressed all the issues and moved us forward in the right direction. We have to be competitive in the global market. Canada's products can only be competitive when we see an improvement in that figure of the 80% of people who are unhappy with the freight service.

Rail freight service is not only central to Canada's economy, we also need a strong freight service to take trucks off the roads and tackle greenhouse gas emissions. I am not going to try to persuade my colleagues across the way about the need for environmental protection. Whether it has been in the omnibus budget bill or other actions around the Kyoto protocol, the government has shown it has absolutely no commitment to regulations that protect our environment. As a matter of fact, it has shown it is not willing to make any movement toward making improvements to protect our environment.

At the same time, I feel it is my moral responsibility to point out to government members that, if it were improved and more people were happy with it and it were running on time, et cetera, at least our railroad service would take many trucks off the road. More people would use the freight service because they were happier with it, and thus it would be good for the environment.

• (1300)

I know that deep down, somewhere, even if not when they are sitting here in the hallowed House but when they are back at home with their children and grandchildren, Conservatives must think about planet earth and what we must do to protect it, if not for ourselves then for our children and grandchildren.

Government Orders

It would have made environmental sense to have addressed some of these issues in a more comprehensive manner. Rail freight is only one aspect where the Conservatives are slow to act. I could give many other examples, but I do not think there is enough time in the day.

From new rail safety measures, which we have been calling for, to cuts at VIA Rail and blocking the introduction of high-speed rail in Canada, Conservatives do not give Canada's rail network the attention it deserves. It is absolutely so. There is nothing more relaxing than sitting on a train and travelling to work and home. I have done this at another stage in my life, and I can say it is far superior to travelling by car to work and back and sitting behind the wheel getting all tensed up.

We are not the only ones who are saying that this bill does not go far enough. There are others who agree with us. As I said previously, the official opposition's critic, the member for Trinity—Spadina, has done an amazing amount of legwork on this. Actually, she has met with many of the movers and shakers in this area. She, herself, has formulated policies and amendments that she is bringing forward based on what she heard, not on some ideological shift way out there or a need to look as if she is doing something, but based on listening to the customers and those who move their freight.

Key stakeholders in agriculture, mining and the forestry industry associations have been calling for rail freight legislation for years; for example, and I am only going to name a few, Pulse Canada, Grain Growers of Canada, Forest Products Association of Canada and the Mining Association of Canada. They want, and we want, to have strong legislation to protect rail customers. However, once again the government has given in to inaction or a tiny baby step of action, which creates a great deal of dissatisfaction.

Let me just sum up a few things. Rail transportation is the backbone of our economy. More than 70% of the surface goods in Canada are shipped by rail. I would say that we need to make sure even more are shipped by rail, to get the trucks off our roads. Eighty per cent of service commitments for agricultural rail customers are not met by the rail companies due to delays, an insufficient number of rail cars, etcetera. That is quite a shocking figure. Agriculture cannot live up to its commitments 80% of the time because of the fault of the railway services. That is quite an eye-opener in itself.

The rail freight service review found that 80% of shippers are not satisfied, as I said earlier, but within that whole group, we have agriculture, a key backbone of our country. How can we live with a service where 80% of agriculture commitments are renege, not due to any fault of their own but due to the railway service?

We stand with the farmers, and we know how little respect my colleagues across the way have had for the farmers, and we stand with the mining and forestry communities to end unacceptable treatment and unreliable freight services from the big rail companies. We need a stronger bill and we will do everything we can. I have absolute faith in our critic. We will do that through amendments to protect rail customers, and we will work with the shippers to get them the fair and reliable freight services they deserve.

● (1305)

Unreliable rail freight services cost hundreds of millions of dollars in economic damages. Canadian jobs are on the line. Surely the time to act is now and not to keep waiting. *Waiting for Godot* will not solve this problem.

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, I have to admit that I find it stunning that there is much to-do about these improvements to the transportation system and that the government, through the bill, is going to introduce an arbitration system between rail companies and those who wish to ship their goods. When we actually look at the provisions, they are limited to new contracts. I do not want to put my hon. colleague on the spot; she may not be able to answer a specific question, but it raises the issue of goods that are shipped—mining, equipment, wheat. Surely in most cases there are long-term contracts that have been negotiated. I find the limited nature of this arbitration process rather stunning. Equally stunning is that it is not going to include shipping across the border into the United States and that there are not going to be any penalty provisions.

I wonder if the member could elaborate and speak about the limitations of these improvements that are being made to the rights of those who wish to ship goods by rail.

Ms. Jinny Jogindera Sims: Mr. Speaker, as a matter of fact, that is what really struck me today. By the way, I have had experience in arbitration both from the employer side and from the employee side. When I look at this legislation, I keep thinking there is so little here for the shippers themselves. The whole bill is still tilted in favour of the railroads. Going into a system, even when it is called arbitration, if through legislation it is tilted in favour of one party, then it cannot be called fair arbitration.

Also, to rule out the contracts that have already been signed, some for a number of years I would gather, would create multiple playing fields that would make it even harder and give the railroad corporations far more power centralized in their hands and leave the shippers very vulnerable.

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, the shippers have been waiting virtually since 2007 when it was suggested in a clear fashion that there was a disadvantage. They looked to Ottawa to provide a remedy, and today we have the legislation before us. Based on the previous question in terms of arbitration and the fact that we know there has to be a mechanism within the legislation, would the member provide what she believes that mechanism should be? Is it a final arbitration? How does she see an arbitration for a dispute between the shipper and the rail company? Does she have a solution for that, or does she see that solution coming out of committee? If so, when would she like to see the bill go to committee?

Government Orders

•(1310)

Ms. Jinny Jogindera Sims: Mr. Speaker, all the questions point out that the bill needs major fixing. One of the fixes is to create a more level playing field between the railroad companies and the shippers. Arbitration only works if there is a level playing field going in. If through legislation, things are tilted so much in favour of the railroads, then the shippers are going to have a disadvantage. I think all those things will get hashed out. I do not know what kind of an arbitration system this is. The ones I have known are that the arbitrator listens and, following the guidelines that are given, the final decision is made. There is no halfway measure when it comes to arbitration.

This also points out that there is a thundering silence from my colleagues across the way, either in speaking during any of the slots or even getting up to ask questions. It makes me wonder what they are trying to hide.

Mr. Earl Dreeshen (Red Deer, CPC): Mr. Speaker, I heard some of the discussion about how farmers and farm groups were not consulted in this, and I cannot let this go by. Maybe I was baited into this by the member's last comment.

This legislation is supported by Pulse Canada, the Grain Growers of Canada, the Forest Products Association of Canada, the Western Barley Growers Association, the Chemistry Industry Association of Canada, the Western Grain Elevator Association, the Canadian Fertilizer Institute, Canadian Canola Growers Association and the Western Canadian Wheat Growers Association. These are groups that understand the situation, and yet we hear comments that there was no consultation.

I am at the stage where I wonder what good news the NDP would ever support. Why can those members not support a bill of this magnitude, for which farmers and farm groups have been asking for so long?

Ms. Jinny Jogindera Sims: Mr. Speaker, let me make it very clear. I do not think I stood here and said I am opposed to this piece of legislation, nor has anybody else. We have actually said we support the bill going to committee where we will bring in some significant amendments to improve and add what we feel is significantly missing from this piece of legislation. We are going to be doing exactly that, based on what we have heard and on what those who ship goods are saying to us.

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, the Green Party is in exactly the same position. We support the bill, but it is a very limited bill. It would provide the shippers of goods by freight access to an arbitration. That is what it does. It could do so much more.

I would like to ask my friend from Newton—North Delta if she does not agree. The committee might not be able to get at it because it exceeds the scope of the bill. However, this legislation could be used to leverage and push for more of a national transportation strategy that would take into account the need to move goods and people efficiently by rail.

Ms. Jinny Jogindera Sims: Mr. Speaker, whenever I think about railways I think of passengers. I also think of freight service, because I have watched freight trains as well. I know how significant rail freight is. I absolutely agree that, instead of dealing with things

piecemeal, we need a national transportation strategy that would look at both the transportation of goods and the transportation of people. It is long overdue.

I urge my colleagues across the way to seriously consider supporting my colleague's move to bring forward legislation that would give us a national transportation strategy to take care of the movement of both humans and goods.

•(1315)

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, it is with pleasure that I rise to speak to Bill C-52 this afternoon.

It is a bill that we have been anticipating for a good number of weeks now. In fact, the Liberal Party has been advocating for this legislation, from what I understand, since 2008, and for very good reason. We need to understand and appreciate just how significant our rail lines are to our nation. We do a phenomenal amount of transportation through those rail lines, from coast to coast to coast. Every community across Canada needs to have a strong, viable rail line or access to such a rail line in order to succeed. At the end of the day, CN and CP own a vast majority of all the capital infrastructure that allows us to transport the many goods and products moved every day.

In fact, living in Winnipeg's north end I often pass through the CP yards. We can go over the Arlington bridge and get a very clear indication of the massive size of CP, and that is the smaller of the two railways. CP does less than 40% of the overall transportation of goods and services compared to CN, which does close to 60%. When we drive over that Arlington bridge, we can look on either side and see huge compounds where trains are loaded, offloaded, and their contents transferred to go in different directions, and so forth. We can drive down Inkster Boulevard or Sturgeon Road in the north end, or take a multitude of different bridges that go over the trains, in any single day and see the number of trains, the hundreds of rail cars full of a wide variety of commodities.

Given the importance of our trains in that rail infrastructure, one would think that would be a higher priority for the Government of Canada to recognize—and when I say “to recognize”, that means to get the job done.

The issue that we are debating today is nothing new. As I indicated in a question previously, the shipping industry as a whole, the stakeholders in that shipping industry, have been calling for very specific action virtually since 2007, because of the sense of frustration they have felt over the years. That frustration is based on the sense of fairness.

To what degree is there fairness in the relationship between our rail lines and our rail operators, in particular, CN and CP, which handle about 95% of the traffic? There is a sense of frustration that there is no level playing field, that those two dominant rail lines have too much power and control over freight costs and the type of delivery provided.

Government Orders

I must applaud my colleague from Wascana. The member from Regina, Saskatchewan has been a long-time advocate for this change. I know first-hand because I have heard him on numerous occasions in the last couple of years speak of how badly we need to have the legislation that is before us today. I know he has worked with many of the different stakeholders to try to get a better understanding of why these shippers are in the position they are in, and why it is so critically important that we do more.

He has taken the time, not just in recent weeks or months but for years, to try to raise the profile of this issue with the government. I know that he has already had the opportunity to speak when it was first discussed at second reading. I think he has done a fantastic job in ensuring that the Liberal Party is well-positioned to understand this issue and, ultimately, to take it forward.

● (1320)

I believe that the member for Wascana brings a great deal of credibility as to why this is such an important issue, because he was a former minister of finance. As such, he understands the economics and contribution of our rail lines and how important they are to our overall economy and GDP. He brings an immense amount of credibility to the debate on this issue and has allowed the Liberal Party to be well positioned on it.

We are suggesting that the time has come for the bill to get out of the House and into committee. There are many stakeholders out there who have vested interests, some in the millions and tens of millions of dollars, who want to participate in this debate.

Many people may not realize that one of the largest stakeholders in the rail lines is Bill Gates, the founder of Microsoft, who has billions of dollars invested in CN. However, as much as I might like his product, I am very much concerned for the other end, the people who have the \$500,000 farm investment or their life's earnings through generations of families and who want to get their product to market. They are the ones I am really interested in hearing from.

That is not say that CN, CP and the short lines should be denied profits. Only the New Democrats would attempt to do that. We recognize that profits are necessary in a capitalistic market to succeed. However, we also recognize that there is a responsibility to be fair, but we have failed in that. The people who have suffered the most as a direct result are the prairie farmers, the shop floor of a manufacturing business in Ontario, the mining that takes place all across Canada and family businesses. They rely on the rail lines to get their products to market and do not have much of a choice in terms of selection.

Whether wheat, barley or potash, there is a litany of things that a farmer or small corporation uses trains for to get their products to market. This is what they have to go up against. One report canvassing the farming community indicated that it could only rely some 50% of the time on rail cars being in the right place at the right time, even though they had placed their order already. How can one manage a farm operation in the face of this? I think that most if not all members of the House would recognize that is just not right and that there needs to be a consequence.

When we look at Bill C-52, we see a bill that is at least moving us somewhat forward. We are not necessarily happy with all of the

details of the bill, but I suspect that there will be a number of amendments proposed once we get to committee, and we look forward to hearing these.

● (1325)

However, the real challenge for the government is to recognize that it has denied the industry the opportunity to provide that direct public feedback. It has held off on this legislation, not once or twice, but on several occasions. Not only did the Conservatives do one study, they did two studies. They have only been in government for six or seven years, yet they have had two studies on the issue.

We know for sure is that there is a high level of interest. From discussions and my understanding from the member for Wascana, we want to afford individuals who would like to come to the committee the opportunity to state their case, to make representations on what they feel is important.

What do I mean by saying that? We anticipate that this legislation will pass. The Liberal Party has indicated that it will co-operate on its passage to committee, because we believe it has taken far too long to get the bill before us today.

What we want in return is not something specific to the Liberal Party as much as it is specific to the different stakeholders out there. We would like to see the committee afford an opportunity those who want to come to committee to make presentations and express their concerns.

I believe that the government needs to hear what shippers and even the rail companies, CN and CP, have to say about the legislation. Given that the legislation has been on the back burner for so long, we recognize that there have been some mild, and I underline the word "mild", modifications or changes that have afforded some marginal benefits. At least that is what some of the stakeholders have informed us, but nowhere near to the degree necessary.

I think it is very important that through the committee stage we do not try to put limits on how the members might get engaged in this. Sometimes there is even value in taking the committee off the Hill. There could be potential value in that in this situation.

At the end of the day, one of the things we are looking for is a very strong service level agreement, so that the industry stakeholders as a whole feel confident that there is something they can do to ensure that their product will get to market in a more timely fashion.

It saddens most Canadians when they hear of the waste that occurs because of delays or the lack of availability of cars. Those are very real issues that many producers have to face every year.

In the service level agreements, the producers are looking for a commitment in writing to some sort of penalty if the rail line does not live up to its commitment. I refer again to those small producers in particular, but also to all of the different stakeholders who depend so heavily on our rail lines, having their crops at certain stations at the right time in anticipation of their crop ultimately getting to market.

Government Orders

•(1330)

The same principle applies for other things. I am very proud to be a prairie member of Parliament. There is nothing like driving between Winnipeg and Carman and seeing eight or nine huge combines going through one field. One can see the tonnage of wheat being collected. Ultimately, it will end up on a train. The farmers need to feel confident that the train car will be there at the right time for them. Agriculture uses our railway significantly.

Our forestry industry is huge, whether in British Columbia, Manitoba or Atlantic Canada. There are minerals, again from coast to coast, and chemicals of all sorts, as well as fertilizers. What about the oil and gas industry? Imagine how incredibly important the oil and gas industry is to our country. I disagree with the leader of the New Democratic Party. It is not Dutch elm disease. All of Canada benefits from our oil and gas production out west. I believe that the vast majority, 95%, of Canadians, would recognize the true value of it. Our rail lines play a very critical role in that area also.

The dependence on industrial and manufactured goods is very real. How many trains do we see coming across our country, from Ontario or Quebec, full of brand new vehicles destined for car dealerships? Many of them are pre-ordered. An anxious consumer is anticipating the arrival of his or her vehicle.

The list goes on. To get a good sense of how dependent we are on our rail lines, go to a major rail line, park outside for a day, and see the amount of train traffic that travels by. Watch the containers go by. Whether they are Canadian Tire train traffic, or Costco products, products from China, brand new automobiles, containers of Saskatchewan prairie wheat, Manitoba's and Alberta's endless commodities, or lumber from British Columbia, it is virtually endless. To really get an appreciation of how important rail service is to our nation, park outside a main line and watch the hundreds and hundreds of cars that pass every day and imagine the potential.

If one believes in the Canadian economy, as I do and the Liberal Party does, and that the potential is unlimited, one has to recognize that our rail line is going to play an absolutely critical role in the future development of our country. That is the reason I would ultimately argue that the government has been negligent. This has been an issue on the agenda since 2007.

We are glad to see it here today. We support the bill in principle. We want to see it go to committee. We want to have individuals make presentations and express their concerns. The idea is that the government will be receptive to the necessary amendments that would make the legislation better so that when it comes back at third reading, it will receive the unanimous support of all members of the House, given the very important role of our rail lines, which stakeholders and consumers depend on.

•(1335)

With those few words, I thank the House for the opportunity to speak.

[*Translation*]

Mr. Denis Blanchette (Louis-Hébert, NDP): Mr. Speaker, I thank my colleague for his speech.

In his speech he mentioned many positives about this bill, which we support.

Could he expand on what he would like to see in this bill? Aside from a dialogue between the various stakeholders, what would he like to see improved while the bill is in committee?

[*English*]

Mr. Kevin Lamoureux: Mr. Speaker, there is a huge market to the south of us, the U.S. The bill is exceptionally vague. I think it is a major hole in this bill to not incorporate any level of assurance for the industry in terms of these service level agreements and what impact they would have on the transportation of product from Canada to the United States. That would be one major issue.

Short lines are another major issue. There are hundreds of miles of short lines. It is a relatively small percentage. CP and CN have probably about 90%, 94%, or 95% of the total industry. There is still that other 5% or 6% or so. That is just my best guesstimate.

It would be nice to get more clarification. That is why I would argue that what we really need is that the government have an open mind going into the committee stage and that it listen to the stakeholders and be prepared to amend the legislation. I suspect that there will be a number of amendments.

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, at this point, can the member throw support behind a national transportation strategy? I do not know if the member's party has taken a position in favour of a national transportation strategy. I think we really need to look at this one relatively small but important piece of legislation in a larger context.

Mr. Kevin Lamoureux: Mr. Speaker, a national transportation strategy is not new. One could probably trace it back through the last decade as one of those issues that needs to be dealt with. The Liberal Party has been advocating for it for a number of years. At the end of the day, I suspect that it is in all of our best interests.

There are opportunities in terms of passenger transportation. I would love to be able to hop on a train, for example, to go from Winnipeg to Regina. I cannot do that. Yet those are two very important communities, not only in my life but in the lives of millions, I would argue. The transportation corridor from the 905 belt to Montreal, Quebec City and Ottawa all the way down to Hamilton and Windsor is a wonderful opportunity.

There needs to be that overall transportation strategy. I suspect that at least three of the four political parties are going to have a detailed strategy going into the 2015 election.

Mr. Frank Valeriote (Guelph, Lib.): Mr. Speaker, I want to thank my friend from Winnipeg North for his compelling speech.

As a member of the agriculture and agri-food committee, I want to confirm many of the observations he has made with respect to the abuses the farming community has been subjected to. They include the condition of cars, which is so bad that upon arrival they have lost wheat through holes in the floors of the cars. There is the late arrival of cars, when farmers have been asked to have their produce available days in advance of the arrival of those cars. There is a big complaint from overseas about the inability to deliver on time.

I am just wondering if my friend could embellish a little and talk more about the abuses our farmers have suffered and how long overdue this legislation really is.

• (1340)

Mr. Kevin Lamoureux: Mr. Speaker, it is, in fact, a very important issue, so I appreciate the hon. member raising the question.

At the end of the day, it is all about quality service. It is not good enough when one loads a product into a car and one actually sees seepage because of a container's poor quality. There needs to be more accountability, and that is, in essence, what the individuals who require this service are calling for. Today it is very limited. There is a great imbalance.

This bill is a step in the right direction. The question is whether it is going to be a very small step or a decent-size step? If it is a decent-size step, it would imply that the government is actually going to listen to some of the presenters at the committee stage. For it to be a decent-size step, there will have to be amendments to make this bill better legislation. If we do that, members will be able to address some of the issues my colleague has just raised.

This goes to the core of the issue. Shippers have to have the cars on time. Those cars have to transport that commodity to its destination at any one of Canada's coasts. That has to happen in an efficient manner that does not take away from the quality of the product being transported, which has been an issue raised by many individuals. They want their quality product to arrive in the same condition in which it went into the train. Who can blame them for that? After all, they want to have repeat clientele. They want to continue those agreements well into the future.

For example, members know that prairie farmers produce the best product in the world. They want that best product not only going into the cars but also departing the train as a first-class product.

[*Translation*]

Mr. Dany Morin (Chicoutimi—Le Fjord, NDP): Mr. Speaker, I would like to know what my colleague thinks about the NDP's criticism that Bill C-52 does not address rail fees.

When members of our party consulted exporters, many of them criticized the huge variations in prices, depending on which company they chose—CN or CP. Unfortunately, this bill does not address these price discrepancies.

[*English*]

Mr. Kevin Lamoureux: Mr. Speaker, I recognize that when one talks about freight rates, one needs to be cognizant of the fact that it is hard to put a set rate in legislation. There might be some guidelines one can incorporate in regulation in a very general

Government Orders

framework as it is set up in the legislation itself. I would like to think that members will see some suggestions on that point.

There would have to be specific types of amendments. One has to be careful when talking about the market value of a box that contains whatever type of product. One has to leave a certain amount of that issue to the private sector.

I approach things with a relatively open mind. Hopefully, the government will do likewise. At the end of the day, it is about shippers and consumers. To a certain degree, it is also important for Canada's rail lines and their longevity. Members want CP and CN to grow and prosper. It is not about denying profits to these two corporations or the short lines. It is more about providing a guarantee of quality of service and a sense of fairness and that farmers in the prairies are not being taken advantage of because of the dominance of two rail lines.

When we go to committee, these are the issues we have to ensure are addressed. If we do not do that, then there are far too many individuals, groups, corporations and businesses that will lose out. I ask the government to do the right thing. I conclude by saying that I trust and hope that the government will seek and make the necessary amendments so that members can unanimously pass this legislation at third reading.

• (1345)

[*Translation*]

The Acting Speaker (Mr. Bruce Stanton): Before the hon. member for Louis-Hébert resumes debate, I must inform him that I shall be interrupting him at 1:58 p.m. for statements by members.

The hon. member for Louis-Hébert has the floor.

Mr. Denis Blanchette (Louis-Hébert, NDP): Mr. Speaker, I am pleased to rise today to discuss this bill, as this may be the dawn of a new era in rail transportation. It has been my sense that the sector has been in decline for decades.

When a bill is introduced in the House, it is usually because there is some problem that needs addressing. Laws are not passed just for the sake of passing them. We do not set out to bore people. We are not in the business of hurting market sectors. We are here to make things better.

The Liberals acted hastily when they privatized CN in 1995, and they failed to think through the consequences. Monopolies were created in some regions of the country and duopolies in others, and we know what this led to.

In my riding, for instance, one of the consequences of the privatization has become a recurring election issue: the upkeep of the Quebec Bridge and its rail lines. The matter has been before the courts for seven years and is the direct result of privatization. The Conservatives only ignored the problem. When CN was privatized there was no consideration given to the consequences for the users of the different services. It is not worth mentioning VIA Rail because we all know what the problems with it are. We will have other opportunities to discuss this. The users of these transportation services have had problems for years.

Government Orders

The government has finally decided to act, but it is doing the bare minimum, and more needs to be done. We intend to support the bill at second reading and propose amendments to improve it.

If the Conservative government ends up introducing regulations, one can be sure that it is because the problem has dragged on for some while and something really must be done.

Is the fact that it is a private company the cause of the problem? No, the problem is that there is a monopoly. In this situation, there are two conflicting priorities: a company's need to make a profit and provide a dividend to its shareholders, and the service that it must provide its customers.

If there is no incentive created by competition, customer service suffers for the sake of shareholders' dividends. Moreover, an increasing number of sections of railway are being closed in rural regions, more and more services are being dropped and more and more cuts are being made to passenger service. This era has seen the decline of rail transportation.

And that is despite the fact that ours is a huge but sparsely populated country with vast distances to cover. That is why we need an efficient long-distance transportation system that causes as little environmental damage as possible. Rail transportation would fit the bill, but the government is letting the system go downhill.

The government waited years to act. It should come as no surprise that people using the service began to get together. I am not suggesting that they began to unionize, because that would freak some people out. People who use the system felt the need to talk to one another about how the level of service does not make sense. They started to exert pressure on the government because the level and quality of service were poor.

● (1350)

Globalization means that we have to deliver products all over the place, and quickly. Obviously, if someone has a product, be it from a forest, a mine, a farm or anywhere else outside a major centre, that product has to be packed up and shipped quickly. Global competition means that we need to provide this kind of service and we need the infrastructure to do it.

So the question is, how can we balance the need for a business to make a profit—be it a farm or a major corporation in a remote location—with the needs of many companies that often have no alternative form of transportation? Throw into the mix the need for transportation to be as green as possible. How can we bring these needs in line with each other? This has always been a problem.

That is why, in January 2011, Transport Canada released a final report on its rail freight service review. The committee's mandate included the following:

Conduct a review of the rail-based logistics chain...with a focus on service provided to Canadian shippers and customers...

Identify problems and issues with respect to railway service including those stemming from other elements of the logistics chain.

Rail transportation is one part of the logistics chain for shipping to various clients.

For shippers located on shortlines, determine if there are any problems with logistics and, if so, the source of the problem including service, operating, or marketing practices of the main-line carriers.

Signs were already pointing to a deep-rooted problem. At the end of the report, of course, there are a number of recommendations. There is a whole range. For example, the first recommendation is as follows:

The Panel recommends that railways, in collaboration with their stakeholders, continue to develop commercial measures to improve rail service.

In 2011, it was acknowledged that there was an issue. That was two years ago.

The second recommendation is as follows:

Prior to implementing changes in local train service, railways should consult affected stakeholders and provide a minimum notification period of 10 working days.

That recommendation relates to previously identified service issues.

And here is the third recommendation:

Railways should enter into good-faith negotiations to establish service agreements upon request by stakeholders...

That recommendation truly concerns the scope of Bill C-52, and the bill addresses only the third recommendation.

There is a fourth recommendation:

The Panel recommends that railways, assisted by a facilitator appointed by Transport Canada, should engage in negotiations with stakeholders...

That happened a bit later. I will speak to that in a moment.

And the fifth recommendation is as follows:

Railways should provide improved supply chain visibility through enhanced reporting.

Basically, there is a lack of communication between the service provider and the clients. Plain and simple. We could keep going.

Last year, in May 2012, the facilitator's report also came with recommendations.

The first recommendation is as follows:

Transport Canada should make the service agreement template...available to rail freight stakeholders...

There is mention of a service agreement template, a dispute resolution process, and so on.

This is a fundamental problem. Clients often have no choice. Even rural or more remote areas are producing goods.

● (1355)

That is the beauty of globalization. We can produce goods across the country and deliver them to anywhere in the world. To do this, we need world-class infrastructure. We have a serious problem when it is totally impossible for users to get adequate service.

We see that people are dissatisfied and have lost confidence. We also have to consider the economic consequences for users of this service, one of which is the erosion of market share. We often forget this, but we are sacrificing Canada's economic driving force.

That is why I think this bill is a step in the right direction. We are slowly trying to solve the problem through this legislation. Although it does not do everything we would like it to and it does not come close to creating a national transportation strategy, at least we are trying to come up with solutions. We are getting closer to something better for the entire supply chain from the perspective of producers in rural and remote areas.

If we do not address this issue, Canada's ability to compete will be compromised. God knows that Canada's competitiveness is important. We therefore cannot allow rail service and our providers' ability to improve that service to deteriorate.

The Acting Speaker (Mr. Bruce Stanton): The hon. member for Louis-Hébert will have eight minutes to speak when the House resumes debate on the motion.

STATEMENTS BY MEMBERS

[English]

GOVERNMENT PRIORITIES

Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC): Mr. Speaker, this past Friday, I welcomed the President of the Treasury Board of Canada to my riding to do two pre-budget consultation sessions in Wallaceburg and in Strathroy in the riding of Lambton—Kent—Middlesex.

It is true that no government in the history of Canada has consulted more with Canadians on important issues than our Conservative government. Friday's meetings marked the 22nd time I have had the opportunity to consult with my constituents prior to a federal budget. Overwhelmingly, we heard time and again that constituents agreed with our government's direction to balance the budget, keep taxes low and continue to grow our economy.

I thank the chambers of commerce for coordinating these events and the constituents of Lambton—Kent—Middlesex who shared their views during these sessions and through my website. We wish them all a healthy and prosperous 2013.

* * *

• (1400)

[Translation]

LUNAR NEW YEAR

Ms. Anne Minh-Thu Quach (Beauharnois—Salaberry, NDP): Mr. Speaker, on Sunday, February 10, we will be celebrating the Lunar New Year, or Tet as the Vietnamese call it.

Tet, which means feast of the first morning, also marks the arrival of spring. 2013 is the year of the water snake, a year of collective wisdom.

This celebration is an opportunity for me to immerse myself in the world of my ancestors and to introduce others to Vietnamese culture.

I would like to take this opportunity to remind everyone to work together and to continue fighting for human rights, justice, democracy and equality.

Statements by Members

Attitudes change slowly, so we must be creative and patient, and we must persevere. And we should celebrate the fact that by growing up in a diverse and rich world, Canadian children help bring hope to those living in Vietnam.

Finally, I would like to say to my fellow Vietnamese Canadians that they can count on me to speak on their behalf in the Parliament of Canada and, through my diplomatic ties, in Vietnam.

Enjoy the 2013 Tet festivities. *Chuc mung nam moi.*

* * *

[English]

WORLD POND HOCKEY CHAMPIONSHIP

Mr. Mike Allen (Tobique—Mactaquac, CPC): Mr. Speaker, this Thursday, Plaster Rock, New Brunswick, will host the 12th annual World Pond Hockey Championship. The event, often copied but never duplicated, will see 132 men's and women's teams descend on the Tobique for a weekend of fun and good old-fashioned hospitality.

Tournament chair Danny Braun and his organizing committee and hundreds of volunteers deserve special credit for making this event truly a world showcase. Teams will come from all over the U.S. and Canada and hockey hot-bed spots like the Cayman Islands and Puerto Rico to take part. Over the weekend, this little village of 1,100 people will see its population double. It anticipates 8,000 visitors.

World Pond Hockey has contributed significant dollars to community organizations, like the volunteer firefighters, school scholarships and the construction of a new arena.

This year my colleagues from Barrie, Westlock—St. Paul, Fundy Royal and Saint John will join me in New Brunswick as we take on the world on Roulston Lake in an effort to win but, more important, to not get hurt.

I thank all the people who give so much of their time to make this event a great success. I hope to see everyone on the pond, the way hockey was meant to be played.

* * *

BLACK HISTORY MONTH

Ms. Kirsty Duncan (Etobicoke North, Lib.): Mr. Speaker, it is an honour to celebrate Black History Month, to pay tribute to the contributions of past generations who paved the way, to commemorate the accomplishments, experiences and stories of black Canadians and to reaffirm our commitment to the next generations.

From Mathieu Da Costa, who accompanied Samuel de Champlain more than four centuries ago, to the struggle to abolish slavery, black Canadians have played a fundamental role in Canada's history.

Statements by Members

While we all celebrate such great Canadians as the Right Hon. Michaëlle Jean, the Hon. Lincoln Alexander, Donovan Bailey, et cetera, let us also recognize those in our communities who make a difference every day. In my community are Dr. Mohamed Gilao and Osman Ali, who work tirelessly, and the Hon. Jean Augustine, Canada's first black woman member of Parliament.

This month let us all take the time to learn about the people and events that shaped our country's great history.

* * *

BLACKBERRY

Mr. Peter Braid (Kitchener—Waterloo, CPC): Mr. Speaker, the BlackBerry is back. I am proud to have BlackBerry headquartered in my riding of Kitchener—Waterloo. The company is our region's largest employer and corporate supporter.

I am also proud to be the first member of Parliament with the coveted new BlackBerry 10 in my hands.

Released last week, in a splash around the world, the new operating system has received rave reviews. RIM invented the Smartphone and, once again, BlackBerry is transforming the industry. This is Canadian innovation at its best.

Some have suggested that there may be an element of national pride at stake here, perhaps not unlike a gold medal hockey game. Well, it is sudden death overtime and BlackBerry just put the puck in the net.

* * *

[Translation]

EMPLOYMENT INSURANCE

Ms. Ève Pécelet (La Pointe-de-l'Île, NDP): Mr. Speaker, today, we learned that child poverty has increased by 20% in 20 years and that one in 10 Canadians is living below the poverty line. The Conference Board of Canada gave us an average rating of D+.

Meanwhile, the people in my riding of La Pointe-de-l'Île are concerned about the changes to employment insurance. Expertise in a number of seasonal sectors is at risk of being lost because workers will have to take jobs in other industries for less pay. The competition is already tough for jobs that pay less and less and the reform will drive salaries even lower. People are already having trouble making ends meet.

Just because the minister feels she can help herself to \$200,000 in public funds to build herself a bathroom does not mean that she can take money directly from Canadians' pockets.

On behalf of voters in La Pointe-de-l'Île, I am asking her to abandon her reform and listen to Canadians.

* * *

●(1405)

[English]

THE ECONOMY

Ms. Eve Adams (Mississauga—Brampton South, CPC): Mr. Speaker, I have been listening to my neighbours, at their doors, at

round table meetings and at community events in the great cities of Mississauga and Brampton.

My neighbours shared their vision for our nation and their priorities for the next federal budget. For families across Mississauga and Brampton, the economy is the top priority. I was proud to reaffirm to my neighbours that our Conservative government remained squarely focused on their priority. We are focused on creating jobs and long-term prosperity for Canadian families.

I was proud to share that Canada had the lowest debt burden by far, that we had the strongest job creation numbers in the G7, with over 900,000 net new jobs created since July 2009.

While the economy is our top priority, we on this side of the House will also be focusing on families, ensuring that we continue to introduce legislation aimed at keeping our streets and communities safe. I am proud that my neighbours know they can trust and continue to count on the Conservative government. We will continue to prioritize economic stability.

* * *

SWIFT CURRENT ORATORIO CHOIR

Mr. David Anderson (Cypress Hills—Grasslands, CPC): Mr. Speaker, members of the Swift Current Oratorio Choir are celebrating its 40th anniversary season preparing for what some say is a dream come true for musicians.

Choir director Marcia McLean has accepted an invitation to perform at New York City's Carnegie Hall next January as part of a celebration of the 70th birthday of composer Karl Jenkins. Ms. McLean called the invitation "quite an honour".

Marcia McLean and her husband Greg's passion for and contributions to music in southwestern Saskatchewan have not gone unnoticed. At the Swift Current Comprehensive High School, Marcia rebuilt the choral program from the ground up and Greg grew the band program into one of Saskatchewan's largest band and jazz programs. The couple was also named as two of the five most fascinating people in Swift Current in 2010.

Congratulations to the members of the Swift Current Oratorio Choir who come from communities all over southwest Saskatchewan. I know their hard work will impress not only the audience, but the composer himself.

* * *

THE PENNY

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker:

Statements by Members

Farewell to the lowly old penny,
The most common of coins that we'll see,
And once served us well,
But most people will tell,
It ain't what it once used to be.

There's nothing a penny will buy anymore,
Not a gum ball or small piece of candy,
We don't even use the old fashioned fuse,
Where the penny at least came in handy.

Nope, the penny's a nuisance,
It cost too much to make,
They clutter our change purse,
And they don't circulate.
They build up in piles,
And in old cookie jars,
Under our beds,
And in our desk drawers.

You can't give them away,
They cost more than they're worth,
It's time to put them all out to pasture,
Put them out to the curb.

No, the penny is useless,
But there's one thing I'd say,
I hope they never start treating old MPs this way.

* * *

WORLD CANCER DAY

Mr. Colin Carrie (Oshawa, CPC): Mr. Speaker, I rise today in recognition of World Cancer Day, the theme of which this year is to dispel damaging myths about cancer, including how people view and respond to the disease.

Though more and more people are surviving cancer, still more than one-third of all Canadians will develop cancer during their lifetime and one in four of those will die from this terrible disease. As virtually everyone knows someone who has or has been affected by cancer, it is a disease that touches all Canadians.

We know that research is improving treatment for cancer every day and that finding a cure is possible. That is why since forming government in 2006, we established the Canadian partnership against cancer and have invested over \$1 billion for cancer research.

We know the burden cancer places on families and loved ones. That is why we have made numerous improvements to EI to support these families with critically ill loved ones. Our government recognizes cancer is not only about health; it is about all of us.

* * *

[Translation]

VILLA STE-ROSE

Mr. Alain Giguère (Marc-Aurèle-Fortin, NDP): Mr. Speaker, this past Friday, the Villa Ste-Rose retirement home was destroyed by fire. Thanks to the dedication of the four employees on site and the emergency services personnel, no one was injured.

And with the help of neighbours, the assistance of all the municipal services in Laval and the leadership of the Red Cross, the 79 residents immediately received shelter in neighbouring homes, comfort and, most importantly, heat. I want to say a huge thank you and well done to all those who participated in this rescue.

As the member of Parliament for Marc-Aurèle-Fortin, I am very proud to say that my constituents have very big hearts and they are in the right place.

This fire reminds us just how vulnerable our seniors are and how important it is to treat them with dignity. Now is the time for Canada to develop an affordable housing policy for people who are losing their autonomy.

Our seniors are the ones who created the wealth in this country. Now is the time to give them affordable, safe and comfortable housing.

* * *

● (1410)

[English]

THE PENNY

Mr. Lawrence Toet (Elmwood—Transcona, CPC): Mr. Speaker, today we say goodbye to the penny. For years they collected in jars on our dressers, demanding too much time for too little return of our small business owners and retailers. That is why, as of today, the Mint will no longer distribute the coins, saving taxpayers \$11 million a year.

To ensure a smooth transition, we have worked with retailers and small businesses on a national awareness campaign and we have encouraged Canadians to donate their pennies to charity as they so generously continue to do so.

With this transition, Canada will adopt a straightforward rounding system like Australia, New Zealand, Sweden and others, which have all successfully eliminated their pennies. By rounding cash transactions to the nearest nickel, we will save both businesses and consumers time and trouble in the checkout lines.

Consumers should remember that these rules only affect cash payments and that pennies will retain their value indefinitely.

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[Translation]

ST-ALBERT CHEESE CO-OPERATIVE

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, yesterday, the St-Albert Cheese Co-operative was devastated by fire. Not only was the physical property lost, but so was a part of eastern Ontario's history. Luckily, no one was hurt.

Oral Questions

Since this co-operative was founded in 1894, it has been a success story and a symbol of entrepreneurial pride for French Ontario. My thoughts are with the 120 employees who are now out of work. Knowing the perseverance of the world of co-operatives and the determination of the region's farmers, I am sure that the cheese co-op will rebuild, and soon.

I am filled with admiration for this vibrant co-operative, which I have visited a number of times. It has world-class professionalism and know-how.

I want to commend the firefighters from the neighbouring towns who responded quickly and helped the St. Albert station. I extend my best wishes and those of my colleagues to all those associated with the co-operative.

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[English]

THE ECONOMY

Ms. Joyce Bateman (Winnipeg South Centre, CPC): Mr. Speaker, the NDP leader is planning to impose a \$20 billion job-killing carbon tax on Canadians that would increase the price of everything. Canadians have been clear. They want a government that is focused on the economy.

That is why, in the past seven weeks, Conservative MPs and ministers have sat down with hard-working Canadians in over 200 meetings to ensure the Canadian economy is creating jobs and long-term prosperity.

[Translation]

It is no surprise that Canada's debt is by far the lowest and that we lead the G7 in job creation, with more than 900,000 jobs created since July 2009.

[English]

Canadians can count on our Conservative government to continue fighting the NDP's job-killing carbon tax and focus on creating good jobs for Canadian families.

* * *

DEMOCRATIC REFORM

Mr. Glenn Thibeault (Sudbury, NDP): Mr. Speaker, it is with sadness that I rise in the House to lament what one man once called a relic of the 19th century.

So loose are the rules to becoming a senator that even the minimum requirements are not checked against delivery. Signed Senate declarations are now coming into question, based on false residency claims. If proven true, this could be the clerical oversight of the century. One senator, scrambling to prove his residency, even tried to turn the gears on P.E.I. bureaucrats to fast-track a health card. When pressed by a reporter for some answers and accountability, the reply from the alleged Senator was, "I am not speaking to you".

The Prime Minister promised Canadians Senate reform and after abject failure and seven years, he has passed the buck. He also promised never to appoint senators, yet he has now made more appointments than Brian Mulroney.

At the end of all this hypocrisy, Canadians are asking, what has happened to accountability?

* * *

• (1415)

NEW DEMOCRATIC PARTY OF CANADA

Mr. Brad Butt (Mississauga—Streetsville, CPC): Mr. Speaker, yesterday, Canadians from coast to coast to coast tuned in to watch one of the biggest sporting events in the world, the Super Bowl.

Just after halftime, the lights went out. The world's biggest sporting event came to a standstill. It was a clear reminder of how important energy is to our society. This is even more true in a northern country such as Canada.

Unfortunately, the NDP's \$20 billion carbon tax plan will cause its own power outages across the country as Canadians struggle to deal with the increased cost of electricity.

On this side of the House, we understand that Canadians cannot afford a massive new NDP carbon tax on electricity. That is why we will continue to oppose the NDP's \$20 billion carbon tax on everything.

ORAL QUESTIONS

[English]

PENSIONS

Mr. David Christopherson (Hamilton Centre, NDP): Mr. Speaker, Friday's Supreme Court ruling on pension protection shows more than ever how outdated this country's bankruptcy laws are. Employees are still being pushed to the back of the line when companies go into bankruptcy protection. A worker could spend their whole career paying into a pension just to see their contributions and dreams of retirement vanish.

When will the government act to protect employee pensions and finally put workers first?

Hon. Gary Goodyear (Minister of State (Science and Technology) (Federal Economic Development Agency for Southern Ontario), CPC): Mr. Speaker, we sympathize greatly with those affected and facing troubles in this regard.

Our government recognized long ago that the best way to protect pensions was to make changes at the front so that pensions are appropriately regulated, and that is exactly what we have done. We have improved the protection for workers. We have changed the law to ensure regular pension payments owing are paid ahead of other creditors. We have expanded the wage earner protection program.

Oral Questions

We are focused on jobs and the economy. We will remain dedicated to Canadians, unlike the NDP.

* * *

EMPLOYMENT INSURANCE

Mr. David Christopherson (Hamilton Centre, NDP): Mr. Speaker, that does not explain why the government stood up and blocked legislation that we brought in that would have fixed this problem.

The government's attack on workers goes on. Last week, the Minister of Human Resources and Skills Development, who once described EI as "lucrative", defended her new quota system by describing the unemployed as "the bad guys".

Law-abiding, out of work Canadians deserve better than to be treated like criminals. Why is the government cutting EI just when people need it the most?

Hon. John Baird (Minister of Foreign Affairs, CPC): Mr. Speaker, my friend from the NDP has it all wrong. The minister made no such statements. He is flat-out wrong.

Our goal is to put people into jobs in the areas where jobs are available. If there are no jobs in a particular area, EI will continue to be there for Canadians. We have made some important changes to try to ensure that every Canadian can move from employment insurance into a job with the pride of independence and the dignity of employment. That is why our economic action plan has created 900,000 net new jobs and why we remain focused on economic growth and job creation.

Mr. David Christopherson (Hamilton Centre, NDP): Mr. Speaker, workers in this country know that it is the NDP they can count on to stand up for their rights and not just mouth the words. We will always support those who depend on part-time work to make ends meet. We will always vote against legislation that cuts EI disproportionately for seasonal workers.

Conservatives are demonizing law-abiding Canadians who have been thrown out of work through no fault of their own. Will the government finally take back the legislation that attacks working people in terms of their rights to EI?

Hon. John Baird (Minister of Foreign Affairs, CPC): Mr. Speaker, this government has brought forward some common sense changes to employment insurance to ensure that the program will be there for those people who are in genuine need.

HRSDC was able to stop \$530 million in ineligible payments last year alone. However, the employment insurance program still lost hundreds of millions of dollars due to fraud. This government will take reasonable measures to ensure no one steals from unemployed Canadians.

* * *

[Translation]

PENSIONS

Ms. Nycole Turmel (Hull—Aylmer, NDP): Mr. Speaker, last Friday the Supreme Court handed down a ruling that forces parliamentarians to take action: the law on business bankruptcies

must be revised to ensure that workers are treated equitably and that they are entitled to the retirement fund that they themselves financed.

People who have worked hard their whole lives should not come last. Pension protection is good for prosperity and economic growth.

Since these are the Conservatives' top priorities, when will we have legislation to solve this problem?

• (1420)

[English]

Hon. Gary Goodyear (Minister of State (Science and Technology) (Federal Economic Development Agency for Southern Ontario), CPC): Mr. Speaker, as I mentioned, we are very sympathetic to those people who face troubles in this regard.

Our government has already acted, and we acted long ago. We recognized that the best way to protect pensions was to make changes at the front end so that pensions are appropriately regulated. That is why we have improved protection for workers. It is why we have changed the wage earner protection program to pay severance and termination pay up to about \$3,400 and we have changed the law to ensure that regular pension payments owing are paid ahead of other creditors.

We remain focused on jobs and the economy.

* * *

[Translation]

EMPLOYMENT INSURANCE

Ms. Nycole Turmel (Hull—Aylmer, NDP): Mr. Speaker, last Friday the Minister of Human Resources showed her complete disdain for workers.

When she was asked about the unacceptable quotas imposed on inspectors in her department, she called unemployed workers "bad guys", to use her words.

Canadians are not "bad guys", despite what the Conservatives say. The real "bad guys" are the ones who close down factories out of the blue and who make cuts to workers' pensions.

Will the Minister apologize for her words?

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, it is really the member herself who should apologize to Canadians, because I did not say that.

Last year, Service Canada recovered \$530 million in ineligible payments. Unfortunately, there are people who disobey the law. This is not right. This is why we have taken this opportunity to maintain the integrity of the system.

Oral Questions

[English]

EMPLOYMENT

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, the Canadian Chamber of Commerce says access to skilled workers is its biggest single pre-budget issue this year. It is the biggest limitation on Canadian economic growth.

Yet we have stubborn unemployment above 7%. Youth unemployment is twice that bad; 225,000 fewer young Canadians are working now than before the recession. Canada has far too many workers without jobs and far too many jobs without workers.

Will this year's budget include a specific plan to fix this debilitating mismatch?

Hon. John Baird (Minister of Foreign Affairs, CPC): Mr. Speaker, this government has taken unprecedented action to improve job creation and economic growth in this country. We have seen over the past two and a half years the creation of more than 900,000 net new jobs.

We recognize that the job is not done. We are consulting widely. I can assure the member opposite that anything we can do to ensure people get the right training to enter this labour force will be done so that we can continue with the economic growth that has made Canada a leader in the G7.

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, government spin does not build a successful economy, neither does complacency.

Today's Conference Board report shows just mediocre results. That is not good enough, not for Canada.

Will the budget include a freeze on job-killing Conservative EI payroll taxes; the transfer of 100% of the federal gasoline tax to municipalities for essential community infrastructure; and an up-killing plan, investing in higher education to fix that serious shortage of skilled workers? Will these specific things be in the budget?

Hon. John Baird (Minister of Foreign Affairs, CPC): Mr. Speaker, I wonder why the hon. member has all sorts of great advice and ideas of what could be in the budget. Imagine what this country would have looked like if the Liberal Party got that fifth term it was looking for.

We feel for the families who are struggling to pay the bills. That is why our government's top priority is the economy and creating jobs. The Conference Board report ranks Canada first in the G7. The report also confirmed that Canada's record on intergenerational income mobility is quite good.

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EMPLOYMENT INSURANCE

Hon. Stéphane Dion (Saint-Laurent—Cartierville, Lib.): Mr. Speaker, the government must stop its job-killing EI reform.

[Translation]

Seasonal employers are saying that the changes to employment insurance jeopardize seasonal jobs, the industries that create these jobs and the related spinoff jobs. Fisheries, forestry, tourism, construction, all these industries need their skilled labour force and the Canadian economy needs these industries.

Perhaps the Conservative ministers should go and work outside when it is -10°C. Maybe then, they will understand.

● (1425)

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, as always, the employment insurance system will continue to protect and support unemployed workers in seasonal industries. Nonetheless, we want these unemployed workers to make a reasonable effort to look for another job. We are there to help them develop their skills and look for other jobs.

If no position is available in their region in their field of expertise, employment insurance will always be there for them.

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ARCTIC COUNCIL

Ms. Megan Leslie (Halifax, NDP): Mr. Speaker, experts are concerned, and with good reason, about the Arctic Council's marine oil pollution preparedness and response plan.

As Canada prepares to take the helm of the Arctic Council, our national offshore liability regime is clearly inadequate. The Arctic is more fragile and vulnerable than any other ecosystem.

What position does Canada intend to adopt at this week's meeting of Arctic Council environment ministers?

[English]

Ms. Michelle Rempel (Parliamentary Secretary to the Minister of the Environment, CPC): Mr. Speaker, protecting our environment, including the Arctic, has always been a priority of this government.

Including measures we put in place in budget 2012, specifically to respond to oil spills we have more requirements now for people who do not meet the terms of their environmental assessments and more stringent pipeline inspections, all in the context of our sector-by-sector regulatory reform package for greenhouse gas emissions.

When one is looking at countries that get the job done with regard to Arctic climate change mitigation as well as spill response and spill mitigation, it is Canada.

Ms. Megan Leslie (Halifax, NDP): Mr. Speaker, Conservatives talk about protecting the environment, but the only action they take is to gut those very laws that protect our environment. Now when Canada takes over the chair of the Arctic Council it must not become yet another organization, or another body, where the Conservatives stand up for their oil and gas industry buddies.

Oral Questions

From the loss of sea ice to the impacts of climate change on traditional ways of life, the environment in the Arctic is at a crossroads. Will the Conservatives allow these concerns to be central to the work of the Arctic Council?

Ms. Michelle Rempel (Parliamentary Secretary to the Minister of the Environment, CPC): Mr. Speaker, when we are talking about climate change mitigation and adaptation, it is under our government that Canada has actually seen a reduction in greenhouse gas emissions while our economy continues to grow.

Some of the serious measures we have taken with regard to climate change adaptation through research and development have included the climate change adaptation resilience program for aboriginals and northerners, the integrating adaptation into code standards for northern infrastructure and the northern adaptation transportation initiative. This is one of many initiatives we have undertaken through our science councils, Environment Canada and Natural Resources Canada to consult with people and ensure we have these measures in place.

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POVERTY

Ms. Peggy Nash (Parkdale—High Park, NDP): Right, Mr. Speaker, and gutting environmental assessment legislation, we know all about that.

The Conference Board of Canada has just released its assessment of Canada's quality of life, and when it comes to poverty, Canada barely avoided an F. Over the past 20 years poverty has increased for both adults and children, yet Conservatives are cutting services, demonizing EI recipients and sending people onto provincial welfare roles. Inequality is growing and the crisis is obvious. Why can the Conservatives not see it? Why are they turning their backs on these Canadians in need?

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, just the opposite is true. In fact, inequality has not changed. It has maintained its level since 1997. However, low income rates for seniors, children and families in general have declined, in some cases been halved, in the last 15 years.

The report recommends two things to overcome poverty, two things that our government has been very proud to do. That has been to provide support for skills training and upgrading for young people and for grownups, so they can get the jobs in demand these days. Also, we have lowered taxes over 140 times so far to help Canadians.

[*Translation*]

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, this is sheer fantasy. Let us consider the facts. According to the Conference Board of Canada, a growing share of Canada's wealth is in the hands of 20% of the wealthiest Canadians. The share held by the middle class is shrinking. Owing to the widening inequality gap, Canada earns a C, which is barely a passing grade.

The Conservatives claim to have a plan to ensure prosperity, except that their plan leaves out the middle class. When will they finally deal with the problem of inequality?

• (1430)

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, we believe that the best way to fight poverty is to create jobs and to have skilled people fill these jobs. This is very important and that is why we are investing in training programs for people who have trouble finding work. We have lowered taxes over 140 times, leaving more money in the pockets of Canadians.

Mrs. Anne-Marie Day (Charlesbourg—Haute-Saint-Charles, NDP): Mr. Speaker, as I see it, the Conservatives are letting the social inequality gap between the wealthy and the poor widen.

The Conservatives believe that people who have lost their job, and hence must turn to EI which they have paid into, are abusing the system. That is why they are increasingly restricting access to this program. We have come to an historic point.

Instead of insulting Canadians and treating them like crooks and shysters, could the minister listen to the demands of workers in resource regions who are holding rallies as we speak?

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, the EI system is there for seasonal workers when they need it and when there is no work in their particular field in their region of the country.

Protecting the integrity of the system is extremely important. Last year, Service Canada recovered over \$530 million in ineligible EI payments. We are the ones safeguarding the EI system. The NDP should be trying to help us.

* * *

[*English*]

EMPLOYMENT INSURANCE

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, when Canadians questioned Conservative legislation on privacy concerns, we were accused of standing with child pornographers. Now the Conservatives are resorting to name-calling again, accusing anyone who opposes their EI cuts and quotas of defending fraudsters. Canadians who have lost their jobs, through no fault of their own, deserve better than a minister who calls EI too lucrative and who guts it at every turn.

When will the minister stop demonizing the EI recipients and admit that the vast majority are hard-working people who simply want to access the benefits that they themselves paid for?

Oral Questions

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, I am totally in support of making sure EI is there for those who need it when they are eligible for it. That is the whole purpose of it; but to do that, we have to maintain the integrity of the system. That means rooting out fraud. That means going after people who are cheating the system and claiming taxpayer dollars to which they are not entitled. We do wish that the NDP would support us in rooting out these people, so that those who are entitled to EI, who are eligible, will have the funds there for them when they need it.

Mr. Andrew Cash (Davenport, NDP): Mr. Speaker, the recent changes to EI are another example how out of touch the Conservatives are with Canadians in the arts and culture sector. Instead of supporting them, they have left them out in the cold, and it is the young workers who are affected the most. Often they work contract to contract, and in between they are looking for the next job. That is how it works. That is what Conservatives do not understand. When will they stop characterizing all unemployed as the bad guys and start taking seriously the issues of work in the arts and culture sector?

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, we are well aware of the changes our government has made to support artists, to support those who work contract to contract. It is our government that brought in the EI special benefits made available to those workers on an opt-in basis. That was the first time this had ever happened, the first time these people could access sickness benefits, compassionate care benefits, parental leave when they are expecting and have had a child. It is our government that is standing up to support not only the arts but the artists as well.

[Translation]

Mr. Philip Toone (Gaspésie—Îles-de-la-Madeleine, NDP): Mr. Speaker, the people protesting today are not a band of fraudsters. They are protesting in good faith to express their disagreement with the employment insurance reform.

People wonder why the Conservatives want to punish and even expel people from the resource regions. They are shocked that they have not been consulted and they are right to be shocked.

The minister will have a chance to consult them on February 27. Rather than call them “bad guys” and “fraudsters”, will she attend that meeting?

• (1435)

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, no government does as much as ours when it comes to consulting Canadians before creating policies.

There is a shortage of workers with certain skills in this country. The changes to the employment insurance system include increased assistance and support to unemployed workers so that they can find another job, so that they can earn more money when they work than when they do not work.

We are here to help those people and their families. The NDP should support us in helping those families.

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, Acadians have already been deported once, and the Conservatives will not be deporting them a second time. It is not true that they are

going to be punished because they live in resource regions that depend on seasonal work.

Let us get one thing straight: this reform punishes honest workers. And honest workers are not “bad guys”, as the minister said. They are people who support their families. Even the Conservative members from the Atlantic provinces say that this reform is an insult to workers.

Why does the minister not get out of her office and go and see what is going on in the field? I invite her to come to Caraquet and to

The Speaker: Order.

The Hon. Minister of Human Resources and Skills Development.

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, the employment insurance system is available for full-time and seasonal workers.

Employment insurance will continue to be there for workers in the regions that depend on the resource sector, but they are still responsible for making a reasonable effort to find another job during the seasons when they do not work. If they cannot find a job, employment insurance will be available.

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[English]

HUMAN RESOURCES AND SKILLS DEVELOPMENT CANADA

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Mr. Speaker, last week I asked the minister a question on behalf of the people who have had their personal information exposed by her department.

These people want to know when the last time was that her department can account for the stolen hard drive. Now she has had last week and the weekend to work on this, and those impacted are sick and tired of the talking points: that it is totally unacceptable, that she takes this very seriously and that she is taking measures.

I have a simple question. When was the last time the minister's department can account for the lost hard drive?

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, it is true that this loss of information by the department is totally unacceptable. It was unavoidable. It is not acceptable, and it is not acceptable to treat that lightly as the hon. member is trying to do.

Some hon. members: Oh, oh!

The Speaker: Order. The hon. Minister of Human Resources and Skills Development has the floor.

Hon. Diane Finley: Mr. Speaker, I have instructed the department to overhaul all the systems, all the processes they have regarding the protection of Canadians' information, so that this sort of thing will not and cannot happen again.

*Oral Questions***POVERTY**

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, today the Conference Board rated Canada's performance on income inequality as "significantly below average".

Clearly we have a lot of work to do. Last June the House passed my private member's motion that gave the finance committee one year to conduct an in-depth study of income inequality. That was eight months ago, and the study has not yet been commenced.

Will the Conservatives accept the will of this House and allow and support the finance committee to do an in-depth study on income inequality and how we should tackle it?

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, it is a little bit late for the Liberals to be showing an interest in this. Child poverty, under their reign, was over 18%. It is now under 8%.

Why; because of tax measures our government has tabled to raise people out of poverty. We have introduced several supports, the working income tax benefit, the child tax benefit, the child tax credit, the universal child care benefit.

We have cut taxes over 140 times, so that Canadians have more money in their pockets—in fact, over \$3,000 on average per family to help raise them out of poverty.

[*Translation*]

Ms. Lise St-Denis (Saint-Maurice—Champlain, Lib.): Mr. Speaker, according to that same report, one in six children lives below the poverty line. The longer the Conservative government sits idly by, the worse life gets for society's most vulnerable. The report ranks us 15th of the 17 countries studied.

Is this because existing programs are ineffective? Will the government pay attention to this report and create new social programs to help children?

• (1440)

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, the child poverty rate has dropped by 10% from 18% under the Liberal government to 8% under ours.

This is a major accomplishment achieved through repeated tax cuts. Families now have \$3,000 more in their pockets than they did before we came to power. Unfortunately, the Liberals and the NDP have voted against every one of our initiatives.

* * *

[*English*]

PUBLIC SAFETY

Mr. Randall Garrison (Esquimalt—Juan de Fuca, NDP): Mr. Speaker, the Conservatives are still all talk and photo ops when it comes to building safer communities.

The Conservatives continue to bring forward more laws, but they refuse to make sure our officers on the streets have the tools and resources they need.

At a recent summit, the Minister of Public Safety warned police forces they will face serious cutbacks and even claimed the biggest problem was high salaries for our front-line police officers.

Can the minister explain how fewer officers with lower pay dealing with ever-greater demands will actually make our communities safer?

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, I said no such thing.

[*Translation*]

Ms. Rosane Doré Lefebvre (Alfred-Pellan, NDP): Mr. Speaker, Montreal is grappling with a wave of violence connected to organized crime, but the Conservatives have refused to renew funding for the Eclipse squad. Joint forces are the best way to fight the Mafia and street gangs. By cutting funding for squads that have proven their worth, the Conservatives are taking another step backward in the fight against crime.

Making tougher laws will not solve the problem without adequate police resources to enforce those laws.

Will the minister reverse his decision to cut the Eclipse squad's funding?

[*English*]

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, policing is a matter of provincial and municipal jurisdiction. What the federal government does do is provide the laws that allow the officers to arrest dangerous individuals and put them into custody. Unfortunately, we have not received support from the NDP to do that. At every turn they have opposed measures to keep violent, dangerous criminals off the street.

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[*Translation*]

VETERANS

Mr. Sylvain Chicoine (Châteauguay—Saint-Constant, NDP): Mr. Speaker, with these kinds of cuts, the Conservatives are demonstrating that they are the ones who are soft on crime.

Today the veterans ombudsman released his third report on procedural fairness. He concluded that the application process is unfair for veterans. One of the department's primary responsibilities is to issue pensions and benefits to our veterans who served their country well.

It appears that the Conservatives have forgotten our veterans in their speeches and slogans on economic prosperity. Why do they continue to ignore these problems and why are our veterans the ones who are suffering because of the Conservatives' mismanagement?

Hon. Steven Blaney (Minister of Veterans Affairs, CPC): Mr. Speaker, I thank my hon. colleague for the question.

Oral Questions

Yes, the ombudsman did release a report today, a report that I welcome, because our government cares about serving veterans and providing them with the programs and services they are entitled to and deserve.

I would remind my hon. colleague that nearly 70% of veterans' applications are approved at the first stage.

Furthermore, today I intend to announce additional measures to make our process even more efficient to better serve our veterans.

[*English*]

Ms. Irene Mathysen (London—Fanshawe, NDP): Mr. Speaker, there is a troubling pattern of the Conservatives ignoring due process when it comes to the care of our veterans. Today the ombudsman's report provides the latest example of unfair treatment of veterans seeking disability benefits.

Could the minister explain why veterans, and serving members of the Canadian Forces and the RCMP are kept in the dark about what information is used when deciding a claim? These men and women are the heroes of our country. When will the Conservatives start treating veterans fairly?

Hon. Steven Blaney (Minister of Veterans Affairs, CPC): Mr. Speaker, when the member is given the opportunity to stand up for veterans in the House, I invite her to do so.

We welcome the ombudsman's report. It is a report that we take very seriously because we care for our veterans. They must be provided with the services and programs to which they are entitled and fully deserve. At this very moment, 70% of veterans' first applications are approved by our department. I intend to bring in more measures to streamline our processes to better serve veterans.

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•(1445)

JUSTICE

Mr. Mike Wallace (Burlington, CPC): Mr. Speaker, Canadians remain concerned about crime. Ever since we were first elected, our government has made restoring the confidence of Canadians in our justice system a priority. This government has introduced and passed over 30 measures aimed at keeping our streets and communities safe. While significant progress has been made, there is still much work to be done.

Could the Parliamentary Secretary to the Minister of Justice please provide an update to the House on the government's justice agenda for 2013?

Ms. Kerry-Lynne D. Findlay (Parliamentary Secretary to the Minister of Justice, CPC): Mr. Speaker, every year we have been in government we have delivered on our promise to put victims' rights ahead of the rights of offenders. It will be no different in 2013.

The government intends to bring forward legislation to further toughen sentencing of child predators. The fact is that too many children are being victimized in Canada and we will take action. We will also introduce a victims' bill of rights and address issues related to victims' restitution. Finally, we will introduce measures to make our justice system more efficient, particularly in the areas of bail and extradition.

We will continue to build on our government's record while restoring faith in the justice system for the benefit of all Canadians.

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[*Translation*]

ETHICS

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Mr. Speaker, if Canadians needed yet another argument as to why the Senate should be abolished, Senator Mike Duffy just gave them one.

When asked to provide proof of residence in Prince Edward Island, the province that he is supposed to represent in the Senate, he was forced to make a panicked call to the provincial health minister urgently asking for a health card. Now that is what you call deep roots in Prince Edward Island. He no longer even lives there, and yet he has the audacity to claim it as his second place of residence.

The farce that is the Senate, and the money that it wastes, has gone on long enough.

Is the Prime Minister going to continue to endorse such behaviour?

Hon. Peter Van Loan (Leader of the Government in the House of Commons, CPC): Mr. Speaker, it is expected that all parliamentarians have a place of residence in both the region that they represent and the national capital region. The Senate is reviewing these rules in order to ensure that they are appropriate and respected.

[*English*]

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, Mike Duffy is being investigated for dinging the taxpayer for \$30,000 a year on a dubious claim that he needs his residence in Ottawa because he is a senator from Prince Edward Island. However, he has been registered in Kanata for years and has been around Ottawa forever.

Once the investigation started, he was scrambling to get himself a P.E.I. health card to cover his tracks.

Nobody believes that the Senate will investigate its cronies. The government put him there. What promises will it make that he will pay the money back to the taxpayer when found guilty?

Hon. Peter Van Loan (Leader of the Government in the House of Commons, CPC): Mr. Speaker, as I said, all parliamentarians are traditionally expected to maintain a residence in their home region as well as in the national capital region.

The Senate is doing a review of its rules to ensure that they are correct and are being followed properly.

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, speaking of lack of accountability, the Conflict of Interest Commissioner ruled that the Minister of Finance broke the law when he wrote letters to the CRTC. This is because he breached section 9 of the Conflict of Interest Act, which lays out the behaviour for cabinet ministers.

Oral Questions

Conservative MPs from Wetaskiwin, Leeds—Grenville and Northumberland—Quinte West also wrote letters to the CRTC, but they did not break the law because they, like me, are not covered under the code that covers cabinet ministers.

I know they are tired of being in cabinet and might want to have a change, but why do they not just fess up and admit that the minister broke the law? Are there going to be consequences—

The Speaker: The hon. government House leader.

Hon. Peter Van Loan (Leader of the Government in the House of Commons, CPC): Mr. Speaker, the president and executive vice-president of AVR Radio made donations to the New Democratic Party. After that, one of the NDP heritage critics wrote a letter supportive of the AVR application to the CRTC, and so did the NDP aboriginal affairs critic. In fact, even the NDP ethics critic wrote a letter in support of the AVR Radio application.

The NDP ethics critic stands there throwing stones and his glass house lies shattered in ruins around him.

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• (1450)

DEMOCRATIC REFORM

Mr. Craig Scott (Toronto—Danforth, NDP): Mr. Speaker, when it comes to Senate reform, the last time the Conservatives brought Bill C-7 for debate was a year ago. Never mind that they have let essentially the same bill languish for seven years.

I would remind them also that it is they who control the calendar, not us. But if they cannot handle the responsibility of government, we would be very happy to take over.

Why did it take seven years for the government to finally check with the Supreme Court on the constitutionality of its legislation?

Hon. Tim Uppal (Minister of State (Democratic Reform), CPC): Mr. Speaker, I thank the new Quebec lieutenant for the NDP for that question.

Actually, the New Democratic Party members are in a little bit of a contradiction. They cannot blame the Senate for having unelected senators when they refuse to pass legislation to allow senators to be elected.

We made the reference to the Supreme Court of Canada to accelerate the pace of Senate reform and to broaden the process for Senate reform.

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ABORIGINAL AFFAIRS

Hon. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, Canada risks a future of jobs without people and people without jobs.

Aboriginal people are the youngest and fastest growing segment of our population. Yet only one in three students living on reserve graduates high school. Their students are funded 30% to 50% less than those in provincial schools.

Why does the minister think this gap is acceptable, and will he commit to lifting the funding gap on aboriginal education in the next budget?

Hon. John Duncan (Minister of Aboriginal Affairs and Northern Development, CPC): Mr. Speaker, we are taking action to ensure that first nations students have access to a quality education just like every other student in Canada. Under our government, we have seen a steady increase in graduation rates for first nations. We have built over 30 new schools and renovated over 200 more.

We are in intensive consultation for the development of a first nations education act, which will lead to a stronger system for first nations students across the country.

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[*Translation*]

CO-OPERATIVES

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, last week, in its response to the report by the Special Committee on Co-operatives, the government acknowledged that the capitalization of co-operatives was problematic. Two weeks earlier, the government announced \$400 million in venture capital for Canada's small and medium sized enterprises.

Since the government did not see fit to extend the one and only program for the capitalization of co-operatives, which terminates next month, is it fair to expect that a portion of the \$400 million announced two weeks ago will be earmarked for co-operatives so that they can grow and create employment?

[*English*]

Hon. Gary Goodyear (Minister of State (Science and Technology) (Federal Economic Development Agency for Southern Ontario), CPC): Mr. Speaker, the government is very proud to support the creation and expansion of co-operatives in Canada. We are doing this through multiple investments, such as facilitating the co-operative investment fund. This project is capitalized by the Government of Canada, as well as the Government of Quebec and other co-op stakeholders.

I can point out that as we put forward such things as \$400 million in venture capital, the opposition votes against this type of funding. It should get onboard with the government and help us improve the economy through such things as co-operatives.

* * *

NATURAL RESOURCES

Mr. Robert Chisholm (Dartmouth—Cole Harbour, NDP): Mr. Speaker, Georges Bank is one of the world's most productive nursery areas for marine life. It is essential to the survival of the north Atlantic fishing industry and so it has been protected by a widely supported oil and gas moratorium since the 1990s.

In 2010, the current government announced that it would work with the Province of Nova Scotia to extend that moratorium. That moratorium has now expired.

Oral Questions

My question for the government is, will it still support, and is it still supporting, extending the moratorium on Georges Bank?

Mr. David Anderson (Parliamentary Secretary to the Minister of Natural Resources and for the Canadian Wheat Board, CPC): Mr. Speaker, our government, in conjunction with Nova Scotia, instituted a public moratorium on Georges Bank until 2015. We are going to continue to discuss the future of this important area with Nova Scotia.

Mr. Robert Chisholm (Dartmouth—Cole Harbour, NDP): Mr. Speaker, if there is no debate over the extension of this moratorium, then we are left wondering why it is not on the federal government's agenda.

Georges Bank is the bedrock of the commercial fishery in the north Atlantic. The Nova Scotia government has passed legislation to extend the moratorium. The U.S. government has extended the moratorium past 2017.

Why does the government not explain to us when it will bring this legislation forward to ensure that it is protecting this important resource for Canadians?

• (1455)

Mr. David Anderson (Parliamentary Secretary to the Minister of Natural Resources and for the Canadian Wheat Board, CPC): Mr. Speaker, the government has a strong record of being able to work with other jurisdictions, including the provinces and Nova Scotia.

As I just told the member opposite, we will continue to discuss the future of this important area with Nova Scotia.

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THE ECONOMY

Mr. Dave Van Kesteren (Chatham-Kent—Essex, CPC): Mr. Speaker, as Canada emerges from the global economic recession as the leader of the developed world, the praise from our neighbours keeps on coming.

Today, a *Chicago Tribune* editorial applauded Canada's economic leadership, calling us "a rising star among nations", observing that our economy is "on a roll". The Americans are telling us what we have known for a while, that our banks are stable, our housing market is solid and our spending is in check.

Would the Minister of State for Finance tell the House how Canada has stayed at the head of the economic pack?

Hon. Ted Menzies (Minister of State (Finance), CPC): Mr. Speaker, the *Chicago Tribune* is right. Canada is indeed among the world's most prosperous countries, thanks to our economic action plan. That plan has actually helped Canada create over 900,000 net new jobs since the end of the recession. That is why the IMF and the OECD are predicting that we will have among the strongest growth in all of the G7 countries.

However, we need to keep focused on this. The economy is fragile. The last thing we need is a \$21-billion NDP carbon tax.

FOOD SAFETY

Hon. Lawrence MacAulay (Cardigan, Lib.): Mr. Speaker, last week, the CFIA declared 240,000 salmon infected with the ISA virus fit for human consumption. Other countries say they will not import these fish and supermarkets do not want them on their shelves.

CFIA has gone from destroying infected fish and discrediting scientists on the issue to now allowing these fish to be sold to Canadians.

Why is the government confusing Canadians and undermining public confidence in food safety?

Hon. Gerry Ritz (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC): Mr. Speaker, if the member is wondering who is confusing Canadians, he should look in the mirror. These fish are on the marketplace because they are safe. These are internationally based, science-based protocols that we are following. That is what CFIA does: it makes sure that the food on the counters is safe for Canadians' consumption.

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[Translation]

AIR CANADA

Mr. Robert Aubin (Trois-Rivières, NDP): Mr. Speaker, a Quebec Superior Court Justice just ordered Air Canada to do what the NDP has been calling for since the announcement of the closure of Aveos: that the company respect the Air Canada Public Participation Act. The Conservatives have refused to enforce the act, they have twiddled their thumbs, and now, they are getting rapped over the knuckles.

Now that the courts are requiring that maintenance services be kept in Montreal, Winnipeg and Mississauga, will the Minister of Transport finally take his responsibilities seriously?

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, I am familiar with the decision. I will take it under advisement.

* * *

[English]

THE ENVIRONMENT

Mr. John Weston (West Vancouver—Sunshine Coast—Sea to Sky Country, CPC): Mr. Speaker, our government has a rigorous system in place to ensure that petroleum is transported securely along our coasts. Tankers have been moving safely in and out of our ports for decades.

Economic action plan 2012 announced an additional \$35.7 million over two years to further strengthen the tanker regulatory regime and oil spill emergency preparedness. Can the Minister of Transport, Infrastructure and Communities update the House on how we are taking action today to deliver on this commitment?

Routine Proceedings

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, our government continues to take strong action to enhance the safety of Canada's waterways and to support responsible resource development.

Today I am pleased to announce that we have launched a request for proposal to conduct a national risk assessment for marine spills, which will help us make our marine safety system even stronger. This is in addition to the actions already taken to enhance marine transportation, including a requirement for double-hulled tankers and mandatory pilotage of vessels.

* * *

[Translation]

TELECOMMUNICATIONS

Ms. Charmaine Borg (Terrebonne—Blainville, NDP): Mr. Speaker, last week, we learned that hackers accessed 250,000 Twitter accounts. Canadians who are victims of such hacking do not have the same protection as citizens of other countries.

Because of the Conservatives, Canada is one of the few countries that still does not have legislation to protect against data breaches. Yet, the Conservatives are forever delaying the establishment and review of legislation that would protect Canadians.

Are they going to stop dragging their feet and commit to the establishment of mandatory reporting?

• (1500)

[English]

Hon. Gary Goodyear (Minister of State (Science and Technology) (Federal Economic Development Agency for Southern Ontario), CPC): Mr. Speaker, our government takes very seriously the fact of consumer protection and consumer privacy. We are working very hard to improve this area in the file. We would like the opposition to get on board and help us do exactly that.

* * *

PUBLIC SAFETY

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, I would like to raise for the first time in question period an issue that is of some concern nationally to the Prime Minister, which is the strange case of Dr. Porter.

Can it be explained how Arthur Porter ended up with top secret security clearance, as chair of the Security and Intelligence Review Committee, and as a member of Privy Council? Were normal background checks suspended? Importantly, is he still a member of Privy Council?

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, Arthur Porter submitted his resignation from his position as chair of the Security and Intelligence Review Committee. We accepted this resignation. The allegations Mr. Porter is facing do not have anything to do with his former responsibilities.

[Translation]

POINTS OF ORDER

ORAL QUESTIONS

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, let us look at the official transcript for Friday, February 1, 2013—the *Hansard*, volume 146, no. 202, 1st session of the 41st Parliament.

That day, one of my colleagues said in the House:

...Service Canada staff are there to help claimants, not hunt them down like criminals.

This is what the Minister of Human Resources responded:

Mr. Speaker, with respect to the employment insurance program, it is very important to note that, once again, the NDP is supporting the bad guys.

Today, the minister misled the House by saying that she did not say that claimants were “bad guys”. So, I am asking her to tell the House the truth and to repeat what she said on Friday when she referred to workers as “bad guys”.

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, it is important to consider the context in which this was said.

The NDP was complaining that Service Canada was cracking down on people who abuse the employment insurance system.

[English]

Let us face it, the NDP members at the time were talking about Service Canada going after people who were abusing the system. These were people who were cheating the system out of \$530 million a year. It was in that context, and it was those people I referred to as “bad guys”. Those are the only people. All the other claimants, who are law-abiding Canadians, we respect. We are doing everything we can to make sure they get the EI to which they are entitled.

The Speaker: I think what we have here is a question as to an interpretation of what was said or how it was said. It is not for the Chair to rule on. I do not see how this is a point of order.

The hon. member for Acadie—Bathurst.

Mr. Yvon Godin: Mr. Speaker, I understand what you are saying. I understand that the hon. member will never admit how she feels about workers.

ROUTINE PROCEEDINGS

[English]

INTERPARLIAMENTARY DELEGATIONS

The Speaker: I have the honour to lay upon the table the report of the Canadian parliamentary delegation concerning its visit to Chile and Costa Rica from October 6 to October 13, 2012.

* * *

[Translation]

RIGHT TO PROCEDURAL FAIRNESS

Hon. Steven Blaney (Minister of Veterans Affairs, CPC): Mr. Speaker, thank you for recognizing me.

Routine Proceedings

Further to the tabling of the ombudsman's report entitled "Veterans' Right to Know Reasons for Decisions: A Matter of Procedural Fairness", today, I would like to table, in both official languages, the Department of Veterans Affairs' right to fairness implementation plan.

* * *

[English]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Joe Preston (Elgin—Middlesex—London, CPC): Mr. Speaker, I have the honour to present, in both official languages, the 37th, 38th, and 39th reports of the Standing Committee on Procedure and House Affairs. They are in relation to the reports of the Federal Electoral Boundaries Commissions for the provinces of Nova Scotia, Manitoba and Prince Edward Island.

* * *

● (1505)

PETITIONS

SHARK FINNING

Mr. Fin Donnelly (New Westminster—Coquitlam, NDP): Mr. Speaker, I rise to present three petitions. One, the petitioners call on the House to ban the importation of shark fin to Canada.

The continuing practice of shark-finning, which is the practice of removing the fins and discarding the remainder of the shark in the sea, is having a devastating effect on shark species around the world. Measures must be taken to stop the global practice of shark-finning and to ensure the responsible conservation management of sharks.

These petitioners call on the House to institute a ban on the importation of shark fins.

THE ENVIRONMENT

Mr. Fin Donnelly (New Westminster—Coquitlam, NDP): Mr. Speaker, I also rise to submit another petition.

It calls on the Minister of Natural Resources, the Minister of the Environment, the Minister of Fisheries and Oceans and the Minister of Transport to address the declining water levels in Lakes Huron and Michigan. It states that water levels in Lake Huron have dropped four to five feet since 1999. They call on—

The Speaker: Order. I am going to ask the hon. member to very quickly wrap up. I notice quite a lot of members rising, and we only have about 14 more minutes.

HUMAN RIGHTS

Mr. Fin Donnelly (New Westminster—Coquitlam, NDP): Mr. Speaker, the final petition urges the Canadian government to call for an end to the persecution of Falun Gong in China.

THE ENVIRONMENT

Mr. Frank Valeriote (Guelph, Lib.): Mr. Speaker, I stand to present a petition from residents of my riding of Guelph who wish to draw attention to the northern gateway pipeline. Given the substantial environmental risk associated with the pipeline, the petitioners request that the Government of Canada assume a neutral

position and remove its unqualified support for the development of the pipeline, which would allow for a full, fair and impartial assessment of the pipeline by the National Energy Board and the Canadian Environmental Assessment Agency so that a proper evidence-based decision can be made at the appropriate time.

[Translation]

GATINEAU PARK

Ms. Nycole Turmel (Hull—Aylmer, NDP): Mr. Speaker, I have a petition to present on behalf of the people of Hull—Aylmer regarding the protection of Gatineau Park.

[English]

THE ENVIRONMENT

Ms. Kirsty Duncan (Etobicoke North, Lib.): Mr. Speaker, I am delighted to present another petition on climate change, this time on the impacts of climate change on food. In the past few years, weather extremes caused jumps in food prices. This past summer, the multi-million dollar lobster industry was impacted, as were farmers across many regions of Canada, by drought.

The petitioners call on the government to acknowledge the urgency of climate change and the magnitude of the challenges remaining, recognize that a sector-by-sector approach will be too slow, and develop real-world solutions for farmers and vulnerable families.

[Translation]

ROAD SAFETY

Ms. Hélène LeBlanc (LaSalle—Émard, NDP): Mr. Speaker, the petition that I am tabling today pertains to cycling safety, particularly with regard to the installation of side guards on large trucks in order to prevent cyclists from being seriously injured or even killed.

[English]

JUSTICE

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, it is a pleasure to table a petition from residents of Winnipeg North who ask the Government of Canada to work with other levels of government in developing effective programs that will prevent youth from committing crimes, with a special focus on trying to prevent youth from going into gangs, and finding alternative activities for them.

EXPERIMENTAL LAKES AREA

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, Canada's Experimental Lakes Area is a unique, world renown facility for freshwater research and education. It is now falling under the Conservative axe, and petitioners from across the country are fighting to have that decision reversed. Specifically, they are calling on the government to do three things: to recognize the importance of the ELA to the Government of Canada's mandate to study, preserve and protect aquatic ecosystems; to reverse the decision to close the ELA research station; and to continue to staff and provide financial resources to the ELA at the current or a higher level of commitment.

While I know that it is not appropriate for us to endorse petitions, I am delighted to be able to table it in the House today.

FOOD LABELLING

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, I have two petitions to present. The first one calls on the House to bring forward an act to amend the Food and Drugs Act to have mandatory labelling for genetically modified foods.

• (1510)

POVERTY

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, the second petition calls on the House to implement an act to eliminate poverty in Canada, Bill C-233. This would require the federal government to develop and implement a strategy for poverty elimination in consultation with the provincial, territorial, municipal and aboriginal governments and with civil society organizations.

41ST GENERAL ELECTION

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, I rise to present two petitions. One calls for a national inquiry into the ongoing question of who was behind the robocalls made in the 2011 election.

THE ENVIRONMENT

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, the second petition speaks to the question of the need to have a thorough review before allowing risky pipelines and tankers in British Columbia.

Ms. Mylène Freeman (Argenteuil—Papineau—Mirabel, NDP): Mr. Speaker, the petition I am presenting today is just some of the support for my motion I have received from across the country, from coast to coast, from citizens and municipalities alike, and, on top of that, from ridings of all stripes. These petitioners are from Ramea, Newfoundland and Labrador. They are calling on the House of Commons to support my Motion No. 400, an issue that unites rural Canadians from across the country. It calls on the House to take leadership in protecting our water, our rivers and our lakes.

[Translation]

HOUSING

Ms. Ève Pécelet (La Pointe-de-l'Île, NDP): Mr. Speaker, I am tabling a petition that calls for the government to pass Bill C-400, since we are the only G8 country that does not have a national housing strategy and since 1.5 million households are in core housing need.

S. O. 52

[English]

PENSIONS

Ms. Irene Mathysen (London—Fanshawe, NDP): Mr. Speaker, I have a petition from constituents adding their names to those of thousands of Canadians who have petitioned the House to change the proposed changes to old age security eligibility.

The government has increased eligibility from age 65 to 67, and that puts a great deal of pressure on the poorest seniors. It means that those very poor seniors will lose as much \$12,000 in benefits. It will also impact younger Canadians. Therefore, the petitioners are calling on the Government of Canada to maintain eligibility for retirement age at 65 and to increase the guaranteed income supplement so that we can lift every senior in the country out of poverty.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

REQUEST FOR EMERGENCY DEBATE

HUMAN RESOURCES AND SKILLS DEVELOPMENT CANADA

The Speaker: The Chair has notice of a request for an emergency debate from the hon. member for Cape Breton—Canso.

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Mr. Speaker, I rise pursuant to Standing Order 52 to request an emergency debate today on the urgent matter relating to the disclosure by Human Resources and Skills Development Canada on January 11 that the department had lost the personal records of 583,000 Canadians who participated in the Canada student loans program between 2000 and 2006. According to the Office of the Privacy Commissioner, this is one of the largest data breaches in Canadian history.

The House of Commons needs to debate this issue because the loss of this data means that the private and confidential financial information of almost 600,000 Canadians is at risk and there exists a real danger of identity fraud.

Privilege

Furthermore, the Minister of Human Resources and Skills Development has been unable to tell the House of Commons how long the hard drive containing the data was missing from her department, exactly what information was lost, why social insurance numbers were included in this data, why the RCMP was involved and why it took two months to inform the public.

In addition, the House needs to debate the issue of protection that HRSDC is providing to these Canadians. There has been much confusion as to what credit and identity protection services the government is actually paying for with Equifax, one of the two major credit bureaus in Canada. As well, why is the government not paying for the equivalent coverage with TransUnion, the other major credit bureau, as recommended by the Financial Consumer Agency of Canada?

There are reports that many of the approximately 600,000 affected people have not yet been contacted by HRSDC even though it has been almost three months since the drive was first noticed missing.

According to recent media reports, less than 5,000 individuals have signed up so far for the free credit monitoring service provided by the government, and I reinforce free for most.

Knowing how many of these people have yet to be contacted and the reasons for the delay in being contacted is very important. The possibility that a large number of the affected people are still not aware that their personal information has been breached is unacceptable.

Canadians, and more specifically the people affected in this data breach, need to have confidence that their government is doing everything it can to find out why and how this historic breach occurred, and more important, how the government is going to immediately protect them from the risk of identity fraud.

Canadians should not have to pay for the mistakes of the Conservative government. I respectfully ask that you, Mr. Speaker, grant my request so that hopefully questions will be answered and solutions found to the satisfaction of those affected.

● (1515)

SPEAKER'S RULING

The Speaker: I thank the hon. member for raising this issue. While there is no doubt that it is an important issue for many people, I do not feel it meets the test for emergency debates.

The Chair also has notice that the hon. member for Regina—Lumsden—Lake Centre is going to add remarks to the question of privilege raised by the member for Ottawa—Vanier.

* * *

PRIVILEGE

ACCESS TO INFORMATION

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC): Mr. Speaker, I rise in my capacity as Parliamentary Secretary to the Leader of the Government in the House of Commons in response to a question of privilege that was made on Thursday by the hon. member for Ottawa—Vanier.

I have had the opportunity to review the *Hansard* of his intervention and that on Friday by the House leader of the official opposition in his *Hansard* interventions. The hon. member for Skeena—Bulkley Valley also offered some precedents, which I would commend to the Chair. I also want to acknowledge the hon. gentleman's sagacity in citing those cases despite the fact he sits in opposition to the government which in its own nature makes me question his sagacity on a number of other issues, but I digress.

Besides the interventions you have already heard, Mr. Speaker, I would like to add two more authorities to those before you to assist the Chair in preparing a ruling.

As the government House leader remarked in his initial comments last week, the hon. member did not mention one of his parliamentary duties or responsibilities as a member of the House of Commons. Instead he referred to a matter of constituency business.

Page 117 of *House of Commons Procedure and Practice*, second edition, offers a categorical summary of how the Chair has approached these issues:

In instances where Members have claimed that they have been obstructed or harassed, not directly in their roles as elected representatives but while being involved in matters of a political or constituency-related nature, Speakers have consistently ruled that this does not constitute privilege.

Finally, Sir, I offer a ruling of Mr. Speaker Milliken from February 12, 2003. The following passage from page 3470 of *Debates* would, I suggest, give guidance on distinguishing between occasions when questioning officials is and is not a matter for privilege. Again, I quote:

Members have an undeniable right to question and obtain information from the government in order to discharge their responsibilities of oversight. This function is chiefly carried out in two ways: by asking questions of government—

That is to say, to ministers and parliamentary secretaries here in the chamber.

—either during question period or by way of written questions, and through inquiries carried out by committees of the House. Both of these proceedings are protected by the full weight of parliamentary privilege. It is not the case, however, that the privilege to seek such information extends to every aspect of a member's activity.

In conclusion, when the facts advanced by the hon. member, regardless of the conclusions taken from them, and I certainly would not share the opposition's spin on them, are considered through the lens of these precedents and those quoted on Friday by the NDP House leader, I would submit there is no prima facie question of privilege to be found here.

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, what did not come through perhaps clearly in what I said, and you will recall the first time I raised this last June, was it was directly related to my duties to prepare for question period. In obtaining information as the Liberal advocate for co-operatives, I needed information through CMHC, which I could not then obtain because it was not allowed to provide the briefing. There is one issue where there is a direct link to my parliamentary responsibilities which cannot be avoided.

The same can be true because I intend to raise questions about this massive development of a military base which has been ceded to the Canada Lands Corporation, but in order to do so, I need to obtain information. Therefore, the two are intrinsically linked.

Government Orders

In your judgment, Mr. Speaker, I hope you would consider also equality of access to information because I did mention, and I would hope you would look into that, that in all my conversations with members on the government side, never have I heard anyone complaining of their inability to access information from the government, just as members of this party and I gather from the House leader of the NDP, members from his party have been impeded from obtaining.

There are two issues here that are directly linked to my parliamentary duties as a member of Parliament representing constituents.

Finally, just on the morality of anyone in the riding that I represent can access information directly from public servants and they have been told by the government that they cannot give me that information. There is something that is untoward and unacceptable in a functioning democracy. I would hope, Mr. Speaker, in your judgment that you would weigh these three matters.

• (1520)

Mr. Tom Lukiwski: Mr. Speaker, I will let my intervention stand on its own merit.

However, quite frankly, as I pointed out in my intervention, all members of Parliament have leverage at their disposal to obtain information from the government, questions on the order paper being the most common.

I would suggest for the member opposite that the levers I speak of are certainly available to him in his capacity as a member of Parliament. Again, I would point out to you, Mr. Speaker, that in precedents of years of questions of this sort being raised to the Chair the rulings have been consistent.

I do not believe the member's privileges have been violated. I ask you, Mr. Speaker, to please, if you could in your capacity, make yet another ruling supporting my intervention and do so as quickly as possible.

The Speaker: I thank both hon. members for their further contributions to the question currently before the Chair.

GOVERNMENT ORDERS

[*Translation*]

FAIR RAIL FREIGHT SERVICE ACT

The House resumed consideration of the motion that Bill C-52, An Act to amend the Canada Transportation Act (administration, air and railway transportation and arbitration), be read the second time and referred to a committee.

The Speaker: The hon. member for Louis-Hébert has eight minutes to finish his speech.

Mr. Denis Blanchette (Louis-Hébert, NDP): Mr. Speaker, when I had to interrupt my speech, I was talking about the report on the mediation that was unfortunately not successful. We tried to open a dialogue between the clients and the service provider. We were unable to resolve the problem and that is why we have this bill before us today.

CN and CP wanted nothing to do with this bill. But it might be a kind of wake-up call for these two companies. It is a little bill that does not do too much or ask for much and that we would like to see improved. For the rail companies it is a sign that everything is not just fine.

There are things to improve, and these companies will be tasked with improving them. If they do not, other more restrictive bills will be introduced. Even though, depending on the region, they have either a monopoly or a duopoly, they will have to develop a corporate culture based on customer service. They will have to find a balance between profit and customer service, so that customer service is not sacrificed for the sake of profit. That is the message we must get across.

I would now like to talk about the vision of transportation as such. In some respects, this bill manages a crisis. We have let the rot set in and we have waited until the very last moment. Minimal action has been taken. However, it is not our job here in the House of Commons to engage in short-term crisis management. Our job is to stamp out a vision for our country for tomorrow, for the day after tomorrow and for decades to come. Right now, we lack this vision.

I would therefore like to share with you some elements of a vision which has been dubbed, among other things, a national transportation policy. It would be entirely appropriate to address issue. It is my hope that once the bill passes second reading stage and has been referred to a committee, committee members will expand the debate to consider the overall evolution of the rail transportation system.

We live in a global world. We have a phenomenon called the Internet. It allows a supplier to advertise a product on the web and a customer anywhere in the world to buy that product. The logistics of delivering that product is the ensuing challenge. For Canada, a country of wide open spaces, the rail transportation system is absolutely critical to the process of delivering goods.

So then, it is important for us to continue focusing on this issue. However, I want to stress the importance of striking a balance. Much has been said about striking a balance between an industry's ability to make a fair and reasonable profit and the possibility for captive customers to have a service that meets their needs and allows their business to grow. Such a service would help people stay in their regions and prevent a population exodus. It would be one way to develop resource regions. This matter is extremely important to us.

On the question of balance, we can take it further. We can talk about striking a balance between the transportation of people and freight. Even though there are problems with respect to freight transportation, passenger rail service often takes a back seat to freight transportation. How many times must passenger trains pull over onto a siding to allow a freight train to pass?

It all comes down to a matter of balance. Therefore, we need to examine all of these aspects and put an end to any short-term vision. We need to come up with a plan for a rail infrastructure worthy of the 21st century. This is important.

Government Orders

•(1525)

We are still living with an infrastructure that is a holdover from the 19th century, albeit an infrastructure that helped cement our national unity. Why not take another stab at improving it so that the companies that provide the service as well as the users and citizens can all benefit.

Finally, I want to stress that the main reason we want a national passenger and freight transportation policy in place is to be able to plan and make the right moves at the right time, rather than merely react to situations.

A business owner always looks to get a positive reaction from customers. Right now, there is no positive response and that is why this legislation is before the House.

In conclusion, I will say that this is a step in the right direction, a very small step. Everyone has agreed to support it. In fact, everyone is operating on the principle that a bird in the hand is worth two in the bush. So we are taking this small step today. We hope to improve service to suppliers. We hope the government will accept some of the amendments that will be proposed. Ultimately, we are probably addressing the most glaring part of the problem, but, since there have already been some reports and mediation attempts, and because we at least want to solve certain problems, I believe this requires cooperation by everyone, and especially by the various stakeholders, so that the House has to intervene as little as possible in the development of the railway system. It will be important for citizens, suppliers, customers, the economy and especially for Canada that we resolve that.

•(1530)

Mr. Matthew Dubé (Chambly—Borduas, NDP): Mr. Speaker, I thank my colleague for his speech. I am pleased that he mentioned the coexistence of passenger trains and freight trains.

I believe that coexistence, the role that CN has to play in our communities, is one of the bill's main themes. I know a lot about that because a railway passes through my riding. I will have occasion to say more about that later on.

Since this is a first step in the right direction, I would like to ask my colleague to elaborate on how long we could continue working with CN and move ahead with various projects, whether it be that of AMT, which wants to electrify the rails, or with the project we are considering today, the agreements between producers and railways.

I would like my colleague to talk about that because, in the NDP's view, cooperation and teamwork are part of an effective approach.

Mr. Denis Blanchette: Mr. Speaker, I thank my colleague for his excellent question. In a fundamental way, it is all a matter of relations between the various groups, quite apart from numbers, profits and services rendered.

What is important, and what will have to be increasingly so, is that some companies do not really have any competition. We have to admit that fact. It was acknowledged in the rail freight service review report, which we have already discussed, that the competition was going to be tough.

So it is important for those businesses to be aware of the fact that, given their internal culture, they will have to start cooperating with others.

In a last-ditch effort, they have started to improve certain types of services, but that is unfortunately too little, too late for this bill. On the other hand, I believe that, if they are getting the message, we might perhaps have something better in future.

[*English*]

Mr. Dean Del Mastro (Parliamentary Secretary to the Prime Minister and to the Minister of Intergovernmental Affairs, CPC): Mr. Speaker, first of all I am delighted to hear the hon. member indicate that he is going to be supporting the legislation.

I think it is important that members recognize that when we talk about Canada's freight rail system, we have to talk about it in a North American context since it really is a fully integrated system. Ultimately we have to recognize that while there are challenges within the system with respect to the shipper-railway relationship at times, even though that rarely happens, we really do have the greatest freight rail system in the world. It enables so much business and gives so much back to our economy.

Does the hon. member agree with the principle that first and foremost we would like to see market-based solutions, and that this mechanism should be used as rarely as possible, wherever there is a situation that cannot be solved between the shipper and the railway?

I think this is a good follow-up system. What the minister has put forward is a good system to support shippers and railways and to help them derive market-based relationships and solutions on their own. Would the hon. member agree with that?

[*Translation*]

Mr. Denis Blanchette: Mr. Speaker, I thank my colleague for his question.

At the beginning of his question, he mentioned that there were continental relationships when it comes to shipping. That fact is undeniable. If there is one thing that CN and CP customers want, it is that their goods be delivered as quickly as possible. That is the problem. And the reason the government has decided to act after many years of standing idly by is that market-driven logic unfortunately failed this time.

Moreover, that is why, in my speech, I called on CN and CP to change their corporate culture, which is focused solely on profit, in an environment where it is really not possible to be ruled by completely market-driven logic. Indeed, you cannot create 10 competitors for CN and CP just like that. As members are aware, this kind of infrastructure makes it quite difficult to develop competition.

I said in my speech that CN and CP should view this bill as a warning sign that things are bad and that they need to improve their practices. We are here solely because there is a problem that needs to be addressed through Bill C-52.

Government Orders

• (1535)

[*English*]

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, earlier today I made reference to a former Minister of Finance, my colleague the hon. member for Wascana, and the efforts he has put in over the last number of years in calling upon the government to bring forward this legislation.

The need for the legislation has been there for a number of years. Initially, it started as a request in 2007. Liberals are glad we finally have the legislation here. We recognize there is a need for changes to the legislation. There is no doubt there will be a number of recommendations for changes once it hits the committee stage.

One of the questions an NDP colleague had posed to me was in regard to having freight rate charges within the legislation. I indicated that I would have a lot of reservations with regard to that. However, would the hon. member comment as to what the NDP might be thinking in terms of putting freight rates into the legislation?

[*Translation*]

Mr. Denis Blanchette: Mr. Speaker, I thank my colleague from Winnipeg North for his question.

I touched on the issue of committee work. In fact, I asked him a question regarding this during his own speech. I said that I wanted debate in committee broadened to go beyond the scope of Bill C-52 and focus on problems, so that rail transportation can get better.

I hope that my colleagues will agree with me regarding the need to open up debate and see what members have to say about other issues in the report that the bill does not address.

Mrs. Anne-Marie Day (Charlesbourg—Haute-Saint-Charles, NDP): Mr. Speaker, I thank the member for Louis-Hébert. He raised a matter that is close to my heart: the importance of developing resource regions.

Early in the process of colonization, when Canada developed its coast-to-coast railway, the resource regions were not heavily populated. This engine of development was nevertheless put in place in order to promote progress nationwide.

In Gaspé, for example, where I was born, the freight train between Gaspé and Chandler has been removed, depriving small and medium-sized businesses of the development opportunities to which they are entitled.

Does the member for Louis-Hébert want bulk shipping to reach Canada's remote regions?

Mr. Denis Blanchette: Mr. Speaker, I thank my colleague from Charlesbourg—Haute-Saint-Charles for his excellent question, since indirectly, that is what is at the heart of this bill. It is about the capacity of a vast nation like ours to service the entire country, regardless of the population density of its geographical sectors.

That is why the railways were built, and it is unfortunate that, in recent years, the focus on profit at all costs has made it difficult to develop and maintain businesses in Canada's most remote regions.

That is why it is important to once again strike a balance, a word that I have used on several occasions, between profit-driven logic and the capacity to support regional development.

Mrs. Djaouida Sellah (Saint-Bruno—Saint-Hubert, NDP): Mr. Speaker, Bill C-52 amends the Canada Transportation Act to require a railway company, on a shipper's request, to make the shipper an offer to enter into a contract respecting the manner in which the railway company must fulfill its service obligations to the shipper.

In point of fact, clients of the rail transportation system, like farmers and mining companies, are victims of the near-monopoly held by railway companies: service interruptions, delays and other disruptive situations at Canadian National and Canadian Pacific are harmful to industries such as agriculture, forestry, mining and manufacturing, which do not receive compensation. A large proportion of the goods are intended for export. Poor rail transportation services damage the ability of Canadian exporters to compete on the international marketplace, particularly in terms of agricultural products.

Moreover, a number of shippers have difficulty, not just in getting good service, but in getting any service at all. Shippers complain that they are not able to sign freight contracts with the big railway companies. This situation is detrimental to Canadian exporters. Steps must be taken, especially because right now the trade deficit is very high. I would like to point out that the trade deficit reached \$2 billion last November.

Statistics show that 80% of railway clients are dissatisfied with the service they receive. As the situation is one of a quasi-monopoly, it is important that the government take action to ensure that clients are better protected. It is the shippers who have to pick up the pieces if their goods do not arrive on time. This causes huge inconveniences.

When perishables are being shipped, the situation is disastrous, because by the time the goods arrive at their destination, they may be rotten or just not usable. This hinders Canada's competitive position. For example, Canadian soybean growers are placed at a competitive disadvantage vis-à-vis their Argentinian competitors, not because of the quality of their product, but because of unreliable shipments. The growers should not have to bear the cost of this situation.

Rail transportation of goods is vital in many respects. First of all, since 70% of goods are transported by rail at some point, we need to have an efficient system. Secondly, rail transportation makes it possible to keep trucks off the roads, thereby limiting greenhouse gas emissions that result from the transportation of our goods. By ensuring that a certain number of trucks are not on the roads, we avoid putting additional pressure on our road infrastructures, that do not really need it.

I come from the Montreal area. Like my constituents in my riding of Saint-Bruno—Saint-Hubert, when I use the highways, I can see many trucks, and I can also see the state of the infrastructure, which is underfunded. Therefore, we need a rail transportation system that is efficient and accessible, so that we do not make the situation worse. Moreover, we need investments to restore our existing infrastructure.

Government Orders

Inaction on this issue will be costly for the Canadian economy. The situation cannot continue. Inadequate rail service is costly for Canadian businesses, and it is detrimental to the economy and to the labour market. In 2008, the government set up a panel of experts that studied the issue for three years. Their report was submitted in early 2011.

● (1540)

The government also initiated a mediation process that served only to show that Canadian National and Canadian Pacific lack the will to solve the problem and to provide adequate service to shippers. Although this bill could be improved, it is part of the solution.

Bill C-52 will cover only new service level agreements, not those that already exist. Many shippers will therefore continue to live with unreliable and unfair service, without having any recourse to dispute resolution if violations of existing service agreements occur.

Furthermore, arbitration is only available for shippers who are negotiating new contracts. Instead of providing fast, reliable dispute resolution for all shippers, Bill C-52 is offering a limited arbitration process for a small group of shippers. The proposed arbitration process may be too costly for shippers and require an unfair burden of proof by asking shippers to prove that they need the services of the rail company.

To find a comprehensive solution, we also have to consider the question of rates. While some members of the shipping community wanted to address problems with rates in this legislative process as well, the Conservatives made it clearly known that they will not be examining that aspect before the next legislative review of the Canada Transportation Act, in 2014 and 2015.

Of course we have to tackle the problems associated with service level agreements, but we also have to consider how we can make rail transportation more affordable. We have to tackle the problem in its entirety to ensure that our businesses, some of which are in rural communities, are an important element of the local economy.

The situation affects numerous sectors, such as natural resources, manufacturing, agriculture, forestry products, mining, chemicals and the auto industry. No one is really spared.

It is also important to note that the mining sector is the second largest employer in first nations communities, after the public sector, of course.

Improving rail services for shipping goods from mining companies could have a positive impact on the economic situation of the aboriginal peoples in some regions of the country. The government should be working with first nations leaders to improve their living conditions and the economic circumstances of the aboriginal people. There needs to be a sense of urgency to move quickly on this issue.

I will conclude by saying that it is most important that we not solve problems by halves. We have to tackle the problem in its entirety. I know that Bill C-52 is a small step forward, because this is a crisis.

● (1545)

[*English*]

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, again, I want to emphasize the importance of the rail line industry to Canada in many different ways, primarily in terms of the economic impact it has for all Canadians. At the end of the day, as I have indicated previously, the need to do something or take some sort of action is there. It is very real, and it has been called on for a number of years already. Today we are now debating the issue.

The Liberal Party, in principle, supports the legislation to go to committee in anticipation that there will be amendments acceptable to the government, and obviously open it to the stakeholders. Does the member believe, as we believe, that it would be a tragic mistake for the government not to recognize the need to make amendments to the legislation, thereby giving it more strength to protect our shippers, our consumers and, to that degree, the rail lines themselves?

[*Translation*]

Mrs. Djaouida Sellah: Mr. Speaker, I thank my colleague from Winnipeg North. I listened closely to his question.

We believe this is a first step in a crisis situation. The Liberals had until 2006 to introduce a bill, but unfortunately they did not do so. This is what we are suggesting. We are in favour of Bill C-52 going to committee, so witnesses can be heard and amendments will probably be made.

● (1550)

Mrs. Anne-Marie Day (Charlesbourg—Haute-Saint-Charles, NDP): Mr. Speaker, this is totally shameful. I have seen the figures and I cannot get over them. I must note that I am not a member of that committee. The report says that 80% of rail shipping service customers are not satisfied. That is unbelievable. If I had a business and 80% of my customers were not satisfied, things would be in a bad way. That is a given.

How can the member explain that? Is it protectionism? Is it declining use? What is going on that results in customers not being satisfied? Do these companies have a monopoly on the railway?

Mrs. Djaouida Sellah: Mr. Speaker, I thank my colleague for her question.

We are well aware that the Conservatives are protecting their friends in the big railway companies. By giving the railway companies what is essentially a monopoly, the Conservatives are treating Canadian shippers as if they do not matter. Unfortunately, that is the answer to the hon. member's question.

Mr. Dany Morin (Chicoutimi—Le Fjord, NDP): Mr. Speaker, given that 70% of our goods are shipped by rail and that it is very important to increase demand for rail transportation services and the quality of those services to reduce trucking and greenhouse gases, does my NDP colleague believe that the Conservative government is serious enough about improving Canada's rail transportation system?

Mrs. Djaouida Sellah: Mr. Speaker, I would like to thank the member for his question.

Government Orders

We are discussing Bill C-52 today because nothing has been done up to this point, obviously. Unfortunately, the government waited until there was a crisis and the shippers and the NDP put pressure on it to introduce this bill.

This is not ideal, but it is better than nothing. That is what the shippers are telling us. They are not really satisfied with the bill, but they hope it will be improved upon in committee.

Mr. Dany Morin: Mr. Speaker, again, I would like to thank the member for her answer. I completely agree with her.

I am also bothered by the fact that the Conservative government boasts about defending the economy and Canada's economic growth. I do not know if the Conservatives know this, but the poor quality of rail freight transportation services costs Canada's economy hundreds of millions of dollars each year. Since they have come to power, they have been twiddling their thumbs and have not been serious enough about improving and maintaining Canada's rail system. This robs the Canadian economy, our small businesses, our exporters and even our big businesses of hundreds of millions of dollars a year.

Does my colleague believe that the losses really are this big? Does she feel that the Conservative government should finally open its eyes if it truly wants to develop and grow the Canadian economy and inject money into our rail transportation system?

Mrs. Djaouida Sellah: Mr. Speaker, I would like to again thank my colleague for his question.

As I mentioned in my speech, 80% of shippers are dissatisfied with the services provided by the two companies that have a monopoly on this means of transportation.

Instead of supporting the monopoly model, the Conservatives should instead look after small and medium-sized businesses. The government should pass legislation that has teeth in order to improve the level of service and try to compensate shippers, particularly in agriculture, who are incurring millions of dollars in losses, as I said.

Unfortunately, these shippers have to check for themselves if their goods arrived at the right place and in what condition they got there. At times, perishable goods have rotted by the time they reach their destination. We can imagine the kinds of losses these people incur.

● (1555)

Mr. Dany Morin: Mr. Speaker, I will elaborate on what my colleague said. Just a few seconds ago, she mentioned that two rail companies, CN and CP, have a monopoly. She also mentioned that 80% of exporters are dissatisfied with the poor service, such as when goods do not arrive on time or in good condition.

When exporters want to shop around and get the best price or the best deal, they ask for bids from these two major companies, which, quite frankly, have a monopoly. There is also a big difference in rates. That is why I believe the NDP approach is reasonable.

What we find particularly unfortunate about Bill C-52 is that the Conservative government had a good opportunity to legislate or have input on the rate difference.

I would like to know what my colleague thinks of the fact that Bill C-52 says nothing about rates, which I believe Canadian exporters want the federal government to address.

Mrs. Djaouida Sellah: Mr. Speaker, once again I thank my hon. colleague for the question. Indeed, what I criticized in my speech was the monopoly held by the two large companies.

I said that the Conservatives are unfortunately not encouraging small and medium-sized businesses. As my colleague pointed out, the losses will be huge. That is why we also want to talk about prices. When people have no choice, or when they have to choose between only two companies, what will they do with their merchandise? They are between a rock and a hard place: either they ship their merchandise with one of those two companies or they let their product rot, if it is an agricultural product.

It seems that all the other companies have no choice. There is no competition. There are no jobs when a monopoly is held by just two companies. Unfortunately, shippers really have no choice.

Mr. Dany Morin (Chicoutimi—Le Fjord, NDP): Mr. Speaker, it has probably become quite clear from my questions and comments that Canada's railway system is something I care about a great deal.

During my 10-minute speech, I will not necessarily focus on the details of the bill. My NDP colleague just did that, as did many other NDP members, including the hon. member for Trinity—Spadina, our transport critic, who is doing an incredible job in this area.

Bill C-52 affects me personally. We have heard a lot about how this bill will have a national impact and about its many deficiencies, which the NDP has criticized.

I just mentioned the fact that the difference between Canadian Pacific's and Canadian National's rates is quite significant, from one bidder to the next. This aspect bothers the NDP. We would have liked to see the federal government show some leadership on this. Unfortunately, this bill was introduced after five years of dragging their feet, and it was only introduced thanks to the hard work of my colleague from Trinity—Spadina, our transport critic. Fortunately, the NDP is the official opposition and it will hold this government to account.

In my speech I am not going to talk about the national impact or the consequences for big cities. I respect the people of Montreal and Toronto, for whom rail transportation means something different. However, I come from northeastern Quebec and, in the regions, the rail system is mainly used for the transportation of various goods.

Over the past few days, I took the time to find out whether our exporters in Saguenay—Lac-Saint-Jean are satisfied with the rail service they are receiving. Unfortunately, I came to the same conclusion as the other opposition members: there are many shortcomings.

I even managed to get my hands on a study conducted by the City of Saguenay. It is a few years old, but the conclusion was the same. I will share it with the House. This will bring something different to the debate since it pertains more to the regional reality.

Government Orders

This study has to do with issues around rail freight transport in Saguenay—Lac-Saint-Jean.

Editor's note: The findings in this report reflect discussions with most major regional users, including those in the pulp and paper, softwood lumber, fibreboard and aluminum industries, as well as smaller users in other industrial sectors. They basically reflect the comments made.

I just named the economic and industrial sectors that are very important in the region. We export a lot of these products. The people watching at home may be wondering what their rail system looks like. I will explain.

Two companies share the Saguenay—Lac-Saint-Jean railway system: CN and the Compagnie de chemin de fer Roberval-Saguenay or RS, a division of Alcan [or Rio Tinto Alcan]. The CN railway falls under federal jurisdiction and the line ends in Jonqui re. The RS railway is a private railway that falls under provincial jurisdiction. The RS railway starts at the Port-Alfred facilities in La Baie and its primary purpose is to provide service to the Alcan plants in the region. As part of a confidential agreement with CN, however, RS provides service to the companies east of Jonqui re, including clients from the Chicoutimi and La Baie industrial parks.

The city of Saguenay has two freight transshipment centres: Nolitrex (Jonqui re) and Transit PAG (located in La Baie since January 2000), as well as one wood chip transshipment centre (Jonqui re). Two other transshipment centres operate in Lac Saint-Jean, in H bertville (Groupe Goyette) and La Dor .

● (1600)

Northern Quebec Internal Short Line (NQISL)

The NQISL operates the Saguenay-Lac-Saint-Jean, Chibougamau and Abitibi network for CN. Quebec has 11 short lines and private companies, including RS. Unlike the other short lines, which are independent entities that operate secondary lines for CN, CN has maintained control over the NQISL. The NQISL is a semi-autonomous division of CN, wholly owned by CN. The NQISL has a monopoly in the region and operates the largest rail network in Quebec, with 1,756 km of track, including 422 km in Saguenay-Lac-Saint-Jean.

NATIONAL FACTORS

Compared with all the rail companies in North America, the railway has adapted poorly to the new realities of transportation, including the just-in-time factor. Transportation times are long, rail cars get lost and the rates are less competitive, compared to the more efficient trucking industry, which has regained a large share of the market.

Following a string of budget cuts at CN at one point in time, rail car maintenance was neglected as was reinvesting in equipment. Today, the industry is faced with an aging fleet of rail cars. Certain types of rail cars, specifically closed cars that are not watertight, are in poor condition. This situation affects a region like ours in particular since the pulp and paper industry is directly impacted. According to our sources, CN is poised to modernize its fleet of pulp and paper rail cars. [I believe the modernization has already been done, since this study was conducted several years ago.] Other less important industrial sectors have been neglected, however, and will likely have to continue making do with outdated or ill-suited equipment.

CN's operating system appears to be poorly adapted to the size of Canada and the unique characteristics of sub-regions like those in Quebec. CN's national service centre is located in Winnipeg. Some customers can go to Vancouver for a price and to Winnipeg to request a rail car that will be sent from Edmonton to a transshipment centre in Montreal. From Montreal, the freight can then be shipped to the Saguenay. The transaction can then be billed in Toronto. Each time, a different person is involved in the process. The system is highly complex and rather daunting for the user. Customers can easily encounter many pitfalls. Another issue is the lack of knowledge of the Quebec market, especially a region like the Saguenay, as well as a strong tendency to apply national standards and rates, allowing little room for regional differences and for contact between a customer and a supplier.

Most of the customers who were consulted said that CN was not highly service oriented and took advantage of its monopoly, especially since the large-scale cuts in recent years. Mention was made of unilateral decisions where CN notifies rather than consults with its customers. [This happens regularly.] Another told us: "You want two rail cars and you get 20. When you want 20 rail cars, you get two." Others spoke of lengthy delays for one thing or another.

REGIONAL FACTORS

In early 2002, the industry was hit with a major rail car shortage that affected all Canadian railway companies. The softwood lumber industry was primarily affected. Manufacturers picked up the pace of shipments to the United States before the

American tax was scheduled to take effect. The softwood lumber industry was hopeful that the situation would sort itself out after May 23. Whether or not that happens remains to be seen. [Many years later, we can see that the situation has not improved.] However, even though this situation was exceptional, there had been a long-standing shortage of CN rail cars, except for major clients. In an October 8, 1999, report, Quebec's transport ministry stated the following about the Saguenay-Lac-Saint-Jean: "...because of the shortage of rail cars, regional transshipment centres may lose customers—indeed, some already have—to transshipment centres in Quebec City where rail cars are easier to obtain." This situation does not adequately support regional development, nor does it encourage the NQISL to develop regional markets and seek new clients.

The NQISL seems uninterested in small customers, occasional customers and potential customers. Except for major users, most shippers get the sense that CN wants to focus on choice customers—aluminum and pulp and paper—while ignoring smaller customers and sectors. For example, occasional customers can wait weeks to get shipping rates for their goods.

● (1605)

The general consensus is that CN is using its regional monopoly to charge excessively high prices. This could make rail transportation unaffordable for small businesses and could cause larger companies to opt for other means of transportation, such as trucks, which put additional pressure on our roads.

For example, recently, a client got an initial quote of \$9,280 to send 10 cars to Calgary. That was lowered to \$4,390 following a single phone call to a CN higher-up.

For example, a major regional company got rates from Canadian Pacific out of Quebec City that were so much lower than CN's rates, they almost covered the cost of shipping goods by truck on Route 175 even though CP has a longer route through the Eastern Townships compared to CN's direct line between Quebec City and Montreal.

For an 11-kilometre segment, a major part of Saguenay's industrial base—Chicoutimi and La Baie—is served by a third company, RS, for which this is not a priority. Although RS provides very good service, this results in a prohibitive surcharge for shippers just for those few kilometres. This situation could cause problems in the future for the La Baie sector, which has 75% of the new City of Saguenay's industrial development space as well as major regional marine and air transportation infrastructure.

I would like to provide some other information about my region that may be relevant:

Transportation is a determining factor in the location and development of industry. Transportation is more important in regions such as ours than it is in larger centres. More than anywhere else, we need proper, modern, competitive transportation systems if we want economic growth, particularly given recent unemployment statistics...

The railway is an essential mode of transportation in the region. Trains carry approximately one-third of all goods shipped regionally or inter-regionally, 40% of goods shipped inter-regionally via ground transportation and two-thirds of goods shipped across the continent via ground transportation.

The NQISL is the only rail company that gives the region access to provincial, national and continental markets.

In 1996, the break-even point for an internal short line was 37 cars shipped per kilometre of track per year. In the region, the NQISL is definitely profitable, moving more than 61 cars per kilometre, which translates to more than three million tonnes of goods annually (57% of that being forest products).

I painted a regional picture of the rail transportation system and I would like to quote some local stakeholders, particularly the mayors of Saguenay-Lac-St-Jean municipalities. I will not limit myself to my own riding, Chicoutimi—Le Fjord, and I will even venture into the riding of the Minister of Transport, Infrastructure and Communities, who may not show the other side of the coin, since he will want to protect his government's bill.

I would like to read part of a fairly recent Radio-Canada article from November 16, 2010. In the article, people were complaining about rail service.

The town of Chibougamau and its municipal development agency are calling on the federal government to intervene to improve rail service to Lac-St-Jean.

The preliminary report just released by Transport Canada on railroads in Canada's small communities worries Développement Chibougamau, because the document talks about long-term solutions to improve service across the country, but it says nothing about the infrastructure on the Triquet-Faribault line, which links Chibougamau to Saint-Félicien.

Saint-Félicien is in the municipality of the Minister of Transport, Infrastructure and Communities.

The town of Chibougamau, Développement Chibougamau and Génivar submitted a position paper to the federal government last March denouncing the sorry state of the track, railway cars and service on the Triquet-Faribault line.

The general manager of Développement Chibougamau, Pierre D'Amour, also pointed out that mining exploration is booming in the region. "Our fear is that there will be downsizing and that less profitable rail lines will be shut down," he said. "For us, that would be a catastrophe."

● (1610)

Too slow

Chantier Chibougamau ships one-quarter of its production by train, but would like to ship more to improve its environmental record.

The company's communications officer, Frédéric Verreault, explained that, for the time being, it is impossible for them to increase rail shipments because the train travels at 40 km an hour owing to the condition of the tracks.

"A moose racing a train carrying our products would get to Lac-Saint-Jean faster."

A rail shipment to Toronto takes more than a week; it can get there in 24 hours by truck. According to Frédéric Verreault, the decision about the shipping method is an easy one. "The just-in-time concept is central to our relations with our clients," Mr. Verreault pointed out.

The Chantier Chibougamau representative would like the federal government to invest just as much in rail service as it does in seaports.

I will quote another newspaper article from one of our regional weeklies:

Last week, we published an item about the Forest Products Association of Canada (FPAC), which was urging the federal government to "act decisively" on the various problems associated with the rail transportation of goods. We have further information this week.

You will remember that, in 2008, the government committed to reviewing poor rail service provided to rural industries by establishing a review panel, which made recommendations.

However, today, the FPAC considers it inappropriate that all measures will be delayed for another three years.

The association pointed out that the government is counting on CN and CP to implement the changes on a voluntary basis and that regulatory measures will not be enacted until after 2013.

Last Friday, *La Sentinelle* contacted Susan Murray, executive director of public relations for the Forest Products Association of Canada, to find out if the government had responded to FPAC's press release entitled "Forest Industry to Government: Fix Rail Service Now". She said that the government had not responded.

When contacted by *La Sentinelle* for comment on the FPAC's press release, the mayor of Chibougamau said she agreed with the association.

She also said that the railway is of the utmost importance for the region's mining and forestry companies, as well as those in James Bay and Matagami.

Government Orders

In her opinion, these companies are stuck because CN has not made any investments in its infrastructure for years.

She also wondered about future projects, namely those that will be implemented in the James Bay sector. "Will CN have the reactive capability to support these projects?" she wondered.

I would now like to mention what the Mayor of Saint-Félicien had to say.

...the Mayor of Saint-Félicien, Gilles Potvin, is also concerned about CN's lack of investment. Mr. Potvin is of the opinion that the Saint-Félicien-Chibougamau line is essential for the Saguenay-Lac-Saint-Jean region because it provides access to the port of Grande Anse. He said, "It is a key area for the future of the region. We have to be concerned about it."

For the past few minutes, I have been talking about the state of the railway in Chambord, which is in the Minister of Transport's riding. Here is a newspaper article that was published a year after the two articles I just quoted. It reads:

Train Derails in Saguenay-Lac-Saint-Jean

CHAMBORD—Three cars derailed on part of the Saint-André line in the Chambord area of Saguenay-Lac-Saint-Jean late Sunday night/early Monday morning. According to Sûreté du Québec spokesperson Hélène Nepton, Sûreté du Québec was informed of the incident, which was allegedly related to a defective rail, at approximately 2 a.m.

It is disappointing.

In closing, I will let people draw their own conclusions about the fact that another train derailed in Chambord one year later, in 2011, because the track was not being properly maintained even though local stakeholders had asked the federal government to take action, to take responsibility and to invest in the railway.

I am proud to be from the Saguenay-Lac-Saint-Jean area and, as the member for Chicoutimi—Le Fjord, which is home to part of the CN and RS railway, I am calling for the federal government to take responsibility and finally invest in rail transportation. It is important for the Canadian economy.

● (1615)

[English]

Mr. Dean Del Mastro (Parliamentary Secretary to the Prime Minister and to the Minister of Intergovernmental Affairs, CPC): Mr. Speaker, I am surprised by the member's comments. Over the last number of years there has not been a government that has invested more money into railways than this government, certainly not in decades.

The reality is that we put \$1 billion into VIA Rail for improved tracking and new rolling stock in locomotives, which the member's party voted against. In 2006, we partnered with the government of Quebec to put in place a program to rebuild railway short lines with over \$70 million, and the NDP certainly did not support that funding. We partnered with Genesee & Wyoming and the Canadian Pacific Railway to rebuild the Huron Central Railway between Sault Ste. Marie and Sudbury. I worked for some two and a half years to put the funding into that. It was the first time in history that the Province of Ontario had partnered with the federal government toward regenerating and rebuilding railway infrastructure in this country.

Government Orders

This government has demonstrated time and again, whether with Pacific Gateway, Atlantic Gateway or railways in general, that we are committed to improving railways in this country. We are committed to improving railway safety and we demonstrated that with a bill that has already gone through this place. We are dedicated and committed to improving rail service. This member should get on board.

[*Translation*]

Mr. Dany Morin: Mr. Speaker, I would like to respond to my Conservative colleague's first point. He welcomes the investment his Conservative government has made in rail transport. However, I remind him that, in 2010, the people in the community, in Chambord, criticized the condition of the rails. That was not just one stakeholder, but rather a lot of people in the community.

I also believe the Conservatives were still in power when a derailment occurred in 2011. The Sûreté du Québec suspected a defect in the rails.

The Conservatives may be proud of the money the government is putting into rail transport, but it is clearly not yielding the desired results. I am not necessarily saying they are incompetent or poor managers of taxpayers' money, but people can draw their own conclusions.

Then my colleague said that the NDP could have voted for or against such and such a bill. The NDP is truly a very reasonable party. For example, this Bill C-52 is adequate. It could be better. It could resolve the disparity in rate-setting by companies that hold a monopoly. However, we are pleased that Bill C-52 is a step in the right direction and we will support it.

As we have previously seen, the Conservatives have introduced some atrocious bills despite their good intentions. I am not ashamed to say that we are opposed to bad Conservative bills. That is why I encourage my colleagues to support the initiatives of my colleague, the transport critic.

• (1620)

[*English*]

Mr. Matthew Kellway (Beaches—East York, NDP): Mr. Speaker, I thank my colleague for his great speech. What I found interesting was his argument about how, even in the area where he lives, which is a little more remote than where I live in Toronto, rail infrastructure is critical to the economic development of that area. Earlier today in my speech I talked about how critical rail infrastructure is to a city region such as Toronto, both coordinating economic activity within that region and connecting that region to other economic activity. It seems that rail infrastructure, at least in Canada, has to be seen as a core component of global competitiveness.

Does my hon. colleague agree with that? If he does agree with that, what does he make of a government that sells itself as an economic manager, yet has taken years to actually deal with this problem of freight rail and the unhappiness of customers with the virtual monopoly we have in this country over freight rail services?

[*Translation*]

Mr. Dany Morin: Mr. Speaker, I wanted to keep my feelings about the Conservative government's management of the railway

system somewhat ambiguous. However, since my NDP colleague is urging me to state my position, I will simply say this amounts to incompetence.

The government is very cunning and is doing its best to make us believe the Canadian economy is in good shape. However, it cannot be effective with Canadian taxpayers' money by throwing it at the problem. As military procurement critic, my NDP colleague knows perfectly well how poorly the Conservative government is managing the military aircraft procurement files. It is not surprising that the money it throws or sprinkles around in the Canadian railway system, depending on the situation, is being wasted through mismanagement.

My colleague asked me what I thought about the role of the railways in economic growth. My answer to him is that I am proud that, in partnership with the Conservative government, we are going to have railway service in my region that links the railway to the Grand-Anse terminal so that our seaport can open and cargo can be shipped by sea and by train. So this is really a good opportunity for my region to develop its economy.

Mrs. Anne-Marie Day (Charlesbourg—Haute-Saint-Charles, NDP): Mr. Speaker, it is 80% of the clients who are not satisfied. It is not just the people in the NDP.

The Conservative member says that they have invested money. I would like to invite him to travel, as a passenger, between Montreal and New York. I do not know where they invested their money, but there is some work that needs to be done here.

There is a reason why 80% of people are not satisfied. As the member said in his excellent speech, a moose would get there quicker. That is what he said.

What would my colleague like to say on this issue? There is quite a bit of discontent.

• (1625)

Mr. Dany Morin: Mr. Speaker, my NDP colleague is absolutely right. People complain that the train does not go fast enough, at 40 km/h, because the tracks are worn out and poorly maintained. People want to be able to ship their goods. A number of executives and exporters in my riding prefer to ship goods by road, as the railways in our region are poorly maintained, and this results in more pollution.

Moreover, the ever-increasing price of gas does not help the SMEs and the corporations in our ridings, in my riding or my colleague's, to make a place for themselves and win a share of the domestic and international marketplace.

I am proud that the NDP wants to upgrade Canada's railway system. I just hope that the Conservatives will be able to deal with any price gouging that might arise from the CN and CP monopoly, but I do not have much hope for such a jaded government.

[*English*]

Mr. Dean Del Mastro: Mr. Speaker, a lot of the comments that I have heard are simply rhetoric. They are not fact-based at all.

Government Orders

Has the member actually looked into the improvements that have been made by CP and CN in terms of on-time delivery and on-time pickups from shippers right across this country? Has he noted the increase in rail freight traffic in this country in the last five years? Has the member noted any of these things, or is he simply here to spew rhetoric of a partisan nature?

[*Translation*]

Mr. Dany Morin: Mr. Speaker, it is a shame that my Conservative colleague cannot see what is right in front of him.

I will repeat what I said in my speech. In 2011, that is, a year and a half ago, there was a train derailment in Chambord because the tracks were poorly maintained and worn out.

Am I to understand that all this money from the federal government was invested in the past six months and that we now have a perfect railway system in Canada? I want the Conservative government to open its eyes. They cannot claim that it was an exception.

The speech by my Conservative colleague cannot be taken seriously. He should go to my riding and to other ridings and see the state of the railway for himself.

The Acting Speaker (Mr. Barry Devolin): Pursuant to Standing Order 38, it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Ahuntsic, Aviation Safety; the hon. member for Algoma—Manitoulin—Kapuskasing, Aboriginal Affairs.

Resuming debate, the hon. member for Chambly—Borduas.

Mr. Matthew Dubé (Chambly—Borduas, NDP): Mr. Speaker, I am very pleased to speak to Bill C-52 today. The railway, or shipping by rail, is very important in my riding. As I often say in my speeches in this House, the river divides my riding in two, but the railway also does the same thing. This is not just a legacy; it is also a very important economic asset for us.

To begin, I would like to say a little about my experience since 2011 when I was elected, and even before that time, from what I hear from my constituents and other elected representatives in the region, in particular the mayors, concerning relations with CN and CP. This is very important in connection with the subject we are addressing today.

We need to look at the role these companies are called on to play in our communities and see what a key role the railway has played in the history of Quebec and of Canada. In any history course, even at the university level, we still talk about the railway as a core element of our country's collective history. When we look at it that way, there is a duty to work with the various stakeholders. Today, we are talking about the stakeholders that ship various products, in the farming sector in particular.

In my riding, I am in an odd situation when it comes to this subject. On the south shore, Montérégie is located right in the middle between Montreal and the more urban part of the south shore, but also in a somewhat more agricultural and rural area. Let us not forget that there are also farmers in my riding. I can think of neighbouring ridings, like Shefford or Saint-Hyacinthe—Bagot, where there are people in the farming community who use the railway. We can really

see how much the railway connects those regions to Montreal, and beyond there to other destinations, including Quebec City, Ottawa, or the other end of the country.

When we consider these facts, we feel we must take action to support our farmers, but we also want to protect the communities living alongside the railways. We therefore need CN to work with us. That is why this bill is important. We are talking about agreements with shippers, but this is also an indication of the need to go beyond that and call on CN to co-operate more on other issues. Those issues all involve the same objective: improving and making better use of the infrastructure we have had for over 100 years now.

Getting back to my previous point, when I was talking about the work I had to do with CN, I have to say that it is not always an easy company to work with, quite frankly. I say that with all due respect because good things have been accomplished. I would not want anyone to think otherwise, and I am definitely ready to work with them. However, the fact that we needed a bill to make CN co-operate on one particular issue shows that the company could do with an attitude adjustment and a little more flexibility given that it has a monopoly or a virtual monopoly on rail services in my region and across Canada.

I have seen this problem on two particular files, including the rail electrification one. This AMT proposal would modernize and improve rail services. It would reduce costs for producers using the services and for public transit users. Yes, it would be expensive in the short term, but in the long term, it would provide economic, environmental and other benefits.

We have had to deal with a lot of problems on this file. CN categorically refused without offering any explanations or agreeing to talk about it. This is another very important aspect of the bill before us today even though it is about a different issue with CN.

● (1630)

As for the other file, I heard a comment on the other side of the House about increasing train traffic. That is interesting, because that is exactly the kind of thing we want to see. That obviously means that the economy is doing well, including the local economy.

However, this increase is combined with the phenomenon of urban sprawl, which we are seeing more and more in Montérégie, particularly on the south shore. People are leaving the Island of Montreal to move to the suburbs, including our region. They are building homes around train stations to be able to use public transportation. I am talking about commuter trains. So these homes are seeing an increase in vibrations.

Government Orders

My riding office in Saint-Basile-le-Grand is in an old train station. It is no longer in use, but, obviously, since it is an old train station, we are close to the tracks and we feel the vibrations. It is not a big deal to us. It does not happen too often when employees work from 8 a.m. to 5 p.m. or 6 p.m., for example. However, I think everyone can agree that it can be more difficult for someone who lives close by.

Speaking about the importance of the railway calls to mind some comments made by one of the mayors in my riding. Gilles Plante, the mayor of MacMasterville, told me as well as CN officials that while he did not want to hinder CN's work or impede rail traffic, he did hope that a happy medium could be found.

Co-operation with CN on this front is necessary, but not always easy to get. We are still waiting for answers to requests made by citizens regarding rail traffic.

There is a reason why I bring this up and relate these stories of issues that I have been focusing on since being elected to represent my riding. As I have said before, the aim of the bill is to compel CN to negotiate agreements with shippers to prevent the company from unfairly benefiting from the monopoly it holds over our producers, in particular farmers.

If I might digress for a moment, I would especially like to congratulate the member for Trinity—Spadina for her work, for the bill she introduced, which made the minister realize that the time had come to act on this issue.

This bill is seen as a step in the right direction. However, hard work is needed to sustain this momentum. I am hearing from the farmers in my region and I know that some colleagues represent ridings where farming is even more prevalent. The message is always the same when the topic of public transportation or the railway system comes up. They acknowledge that this is a very important industry, one that needs to be modernized.

We lag far behind Europe in this area. Of course I am not saying that everything is wrong. I am sure that a government member is prepared to rise and say that everything is going well. I am not saying that things are going badly, but simply because things are not going badly does not mean that things cannot be greatly improved. This is true of the railway system. Things are going very well back home. People benefit from the service, but much more could be done. If improvements were made to the rail infrastructure, the costs in the short term would be great, but in the long term, as I said, users and shippers could enjoy lower prices.

As far as urban sprawl is concerned, as I said earlier, this is a positive phenomenon. It means that people are settling in our region, that the population is increasing, that more families are moving into the area and that our local economy is thriving. These are things that I am very proud of and very pleased to see. Mainly it drives many of the issues I champion in the House and in my work as a member of Parliament.

●(1635)

However, that makes life tough for farmers because municipal elected officials, regional conferences of elected officials, RCMs, members of the National Assembly and so on all wind up facing the same challenges: finding a way to promote urban sprawl and growth

back home, but also ensuring that our farmers still have an environment conducive to their production.

There are a lot of local products in the Richelieu valley, where my constituency is located, and they are the pride of our region. Tourisme Montérégie has done a lot of work, and even in the surrounding areas, in Rougemont near Marieville in my riding or elsewhere, local products are of outstanding quality. People attending the Chambly Bières et Saveurs festival in the summer can enjoy beer—it is very good—as well as superior-quality food products. We want to continue producing those products. They are healthful and good for the economy, and they are also good for our heritage, even though that may seem like a cliché. That, in a way, is our physical and environmental heritage.

The work we are doing with CN is extremely important: we are looking for a way to juggle the reality of modernization with that of agricultural tradition, which is very important in my riding. That is why I am very pleased to support this bill at second reading. It is a step in the right direction, as a number of my colleagues and I have said.

However, I believe that the committee work will be very important, and the work to be done over the next few months and years even more so. As I emphasized earlier, we have to prod CN on other issues as well. We have to demand even more from those people and from all stakeholders involved in railway issues, who will show us the way because we find it hard to move CN on these issues.

I would like to go back to the vibrations issue. This is fundamentally important for this bill because, once again, we are talking about shippers. Freight trains are increasingly long and that is very good. However, we wonder, and we have also put the question to CN, how it is possible to reconcile these two realities. My office is located beside the railway, and I also live near it. Sometimes drivers want to cross the tracks, and it is nearly rush hour and along comes a train transporting freight from elsewhere in Canada. Then they realize that the train is nearly 200 cars long. Sometimes people wait a long time at the stoplight. We realize that some work still has to be done to reconcile this urbanization reality with the fact that these trains have to pass through.

I am not saying that this is not important. I am referring to the situation facing my colleague, the mayor of MacMasterville. We want to keep this in our municipalities. We do not want to tear up the railway. It is part of our heritage and we know how much it benefits our communities. No one would ever say otherwise. However, I think we need to do some work on it. This bill urges CN to do something for farmers. We could also urge it to do more for Canadians in the regions.

The railway is such an important part of our heritage. I recall a Knights of Columbus dinner that was held in November. One of the members, Gilbert Desrosiers, who is very well known in my riding, received a painting done by a local artist whose name escapes me at the moment unfortunately. It was a picture of what we, back home, call the black bridge. There is a large CN logo on the bridge. It is hard to miss. Whether you are on the Richelieu highway, on the shore or in a boat on the Richelieu River, you can see this railway bridge. It is practically an institution in our riding. It is part of our heritage.

Government Orders

I say that half-jokingly, but I am also serious. It illustrates people's sense of belonging. We want to make this infrastructure work in our region because we know what a remarkable asset it is.

• (1640)

I know that I am revisiting issues that I have already raised. However, since I have the time, I will again address the issue of the electrification of the rail line. It is very important, and CN's attitude to this issue poses a problem.

I often have conversations with my colleagues, who are ministers and members of the National Assembly. We all more or less have the same vision as far as objectives for public transportation are concerned. A common vision in the region is a good thing, and helps steer progress.

On the other hand, it is understandable that the AMT has projects and that CN is a source of friction. Indeed, they have differing interests and their situations are not the same. Yet, what has been most disturbing in this issue is the lack of dialogue. When this decision was made, the AMT did not seem to know why; CN simply said that it was too expensive, that that was that, and that it was no longer in the cards.

Had the original developers of the railway, both in Quebec and elsewhere in Canada, said that building the railway was too expensive, little progress would have been made. That is precisely the kind of mentality that CN and CP need to do away with. We do not deal with CN and CP as much back home, but these companies still have a role to play, and some of my colleagues do deal with them. That kind of mentality cannot be allowed. We know that it is expensive. We know that it is an investment. I believe that, in the long term, it is going to help reduce costs and promote the kind of environment that is so important for our farmers.

For example, the closer one gets to the Cities of Richelieu and Chambly—which are in my riding and are adjacent to the municipality of Saint-Jean-sur-Richelieu, in the riding of Saint-Jean—the more railways there are. However, they are mostly outdated and no longer in use. The municipality would really like to use this infrastructure and space. However, CP is dragging its feet, at least I believe that it is CP that is doing so.

All of this to say that when a municipality wants to use infrastructure and cannot do so, it is extremely problematic. When municipalities ask for answers, there needs to be an immediate dialogue. CN and CP have everything to gain by engaging in such a dialogue. It can only help them to do their job.

A CN representative, who I will not name out of respect, told me that if Canadians were to communicate directly with CN and tell them about their problems, CN would be in a better position to respond. However, that might not be so easy since these issues are localized. That is no secret. Residents in the region communicate with their elected representatives. Residents with those kinds of concerns call their mayor, municipal councillor or member of Parliament.

When citizens call elected officials and the elected officials contact CN, I think that this corporation should understand that it is time for action. The fact that it does not come directly from a citizen is no excuse not to act. We are very ready to act.

I appear to be very critical toward CN and CP, but it bears repeating. We understand they have had great success and that they are still successful. However, in certain respects, they must be more open and engage in more dialogue.

This is why I am pleased that this bill was introduced. The government has decided that these corporations must speak and work with people. There are certain standards to be met.

If this is representative of things to come in terms of the railway, in my riding in particular, then I will be quite pleased to continue supporting them and engaging in a dialogue with them.

• (1645)

Mr. Dany Morin (Chicoutimi—Le Fjord, NDP): Mr. Speaker, I am keenly interested in this issue. I have asked various colleagues this question. I would also like to ask my NDP colleague this question.

Does he believe that the Conservative government is taking Canada's railway infrastructure seriously?

A little earlier, I mentioned that 70% of goods are shipped by rail. In order to move forward on the green economy, we must reduce road transportation and ship goods by rail more frequently. I hope the Canadian government will eventually agree to promote the green economy and play a leadership role.

Does he believe that the Conservative government is taking the issue seriously and that it is putting money and energy in the right places?

Mr. Matthew Dubé: Mr. Speaker, I would like to thank my colleague for his question.

Because I come from the region where the railway plays such an important role, I feel bound to say that, for this day and age, the money invested and spending priorities are inadequate. What we are pleased about in this bill is that when we take a step in the right direction, it allows us to believe, to hope—we are optimists—that it will be the foundation of some good work on this issue, something that has unfortunately not been seen yet.

In my colleague's riding of Saint-Lambert, which is just about next to mine, there have been cuts at the VIA Rail station which have had a negative impact on the services provided. Even if this is not exactly what we are discussing today, we have to consider the issue of infrastructure as a whole, as my colleague mentioned. These cuts cannot very well be something that is positive.

At the moment, there is a lack of determination and a lack of participation by those working in the field. I would hope that this bill is a sign that more attention, positive attention, will be paid to this issue, primarily for the people from Vallée-du-Richelieu and the people in my riding. If this were the case, I would be very happy to continue the discussion in a positive way.

Government Orders

•(1650)

[*English*]

Mr. Dean Del Mastro (Parliamentary Secretary to the Prime Minister and to the Minister of Intergovernmental Affairs, CPC): Mr. Speaker, the member made a number of good points in his intervention. One of the things he indicated, which I happen to agree with quite strongly, is that it is important that we hold to account companies like CN and CP and others, which are large, private companies that are very profitable, and that we set specific expectations for them. That is why, for example, we brought forward the railway safety bill in the previous Parliament. It was a bill we worked on with other parties to come to an agreement on; then it had to be brought back in this Parliament as well.

The bottom line is that these are private companies, and sometimes when we are making an assessment of whether the money is being put in the right spot, we have to understand the railway system as a network. The member who spoke previously talked about how his freight rail service is now down to a class 2, which limits the speed to 25 miles per hour for freight. That is actually quite serviceable for freight, although not perfect. He spoke about having a derailment. Obviously, that is something we want to avoid. That is why we brought in the railway safety bill.

However, when we are talking about investments into rail, as an example, perhaps the greatest investment we could make to improve the efficiency of the Port of Montreal would be to improve the railway tunnel in the city of Windsor. Most people would not think of that, but it would actually improve the efficiency of the port services in Montreal.

I would like the member to expand a little on where he thinks we could better hold the railways to account. I think he is on the right track with that, and I think the bill is going in that direction.

Mr. Matthew Dubé: With “on the right track”, I will assume no pun was intended there

[*Translation*]

I agree with some of the points made by my colleague. I thank him for the question. This is a network and that is why we would like to see, as we are in fact proposing, a Canada-wide strategy that would enable us to make the appropriate investments at all levels, because what he said is entirely true.

The reason why the railway has a positive impact for farmers in my riding is precisely because the service goes to Windsor and farther beyond. That is a fact.

In terms of the fact that CN and CP are private enterprises, that is a difficult question. We agree on that, but when we consider the fact that the infrastructure was built by people from our region and elsewhere and that a lot of money has been invested in it, and also the government’s responsibility to ensure that we have a proper rail network, there is good reason for more dialogue between the government and CN and CP.

With this bill, certain obligations will be instituted, but this is the kind of dialogue that will happen more often. I realize that it is never easy to deal with that reality.

Lastly, with respect to Bill S-4 on railway safety, there were many points on which the parties agreed. I venture to hope this is an indication that we will be able to get along better, because it can only be a positive thing for my region if we continue to do that. I venture to hope.

[*English*]

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, I believe there are many different individuals and stakeholders who are following this debate because it is of critical importance. Issues have really been outstanding since 2007, because that is when industry, in particular individuals who rely heavily on shipping, said they needed to have some sort of legislative manner to start dealing with levels of service. There is a sense of optimism that finally we might see some sort of a bona fide service level agreement put into place, where ultimately there is a consequence or a potential for penalties and so forth. However, it is important that they be enforceable.

I wonder if the member would provide comment in terms of that aspect of the legislation, which seems to suggest that we would have some form of service level agreements that would appease a great number of the different stakeholders, on the condition that it is enforceable, that there are penalties, that it would provide for a better quality of service. That is one of the driving forces behind this debate. Shippers want to see better quality shipping being conducted, better service levels so when they want, need and have paid for a car that it will be there for the shipping of their product. Would the member want to comment on the service level agreement concept?

•(1655)

[*Translation*]

Mr. Matthew Dubé: Mr. Speaker, I thank my colleague for his question. This is certainly something positive. However, there are obviously consequences associated with passing a bill like this one. It is somewhat pointless to have agreements between the stakeholders—the producers, the shippers and the railway companies, like CN, in this case—if they do not have the tools to enforce those agreements.

That said, this is to some extent the approach my colleagues will take when they examine the bill in committee and also look at the question of arbitration. We do want shippers to have the tools they need in order to take full advantage of this legislation. It is quite important that CN and CP be called on to make better agreements with shippers. But that may still pose a problem if the legislation and the legal situation tilt too heavily in favour of the railway companies.

My colleague and I have raised two very important points relating to arbitration, to ensure that we enact legislation that has teeth. Once the bill is passed, we are really going to have to make sure that the agreements made are complied with.

[*English*]

Mr. Dennis Bevington (Western Arctic, NDP): Mr. Speaker, I am pleased to rise to discuss the bill, Bill C-52, an act to amend the Canada Transportation Act.

Government Orders

As the previous transport critic for this party during the 2008 to 2011 era, through that time I recognized that there was a great demand across the country for changes that would assist shippers in dealing with the duopoly of the rail system in Canada and the conditions that occurred.

Quite clearly, the concerns were greater among the smaller shippers than among the larger shippers. Therefore, the ones that could command the greatest use of the railway had greater opportunities to strike better deals. The problems lay in a stronger fashion with those that did not have the quantity and the continuity of freighting that would attract the rail systems.

I remember meeting with the pulse association, people who provide agricultural products that are not grain but beans, soy, peas and that measure of agricultural product, which is growing considerably in Canada but in smaller batches in different areas across the country. Their problems with getting their product through the rail system were paramount to them. They said they could not deal with the system as it is right now. The types of producers, the locations of those producers across the country and the nature of the product meant that the rail companies were not attracted to them as customers as much as they were to larger producers.

I will be very interested to see how it will play out across western Canada now with the loss of the single desk for grain, how that will play out with small producers, smaller aggregations of those who are moving grain.

The Conservatives sold the idea of getting rid of the single desk on the basis of enabling grain to be moved to different places by the producers in a fashion that would allow them to value-add to their product. Let us see what happens when this occurs in a system where the need for freight is paramount, where we have to move the product and where farmers are not protected by the larger system that existed under the single desk. We will see what that does and how it works. I am sure the committee will hear representation on that matter as well, as it moves forward.

In looking at the rail system, we have heard a lot of talk about infrastructure. The parliamentary secretary mentioned the great investments that the government has made in the rail system. I would raise, for instance, the investment the government is making in one of the big problems with our rail system, the level crossings. There are some 1,400 level crossings in this country. They are being added to incrementally by municipalities all across the country. The Conservatives identified \$27 million a year over five years to invest in level crossings.

When we do the math, that does not turn out to be something that will really solve the problem we have with level crossings. Some level crossings can cost between \$30 million and \$40 million to fix. These are major requirements in the rail system.

If we take a good look at it, the rail companies are not primarily responsible for what has happened with level crossings. This is a co-operative effort that extends across governments, provincial highway authorities and municipal governments. Everyone has a hand in level crossings. Why does the federal government have to play a role? The federal government can be the final arbitrator there. With the profits rail companies are making, they should be a big part of this as well.

● (1700)

Of course, the government does not collect taxes in a decent fashion from corporations that actually make profits, and cannot reinvest for the public good and the good of those corporations. The chances of the infrastructure issues, that is, of rail being fixed across this country, are very remote if the present spending level of the federal government continues.

I am glad that the NDP has such a strong transport critic today, one who has pushed very hard on these issues.

The service agreement review went through and finished in 2011. Members are now seeing an act in front of Parliament, Bill C-52.

The first part of the bill sets up terms and conditions for contracts for railways and shippers. If a shipper wants to enter into a contract with a rail company, it can describe the traffic to which it relates, the services requested by the shipper in respect to the traffic, and the undertaking the shipper is prepared to give to the rail company with respect to traffic for services. How will one make sure that the rail companies will be well served when their cars arrive? How will all of this fit together?

Contracts, of course, do not apply to written agreements already in place. A company that has already established a written contract with a rail company is not available to deal with this under this legislation. They are locked in.

In the case of many of the larger producers, that may be to their advantage. They do not have to renegotiate anything. The ones that provide a lot of freight movement have a deal set up.

Seeing what is happening in the industry here with the failure of the pipelines that have been proposed for Canada, I would say that we are going to see greater rail traffic carrying oil and gas products across this country. That may change the dynamics of the rail system as well. The larger producers may find themselves competing with other very large producers as well. We will see how that plays out.

The second part of the bill deals with arbitration. Once one has established a contract or is unable to agree on a contract, there is a process of arbitration. That is good because, of course, it is sometimes very difficult to come to agreements.

Small producers in a remote location are looking for the rail company to arrive in a good fashion with the cars. They are going to leave them there. The cars are going to be in good shape. They are going to take the cars away after they have them filled.

There are many variations that have to be examined in a contract between two parties that carry out this kind of work. Is the shipper going to be ready to provide the product to fill all those cars when they are delivered at the site? If they are not, is there some measure of compensation to the company for leaving the cars there longer? If the company does not supply the cars in a good fashion, is there a way to compensate the shipper, who may be backlogged at the receiving area with the other mode of transportation that caused them to bring it to the railway? These are complex, detailed issues that have to be worked out between shippers and the rail company. Of course they will require some arbitration.

Government Orders

What is the hammer that the company keeps under this legislation when it comes to negotiating or dealing with arbitration? Under proposed subsection 169.31(4), the following applies:

For greater certainty, neither a rate for the movement of the traffic nor the amount of a charge for that movement or for the provision of incidental services is to be subject to arbitration.

● (1705)

There is the hammer for the company. It can set the rate for the cars sitting in the dock. It can set the rate for the movement of the material out of the area. It can decide the nature of the movement, the volume of the movement taking place, and how cost effective that is with its service charges that fit over top of that. All of those issues are not going to be subject to arbitration.

The company holds a very strong hand there when it comes to exactly what it is going to cost to do the work. Still, the arbitration should take into account the rates. In any business arrangement, the rates are very important. They cannot simply say “We are going to have a service contract, and you do not get to talk about the rates. The only thing you can talk about is what is going to happen”. Those two things have to work together.

The government, by excluding that from arbitration, has given the rail companies a very strong position in Bill C-52. I hope that it will be seen in committee as something that needs to be worked on. There needs to be some work done to make this fairer, more equitable to all of those concerned, especially the small producers across this country who do not have the leverage to make the deals, as was the case even before this bill.

After this bill there should be some leverage for those small companies so they can make sure that services are being provided to them in a good fashion at a reasonable rate. That is what we should be doing in government, being fair to both sides. The basis of government is trying to come up with solutions that work for all parties.

Some of the other concerns here also fit with small companies, the small shippers, such as the degree of difficulty they may have in working in arbitration, the timeframes that are outlined, the process that is outlined, all of which are very complex and very expensive. The costs will have to be borne by the shipper. The cost of the arbitration is to be split equally between the shipper and the rail company in all cases, according to this legislation.

How does that work? If the arbitration is in favour of the small shipper, they still have to pay the piper for the work they have done.

What I would like to see in this is some means of establishing rates and conditions that would apply across the country, so that some kind of equivalency develops among the arbitration systems and that, across the country, what is decided in one place has some relevance to what is going on in another, so that we have some fairness in the system.

I do not see that yet. Perhaps some of my Conservative colleagues who may have some ideas about that may want to express them. I think it is more likely to be taken up in committee, however. This bill needs a lot of work.

What is the record of this majority Conservative government in offering up amendments? I have to say it is abysmal. It is totally abysmal. These people do not believe in amendments. The Conservatives believe that what they put forward is good enough for the country. They are in charge and they know what is right. This is what has happened with almost every single piece of legislation that has gone through the House to date.

Where are the amendments? When I worked in the transport committee, when there was not a Conservative majority, we worked together, we looked at the issues and we came up with solutions that were mutually agreeable. Then we created amendments that we all agreed with.

Transportation is a fundamental and vital service to this country. It is not something that should be dealt with by parties working against each other. I was always very pleased with the previous transport committee chair, the member for Brandon—Souris, who was very fair and understood that transportation was a vital and important part of this country, which needed to be expressed as such.

This bill should be amended. It should be considered very carefully for what it actually accomplishes and what it should accomplish.

● (1710)

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, I would like to thank the hon. member for the Western Arctic for his comments, particularly toward the end of his speech, where I think he made one of the most important points in this debate.

There has been great frustration among the Canadian public on their lack of voice in the enactment of legislation by the government. Certainly, we have heard it in the Idle No More movement.

As the hon. member said, what could be a more important service than transportation for all Canadians?

Of course, our critic for transportation has done a great job in trying to push through a national transportation strategy.

I wonder if the member would speak about who he thinks should be able to come forward to the committee to express what additional needs they have, what changes should be made in the legislation and what kind of process should occur to ensure that the legislation does reflect the needs and interests of all users of the rail lines.

Mr. Dennis Bevington: Mr. Speaker, I think the committee could perhaps start with the witnesses who could talk about equality and fairness within the system. We might actually want to look at economists, perhaps some people who study these issues around the world, how rail companies work in this fashion, so that we could see clearly what is fair, what is likely to be fair, and how to present that in committee in a good fashion. I would say that would be a first step for this bill: to examine the ethics of the bill and how it would apply to the different parties who would be affected by this.

Then we would want to take that understanding and go to the actual shippers and make sure that we cover the wide variety of shippers in this country, geographically and by the type and size of material they are moving through the country, because they are all very significant players.

Government Orders

I would say that would be an interesting formation of the committee. However, whether the committee is ready to put that kind of effort into this remains with that committee to decide.

• (1715)

Mr. Dean Del Mastro (Parliamentary Secretary to the Prime Minister and to the Minister of Intergovernmental Affairs, CPC): Mr. Speaker, I know that the member made a couple of points, including a couple I took issue with, not the least of which were his comments on corporate taxes and corporate tax rates. Of course, railways, CP and CN, are among the most heavily invested in by funds that are seeking solid, stable investments, such as OMERS pension fund and the Ontario teachers' pension fund and Canada pension plan and, of course, a wide range of private sector pension funds that look after members like the Canadian Auto Workers and so forth.

When the government takes less from those companies, it actually builds up their investments and pension portfolios, which is important, because we all have a stake in that, each and every Canadian in this country. Therefore, it is important that we do that.

He also mentioned that the bill would not get into rates. One of the reasons the bill does not get into rates is that the sector is already regulated in that regard. The industry actually has North American standards with respect to freight rates. These are put onto charts and railways actually work off those charts, and rates can be determined very easily as a result.

It is important that we have that because what we really have in many cases is a virtual monopoly. However, it is competitive from the standpoint that it is regulated and the government already looks at standardized rates for all North American railways.

One of the things that is really important to recognize, which I think the member does have an interest in, is that when we are looking at new development and how we are going to encourage investment in, for example, plan nord in Quebec or the Ring of Fire in Ontario or all of the natural resource wealth that extends into the territory the member represents, how are we going to ensure that these companies are prepared to make the investments, and the service requirements are met by these companies in those areas so that we can in fact explore these resources for the benefit of all Canadians?

Mr. Dennis Bevington: Mr. Speaker, there were two questions. I will attempt to deal with the first one.

Of course, without government raising money, we cannot reinvest in things that require investment to increase productivity. If we increased productivity in the rail lines, we would then increase the profits of those rail lines. They could provide that to their shareholders.

There is a symbiotic relationship among all the things we do in this country. There is no separation into hard and fast units. Rail, and the way it has developed in Canada, has engaged most segments of our society. That is why government has a very important role. However, if government does not collect the money, it cannot invest. It is pretty straightforward.

There may be North American rates. However, quite clearly, there is also the provision of incidental services. I am sure that there is a

lot of fudge room within those rates. Nothing can be delivered at the same price in the same time. Volume counts. The type of delivery and the conditions make a difference. All these things add to cost or take away from cost. To not have them in arbitration, to not have the finesse of the system available for arbitration, I think is something that will inevitably lead to abuse.

• (1720)

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, to follow up, the member said that the freight rates should be going to arbitration. The first thing that comes to my mind is the importance of the arbitrator and how that arbitrator might be selected. I wonder if he could further expand on that point. How would he like to see an arbitrator, who would deal with issues that come out of Bill C-52, selected or appointed? How would he envision that working?

Mr. Dennis Bevington: Mr. Speaker, I think arbitration, by its nature, means that we want someone who understands the nature of fairness within the system. To have that, it has to be someone who fully understands the system but is not engaged in one interest or the other. There must be continuity, with the same logic applied to different areas of the country and the same methodology, which comes from continuity, in arbitration. I would say that if this system is going to be successful, it needs those qualities within the arbitration system. One is a dedication to fairness and the second is continuity.

[*Translation*]

Ms. Marie-Claude Morin (Saint-Hyacinthe—Bagot, NDP): Mr. Speaker, I am pleased to speak to Bill C-52. I will be sharing my time with the member for New Westminster—Coquitlam.

Rail transportation is of particular interest in my riding. First of all, I would like to say that my party and I support this bill at second reading.

Some hon. members: Oh, oh!

Ms. Marie-Claude Morin: Mr. Speaker, I would like my colleagues to take their conversations outside, as it is very distracting. That is all right, I will continue even though I have lost my concentration.

We know that—

The Acting Speaker (Mr. Barry Devolin): Order, please.

The hon. member for Saint-Hyacinthe—Bagot has the floor.

Ms. Marie-Claude Morin: Mr. Speaker, it is slowly happening.

Mr. Royal Galipeau: You are influential.

Ms. Marie-Claude Morin: I am influential, as my colleague opposite stated. I will start again from the very beginning because I lost my concentration somewhat.

As I was saying, transportation is an issue I am interested in and something that is also important in my riding. I will talk about agriculture a little later. I talk about it often because it is important to me and it plays a large role in my riding.

First, it is important to state that my party and I support the bill at second reading. We know that 80% of railway users are dissatisfied with the service provided.

Government Orders

It is important to say that some amendments will have to be made in committee. The bill must be improved so that rail transportation really improves in Canada.

After years of discussions, the Conservatives finally introduced a bill in response to a number of complaints from rail customers that received inferior service from the major railway companies for a very long time.

I would like to go back to the speech by my colleague, the member for Chambly—Borduas. Earlier he referred to the railway as part of Canada's heritage and to the sense of belonging that people attach to the railway in Canada. In my opinion and that of the member for Chambly—Borduas, that makes it more important to invest properly in this mode of transport, a fundamentally important one in a country such as Canada, which is very large and sparsely populated.

It is also important to say that everyone must come out a winner: the railways but also rail transport service customers, such as farmers and mining companies, which are often victims of the railways' virtual monopolies. We are talking about service disruptions, delays and disturbances that hurt the agriculture, forest products, mining and manufacturing sectors, which are not compensated for the losses.

A large portion of those goods is intended for export, which is very important for Canada's economy. Those sectors must be able to rely on effective transport in order to export their goods, not to mention the fact that many goods, as in the agricultural sector, are perishable. Producers therefore cannot afford major delays or service disruptions. Their products must be exported immediately.

Shippers have difficulty obtaining fair, reliable rail transport services. Some are not even able to secure contracts with major railway companies, and those that have contracts often suffer long delays or simply do not have enough cars at their disposal.

This entire situation undermines the ability of Canadian exporters to remain competitive in international markets, particularly agricultural products markets, as I said earlier. Farmers already face numerous uncontrollable challenges. Consider weather issues, for example, such as early frosts, excessive rain or too much sun. Farmers already deal with situations that are not easy to handle. That is the case with all farmers in my riding: we never know what will happen with the harvests, whether we will manage to make it to the end or whether everything will go well. The government thus has some responsibility toward these people, who feed Canada's population, and it must assist them, in particular by guaranteeing that their goods are efficiently transported. That is already a first step.

Following years of discussion, expert panels, an attempt at mediation and consultations with stakeholders, the Conservatives ultimately had no choice but to introduce a bill in late 2012, not very long ago.

● (1725)

One reason this bill was introduced was pressure from the official opposition NDP transportation critic, the member for Trinity—Spadina, who does an excellent job on the transportation file. My colleague presented a private member's bill, the Rail Customer

Protection Act. The government then finally moved forward with Bill C-52.

For too many years now, farmers and other business owners have been subjected to bad rail service, and Ottawa has not taken action. Bill C-52 is a step in the right direction, but it is far from being perfect, since it does not include some major demands from shippers. I think that its wording is a bit ambiguous, which could create some loopholes. That will have to be considered in committee.

The committee will also have to consider the stakeholders affected by the problems, so it will have to consult farmers, for example, as well as stakeholders from the forestry and mining industries. That would be worthwhile. As I said earlier, 80% of customers are not satisfied with the services. That is a big number. If I had a business and 80% of my customers were not satisfied, I would be on the brink of bankruptcy.

Canadian shippers deserve fair and reliable service. They also deserve to be protected.

Every year, this situation costs the Canadian economy millions of dollars. We are talking about jobs and about goods that are lost or do not make it to the right place. Every day, many industries have to deal with rotting crops, work interruptions in plants and mines, and missing cargo. This is a real problem. Clearly, it hurts shippers and, as I was saying earlier, it hurts our global competitiveness. It costs us jobs.

The current bill is a bit weak.

I have only one minute left. I always get carried away and I did not even get to half of what I wanted to say. That is okay. I will continue quickly.

I find that the bill is a bit weak. It does not necessarily cover existing contracts. That could be something to look at in committee.

I would like to close by saying that 70% of our goods are shipped by rail. That is a good reason to invest properly in this means of transportation and to protect the shippers who use this service so that they have a fair and reliable way of transporting their goods.

● (1730)

Mrs. Anne-Marie Day (Charlesbourg—Haute-Saint-Charles, NDP): Mr. Speaker, we know that trucking is expensive. We need to rebuild and improve our roads. In the spring, there is freezing and thawing; it's a never-ending cycle. And so, in terms of bulk shipping, the railway really seems to be an ideal solution for the future and for the economic development of a country such as ours.

Does the hon. member not believe that a solution for the future could be a modern and efficient means of transportation, such as a modern and efficient railway that could be rebuilt from one end of the country to the other if we would choose what mode of transportation we want to focus on in this country?

Ms. Marie-Claude Morin: Mr. Speaker, I would like to thank the member for her very relevant question. I wanted to touch on that point in my speech, but I did not have time.

Government Orders

At times, companies get frustrated and have no desire to use rail transportation because it is so inefficient. These companies turn to trucking. That is not ideal for infrastructure, namely roads. Roads degrade more quickly when trucks use them over and over again.

Investing in rail transportation infrastructure is a good thing; it is also good for the environment. The number of trucks on the roads will decrease significantly if the rail system is used properly. And, consequently, greenhouse gas emissions will be significantly reduced.

The environment is an essential part of quality of life for Canadians from a sustainable development perspective. It is simple: a reliable rail system is part of a sustainable development plan.

Mrs. Anne-Marie Day: Mr. Speaker, I still have many questions to ask. If you give me the opportunity, I will ask others.

I would like to talk about local and regional development, as well as attractiveness. There are significant economies of scale when services are pooled. A transcontinental railway was built as our country was being shaped. There were far fewer people in the country then and there was not enough money to pay for such a project. It was achieved by investing in the country's development over many years.

Can the member talk about the possible economies of scale for our small businesses and about their development if they were to use intermodal transportation, such as the train, instead of trucking?

• (1735)

Ms. Marie-Claude Morin: Mr. Speaker, once again, I thank my hon. colleague for this very relevant question.

It follows the same principle as sustainable development and the environment, which I was talking about earlier.

For instance, eight SMEs, which have less goods to ship than a large company, could decide to get together and use rail rather than road transportation, since they are located more or less in the same place and their goods are going to roughly the same destination.

Our SMEs would be more profitable, because transportation would be cheaper, faster and more efficient. It would also be easier for them to develop a market across the country and maybe even internationally than if they used only road transportation.

And getting back to a sustainable development perspective, this would also reduce greenhouse gas emissions.

[*English*]

Mr. Fin Donnelly (New Westminster—Coquitlam, NDP): Mr. Speaker, I rise today not only as the member for New Westminster—Coquitlam and Port Moody but in my capacity as western economic diversification critic for the NDP.

Like my NDP colleagues, I will also be supporting Bill C-52, an act to amend the Canada Transportation Act, to send the bill to committee for further discussion. We do, however, have serious concerns with the bill as my hon. colleagues before me have pointed out, including the member for Trinity—Spadina, who is the NDP transportation critic. She outlined some of those concerns in her speech earlier.

Rail transport is the backbone of the Canadian economy. More than 70% of all surface goods in Canada are shipped by rail, so we can see how critically important it is to get this right. Eighty per cent of service commitments for agricultural rail customers are not met by rail companies because of issues such as delays, insufficient number of rail cars, inefficiencies and unreliable service. The rail freight service review found that 80% of shippers are not satisfied with the services they receive. Eighty per cent is a significant amount. Over three-quarters of all customers have a concern.

I just want to talk about the importance of rail to my riding of New Westminster—Coquitlam. Specifically I am talking about Port Moody where we are celebrating 100 years of history. Just this weekend I was at a book launch hosted by the Port Moody Heritage Society for *Tracks in Time*. Obviously the title is in reference to trains and the influence that trains have had on the development of our community and on the west coast, and in fact, of all Canada. The rail system is of critical importance to our community. We celebrate the Golden Spike festival in Port Moody every Canada Day. This just points to how important trains are to our community.

Talking about the importance of trains not only to the community but to the rest of my riding, it is important to focus on the efficiency and the service that trains provide to Coquitlam, Port Moody and of course New Westminster. It is important for the economy not only in my riding but in western Canada and indeed all of the country. It is critical that we look at ways to improve train service in this country.

I want to provide a bit of background. I know other colleagues have commented specifically about what the bill would do and would not do and some of its shortcomings.

Rail freight customers from farmers to mining companies are suffering from the virtual monopoly of power of the railway companies. In most parts of the country shippers cannot choose between rail service providers because they only have access to either CN or CP. Even in a few places where both rail companies provide access, one is virtually priced out of the market, leaving the shipper with no real choice. Shippers routinely suffer from service disruptions, delays and various forms of non-performance by CP and CN. Deliveries and pickups are not done on time or skipped completely. Frequently the number of ordered rail cars is not matched by the delivered rail cars and sometimes cars are damaged.

A broad range of industries are affected by the situation, especially agriculture, forestry and mining. In western Canada these industries play a significant part in the economy. Chemical and automotive businesses in the rest of Canada are also affected.

Government Orders

A large portion of these goods are destined for export. Lacklustre rail services are thus hurting Canadian exporters' abilities to compete in global markets. For example, soybeans from Argentina enjoy a competitive advantage in markets such as Japan and China because they are delivered faster and more punctual than soybeans from Canada, despite the fact that the total distance covered is significantly shorter for products from Canada. For years shippers have been unhappy but no concrete action was taken by the Conservatives. Since 2007 a "talk it out and wait" tactic was employed, starting with the promise of an expert review panel.

● (1740)

The rail freight service review started in 2008. The independent panel tabled its final report in early 2011. Half a year later, in the fall of 2011, the Conservatives initiated a mediation process that did not yield any results. Presumably, with the tacit backing from the Conservative government, CN and CP were unwilling to make any meaningful concessions. The mediation process, led by retired Conservative politician, University of Calgary Chancellor Jim Dinning, failed. Dinning released a report in June 2012.

The Minister of Transport promised government legislation on the topic to be tabled in the fall. Parallel to the end of the mediation process, the member for Trinity—Spadina tabled a private member's bill, Bill C-441, the rail customer protection act, in June 2012. The private member's bill, coupled with advocacy work from the shipping community, put pressure on the minister to follow up on his promise and actually table legislation.

The shipping community is organized in a coalition of rail shippers. The coalition is a loose and rather informal entity. Organizationally this group is attached to the Canadian Industrial Transport Association. The coalition consists of 17 members that represent mining, forestry, agriculture, chemical and manufacturing industries. One of the original 18 members repeatedly has been brought up in the U.S. Senate, both on the floor and in committee without decisive legislation as of yet.

The surface transportation board, a federal body, is working on regulations to address pricing and service issues, while judges have repeatedly supported shippers in court cases. I just wanted to point that out.

What is the NDP are looking for? What can be specific about?

We know farmers and the mining and forestry companies have been hurting for years due to unreliable freight services, without getting any help from Ottawa. To truly address the issue and also to give the NDP leverage in rural areas, the member for Trinity—Spadina has become an advocate for strengthening the shippers' position. She has been very active on this file.

The NDP position is quite simple. We are standing with business and exporters and we are committed to getting them the fair and reliable freight services they deserve. That will have an impact on not only western Canada but on the entire Canadian economy.

The member for Trinity—Spadina has worked on this issue, including forging ties with key industry associations and tabling an NDP bill. One of the goals is to continue to grow those ties with the NDP as the party that stands up for legitimate business interests and pushes back against market power abuses.

While Bill C-52 falls short on a number of stakeholder demands, it is prudent to support the bill as the shipping community is largely content with the legislation. They are also quite desperate to see some legislation address their issues.

The task is now to address the shortcomings and strengthen the bill to the benefit of the shippers and also to promote our involvement with the entire process. That is what we are doing here. We are trying to highlight some of those key issues that need to be worked on at the committee stage.

Bill C-52 will only cover new service agreements, not existing ones. Many shippers will be stuck with unreliable and unfair services, without any conflict resolution process in the case of violations to existing service agreements. Arbitration is only available for shippers that are negotiating new contracts.

Instead of offering quick and reliable help through conflict resolution to shippers, Bill C-52 would give arbitration a narrow scope for a small group of shippers and the outlined arbitration process could end up being too costly for companies like the Canadian Propane Association and others.

I want to finish by letting the House know there are others that support the position we are bringing forward. They are key stakeholders, like agriculture, mining and forestry industry associations, that have been calling for freight legislation for years, for example, Pulse Canada, Grain Growers of Canada, the Forest Product Association of Canada and the Mining Association of Canada.

● (1745)

In conclusion, I want to say that we are in support of it at second reading. The NDP will push for amendments at committee stage to protect shippers from the abuse of market powers through the right to comprehensive service agreements and conflict resolution processes.

Hon. Lynne Yelich (Minister of State (Western Economic Diversification), CPC): Mr. Speaker, I was very pleased to hear the critic for western diversification talk about the importance of shipping and this legislation for western Canada. It was really great to hear the member speak about how important it is for our economy. He cited agriculture and potash mining, which is in my riding. I was very pleased to hear the importance he placed on the economy.

Looking at the whole picture of rail, would he deem the railway an essential service?

Mr. Fin Donnelly: Mr. Speaker, the minister's question is critical. This is obviously a critical component of the economy. We have legislation that supports collective bargaining and the right for that to happen freely. We want to see fair agreements and processes in place that are democratic. We want to let those processes take their natural course.

Government Orders

We are definitely supportive of collective bargaining. We want to ensure that it is not just the companies getting the profits, which in CN and CP's case, are sometimes rather large profits. We also want to make sure that our workers are treated fairly, are properly looked after, have their fair share and have the right to be involved in the economics we enjoy in transportation field.

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, Bill C-52 is there primarily because of concerns expressed by those individuals and stakeholders in the shipping industry, whether they are in agriculture, forestry, minerals, chemicals, fertilizers, oil and gas or industrial and other types of manufacturing. It is a fairly extensive list of individuals. Small and large businesses have seen this great imbalance that does not favour the shippers. This became apparent to the Liberal Party in 2007, when the stakeholders came forward saying that they needed to see some form of legislation. They came to the table and asked the government to do something.

One could argue that the bill before us today is a very small step, but it is a very important step. The issue is the degree to which the government is going to be prepared to accept amendments to improve the bill so that all members of the House enthusiastically support it. Would the member provide comment on the importance of the government listening to the stakeholders once the bill gets to committee so that we can improve it?

• (1750)

Mr. Fin Donnelly: Mr. Speaker, it is a critical question, because we are hearing a large degree of support for moving the bill forward to committee for further discussion. We have not heard a lot of comment from the government side of the House on whether the members would be prepared to listen to the opposition to hear the concerns raised here.

I am hearing some degree of support. There may be an indication of support for listening to the comments we have raised. That is critical.

The member also mentioned small and medium-sized businesses. It is critical to mention that they are really the economic engine of the country. They also need to have a stake in this and have their concerns listened to and legitimately brought into this process so that this legislation reflects their ability to move goods across the country.

[*Translation*]

Mr. Robert Aubin (Trois-Rivières, NDP): Mr. Speaker, I must say, I have rather mixed feelings as I begin my speech, because I feel like I have become an expert in the moonwalk, that dance move that makes you look like you are going forward when in fact you are going backwards.

When I first learned of the problems in the area of rail freight transportation, I had the impression, given the response and the private member's bill introduced by my colleague from Trinity—Spadina, that we were moving in the right direction. Today, however, when I see what is in Bill C-52, I really feel like we are taking a step backwards. Nevertheless, there are enough things in this bill that we do agree with for us to support it at second reading. In committee, we will try to make some changes and some significant improvements.

It is important to note that in 1995, there was a re-engineering and modernization movement that led to the privatization of CN and CP. That is no secret. A neo-liberal ideology prevailed over an objective analysis of the facts demonstrating the importance of this service, which is crucial to Canada's economic development. Although railways remain publicly owned in many countries, here in Canada, it was decided to go for broke, and since then, we have seen the privatization of profits and the socialization of costs.

Balance sheets and recent decisions relating to public transportation show beyond a doubt that the return paid to shareholders takes precedence over developing business services and moving goods and people. The reason I refer to moving goods and people is that a choice was made to prioritize shipping goods over carrying people, something else that is uniquely Canadian. Canada is one of the rare countries to have made that kind of choice.

I will leave it to my colleagues to imagine the passenger transportation challenges that await us in the years to come given that the coalition of private shippers has been complaining for years about the poor quality of the services they receive, and they are the priority clients.

Rail shipping is the backbone of the Canadian economy. Over 70% of all goods shipped by land go by train. The reason is relatively easy to understand: you do not need a university degree in geography to see that in our country, rail shipping is often bulk, and it would be difficult to replace it with shipping by truck. And shipping by boat, which is sometimes more economical than by train, is not available everywhere, for fairly obvious reasons.

Canada was built by the train, and the railway is a vital link between communities in an enormous country. So we might be surprised at the present state and poor quality of rail shipping services. The Conservative government is not the only one responsible for this situation, but it is guilty of not tackling the problem head on in time to rectify this situation.

Day in and day out, the Conservative government claims to be working for the Canadian economy, but everywhere in the country, businesses are suffering from unreliable service, the result of which is hundreds of millions of dollars in economic losses every year. In addition, poor service leads to higher prices for some goods, chemical fertilizers being one example.

To put it more simply, over 80% of rail shipping services customers are not satisfied with the services provided by rail carriers—in other words, nearly everyone. This is 80% of loyal customers. MPs may have experienced this themselves, as customers of a store or a business. They may have started by getting excellent offers so they would become customers, but as soon as they became regular customers, they were taken for granted. And then their relationship gradually deteriorated and all the benefits were offered to new customers to expand the customer base.

That is something we see in Bill C-52, when it says that agreements governed by the new law will be made only with new customers, new contracts. And so anyone who has been using the services for years, and who is a long-standing loyal customer—if we can talk about loyalty in the case of a virtual monopoly—will not have access to the same rules that Bill C-52 seeks to put in place.

Government Orders

•(1755)

Clearly, there is room for improvement. We could make these improvements in committee if the government would be open enough to come to the table and participate in meaningful discussions and listen to the best suggestions to get the best bill possible.

I would like to come back to the fact that 80% of customers are dissatisfied. Something had to be done and something still urgently needs to be done, but the Conservatives clearly have not done anything because this matter has been dragging on not just for weeks and months but for years.

Why have the Conservatives taken so long to do something? Here is what I think may be happening.

First, rail freight customers are often farmers or mining companies. These customers have to deal with large railways that have a virtual monopoly over rail transport. I spoke about this earlier.

In most regions of the country, shippers cannot choose a rail transportation company because they have access to only one or the other. Even in cases where the two railway companies are present, the competition struggles to play the role it should and to influence the basic economic principle of supply and demand.

Why do we now have to legislate? Why can the stakeholders not come to an agreement among themselves? In all likelihood, CN and CP benefit from the tacit support of the Conservative government and, in that context, they are not at all prepared to make real concessions.

The result, as has been mentioned, is that 80% of rail freight customers—shippers—are not satisfied with rail freight service. So, of course, they have asked the government to take action and to introduce legislation that would require CN and CP to reach agreements on the level of service provided to shippers. After years of empty words, the Conservatives are now being forced to act as a result of pressure from the shipping community and the NDP.

Under duress, the Conservatives finally introduced a bill designed to solve some of these problems after the NDP critic's bill was introduced last spring. That bill, which was entitled the Rail Customer Protection Act, was much clearer and covered all customers.

The government is using half-measures. Quite frankly, although the Conservatives' bill is a step forward, it is a weak step. Here are some reasons: the protective measures do not cover existing contracts between shippers and rail transport companies; the bill offers only a limited arbitration process for unsuccessful negotiations of new contracts; the arbitration is available only for shippers who are negotiating new contracts instead of providing fast and reliable help for all shippers; Bill C-52 will cover only new service level agreements, not those that already exist.

Furthermore, the fines mentioned in Bill C-52 would go to the government and not the shippers. We could talk all night about the amount of these fines, which seem a bit weak to me for such big companies. The ability to interact, discuss and negotiate is undermined when the fines go into the government's pocket, which

supports what I was saying earlier that, rightly or wrongly, CN and CP probably feel like the Conservative government is in their corner.

I will move on from what is missing from the bill, since I am running out of time. I will no doubt have an opportunity to speak more to this in committee. I have a short conclusion.

Rail transport is not the only file on which the Conservatives have been dragging their feet. They implemented new railway safety measures. They made cuts to VIA Rail Canada and prevented the introduction of high-speed rail in Canada.

•(1800)

The Conservatives simply do not give Canada's rail network the attention it deserves.

Mr. Royal Galipeau (Ottawa—Orléans, CPC): Mr. Speaker, I would like to thank the member for making such an eloquent speech.

Does he believe that rail services are essential services?

Mr. Robert Aubin: Mr. Speaker, there is no doubt that rail services are crucial.

However, if the intention was to nudge me toward the topic of negotiation by talking about “essential services”, my 52 years on this planet have taught me not to take the bait.

I think the hon. member has his answer.

[*English*]

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, in the member's opening comments he made reference to CN's privatization in the 1990s. I was not here in 1995 when that occurred, and I am not too sure how the New Democrats voted then. Is the member aware of how NDP members voted? Did they want it privatized? If they did not want it privatized, was he prepared to advocate that it should be purchased back?

[*Translation*]

Mr. Robert Aubin: Mr. Speaker, I never thought I would say this, but I have something in common with my Liberal colleague: I was not in the House in 1995 either.

I hope he will forgive me for not having done the research to know how the NDP voted at that time. If the question really is that important, I can do the research and send him a response by email.

•(1805)

[*English*]

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, I would like to put the same question to the hon. member and thank him for his speech on this important matter.

Two of the members on the opposite side, including the Minister of State for Western Economic Diversification have raised this bugbear of whether it is an essential service.

Government Orders

I wonder if the member would like to speak to the fact that if, on the one side the government does not believe that the transport of our goods across the country is important enough to protect those people who are producing bitumen, growing grain and shipping equipment east and west, why does the government feel it cannot intervene on that side to properly regulate, provide fair rates and equal access to fair service? However, on the other side it throws in the bugbear that if the rail workers should think maybe they are not being paid fairly or have proper pension plans and so forth, that is the time for the heavy hammer of government.

[*Translation*]

Mr. Robert Aubin: Mr. Speaker, I would like to thank the member for her very relevant and interesting question.

For a while now, the issue of “essential services” has been coming up almost every time someone gets up to speak.

I am sorry to be responding with a question. If they are so desperate to have us say that rail services are essential services, why have the members on the other side of the House given this issue so little attention for so long?

Mrs. Anne-Marie Day (Charlesbourg—Haute-Saint-Charles, NDP): Mr. Speaker, earlier we were joking with the member for Chicoutimi—Le Fjord.

He said that a moose would be faster than the train, or that the train takes the milk run, and so forth.

In any event, the member from Trois-Rivières might be able to back me up here, but I think this file has been mismanaged. I remember in the 1990s that businesses wanted to join forces to build lines between their companies and the railway. The rail company was refusing to transport their freight.

Does my colleague have the impression that use of the railway has been abandoned in Canada?

Mr. Robert Aubin: Mr. Speaker, it is obvious that many companies that had other options turned to other modes of transportation because of the obsolete service.

However, rail service is the only option for many companies and farmers and our rail service has outdated equipment and services.

There is every reason to be concerned and to quickly take action to address the situation because, whether we like it or not, rail service is also the mode of transportation of the 21st century.

Ms. Alexandrine Latendresse (Louis-Saint-Laurent, NDP): Mr. Speaker, I am here today to speak to Bill C-52, which would amend rail transportation legislation.

It really surprised me that I could find something to be angry about in a rail transportation bill. Perhaps “angry” is a bit strong. Exasperated may be a better word.

What could I find so exasperating in an attempt to provide recourse for unsatisfied users of rail shipping services? It is very simple. It is as though the government is pretending to fix the problem to give the illusion that it is taking action. Members will notice that I said “exasperating” and not “surprising”, since this is becoming a trend.

Bill C-52 is another example of the Conservative government's chronic mismanagement. Rail transportation fuels Canada's economy. Of all the countries in the world, Canada is one that was built by the railway. The railway was behind every aspect of our growth.

The quality of rail infrastructure still has a direct impact on Canada's entire economy today. This is not news to the government; it knows that.

Usually, the Conservative government—as patriotic as ever—would defend our businesses' access to the rail system. Nearly 150 years ago, at the start of our Confederation's growth, it was the country's lifeblood. It was an almost heroic era when Canada dreamt of defying the world.

That was the 19th century. While the situation is quite different today, it is easy to explain. Rail companies are extremely prosperous and make ridiculous profits. And that is understandable because without them, Canada would be paralyzed and would have almost no economy.

A crucial detail that I should point out, even though it may be useless to do so, is that there are only two rail companies in Canada. The minister spoke of a “duopoly” when describing the situation, and that was fine in the first hour of discussion. But I do not like that term because “duo” means “together”, not just “two”. And that is the crux of the issue.

The ridiculous profits I mentioned keep piling up. Let us face it, there really is no competition. These two companies share all of Canada's rail transportation business and more, and they always have. These are two major, historic Canadian companies, if we can still call them Canadian now that they have been privatized.

That is the government's only motivation: do not upset the large corporations that are raking in huge profits. If any disputes arise between those companies and the small shippers, let us give the companies the power to shut them up quickly. Some would even say with nickels and dimes.

One might speak out and say that it is counter productive, that it is irrational to do that. Yes, that is true, but this would be forgetting that, first and foremost, these people, the government and the railway companies, know each other and talk to one another. These people are perhaps not exactly in collusion, but they definitely share certain sympathies. Yes, they are sympathetic to one another.

In addition, in the intellectual shackles of puritanism, which is the basis of the entire Conservative approach, it is clear that the fittest gets his power directly from God and must not be opposed. Success comes from God almighty. Put that all together and there you have the inspiration for Bill C-52 and for everything else, of course.

Here is what bothers me about the result, Bill C-52. I already know how the Conservatives will respond: “The economic recovery is too fragile. We must not make any waves. We have to ensure that we have everything going for us. We cannot do anything to compromise the railways' efficiency, not for the measly crumbs, not for a company worth, at worst, \$100,000.”

After all, we are not reinventing ourselves. These people are not likely to engage in such deep reflection now in the middle of February.

Government Orders

This is the same old story. After dragging its feet for so long, now the government is stubbornly defending a characteristically weak and contemptuous bill. Let us rename it: Bill C-52, an act that says that railway companies can break any contract they like for \$100,000, and be done with it. What a bargain.

Rail lines are real structures that result in exchanges and economic benefits that are just as real. There is a direct impact at all levels of economic life. If remote shippers can no longer rely on the two national companies, they might not exist at all. If shippers are neglected, they and their communities are not being allowed to participate in the country's development.

All paths starting on the margins lead to the centre. Coming from a government that claims it will leave no stone unturned to achieve prosperity, it is rather strange. For people who take every opportunity to proclaim to the world that supporting the right is the best way to ensure the well-being of business, it is more than revealing.

Is that the Conservative government's great recovery plan for outlying regions? Yes, undoubtedly. Bill C-52 is striking proof. Develop resources, process them, but do not try to sell them because all the railway cars are taken. This is more proof that there is no plan and that this will have to wait, again. However, be happy, there are a lot of people lined up to talk to the government and you can chat with them. There is the manufacturing sector, my entire generation and all aboriginal peoples of Canada. You will surely find something to talk about to pass the time.

• (1810)

I would like to acknowledge the work my colleague from Trinity—Spadina has done on the issue before us today. I say "colleague" because that is how we refer to each other here, even though I would prefer to use a word that better represents the respect I have for her. She not only wants to do everything, she can do everything. If the official opposition transport critic says that she has met with all of the stakeholders, it means that she has met with all of the stakeholders, even the ones who were hiding. And if she says that a clear majority does not like anything in this bill, it means that there is damning and incontrovertible evidence.

The government can pull all kinds of adjectives out of the *Oxford English Dictionary* to defend itself, evade the issue and have us believe it worked very hard to restore balance, but no one is listening. That is what I find so exasperating. I hope I am being clear. I find the gaps in logic between what this government claims it is doing and what it is actually doing appalling. The urgent need to fix the problems with the rail companies was a perfect opportunity for the overconfident Conservative government to show that it could do its job. And what happens? It is the first to jump into bed with the rail companies. Nothing gets in the way of love, not even having the lights out.

When Canada has a problem, it would make sense to look elsewhere to see if other countries have found solutions, not to copy them, but to at least draw some inspiration from them. We do not live in a vacuum. And I mean that in a geographic sense, because intellectually speaking, it is obvious that the other side has sucked people in with their empty rhetoric.

Over the past 50 or so years in Canada, the concern that we used to have for our rail system has all but faded. When passenger rail travel became less common, trains and the incredible rail system that stretches like fingers across the country no longer captured our imagination as they once did. The superhuman effort that rallied half a continent quickly died. Yet trains in Europe are flourishing. How often have I heard Quebeckers talk about travelling in Europe and how astounded they were by the quality of rail infrastructure in the European Union?

The pride that you feel is overwhelming when you arrive at Berlin's central station and see "Bombardier" in huge, white letters in the middle of the large window. But you quickly see the unbelievable difference between the European trains that Bombardier builds and the antiquated trains we have here because there is no political will.

The European Union will stop at nothing to ensure that its rail system, which is a huge tangled web of railways that it inherited from the national systems of 27—soon to be 28—countries, is the most competitive in the world. Europe understands our own historical example better than we do ourselves. Without an outstanding, competitive rail system, our country would almost not exist. Bill C-52 may look like a simple legal adjustment concerning a situation that the public can quietly neglect. In fact, quite the opposite is true: it is the government that is neglecting it. When blood flow is cut off to an organ, it dries up and dies. And *nolens volens*, the rest of the organism will die along with it. That may be a somewhat silly and dramatic image, but it is fair to a certain extent.

In closing, a country is like a house and Canada is like a house built on a beautiful, huge plot of land. It is a land of dreams. We can build little out buildings, create gardens and build a chicken coop. The house itself, which is already huge, could easily be improved, since we have the wood and the carpenters needed to do so. When the NDP has the last word in the affairs of the house, we will work hard to make this house, which we all share, more comfortable, more manageable and even more beautiful. We will add new rooms for children and grandparents, as well as a library and bicycle storage.

For years the Liberals spent their time changing the carpets and arguing about what to call the house, and the Conservatives boarded up the windows because it was too drafty and heating is too expensive. You have to spend money to make money. The right-wing faction should understand that.

The Conservatives need to create jobs in rail transportation instead of allowing themselves to be wooed by the rail companies who have everything to gain by seducing them. In any case, that has already happened, and here is the result of their six years of efforts: Bill C-52.

• (1815)

[English]

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, I appreciate the comments, but not all of them, especially at the tail end. I like to think that the Liberal Party has done exceptionally well in supporting our rail line industry.

To highlight that particular fact, I would go to the member for Wascana, who has been a long-time advocate, as I indicated earlier, someone who has been raising this issue for the last couple of years in particular, since 2007: the stakeholders.

Many of the stakeholders came forward and said we needed to bring in some sort of legislation that would enable a fair playing field between the shippers and the rail providers, CP and CN. That is what we are focusing our attention on, because there is an imbalance of power.

Having said that, we recognize that Bill C-52 is but a small step forward. I argued earlier, and will repeat it now, that we are hoping the government will be receptive to a number of amendments to the legislation once it gets to committee stage, thereby allowing a fair playing field so our shippers can feel comfortable knowing that their car will be there when it is supposed to be, that the quality of the car will not take away from the product once it gets to the market. Those are the type of assurances they want.

I wonder if the member might want to focus some of her response on the fact that it is absolutely, critically important that the government amend this legislation when it goes to committee. Does she not agree with that?

[*Translation*]

Ms. Alexandrine Latendresse: Mr. Speaker, I would like to thank the hon. member for Winnipeg North for his question. That is the reason we decided to support this bill. Despite it all, we think that we have to go in that direction.

Like him, we agree that many amendments should be adopted in committee. We therefore want Bill C-52 to go to committee and for the amendments proposed by his party and ours to be seriously considered and possibly adopted.

I am fully prepared to be hopeful and optimistic. However, statistically speaking, if we look at the number of bills that have been amended in committee since the Conservatives got a majority, chances are not in our favour. Still, we think it is important to continue in that direction.

● (1820)

Mr. Raymond Côté (Beauport—Limoilou, NDP): Mr. Speaker, I would like to thank the hon. member for Louis-Saint-Laurent for her speech, particularly the lyrical ending, which truly motivates us to move toward the future, a move that she strongly advocates. She demonstrates the ambition she has for our country and for the constituents she has the pleasure and honour of representing.

Let us face it. If we look at the government from a business perspective, we are currently taking a step backward by always engaging in rearguard fights and even abandoning our heritage.

I really enjoyed hearing the hon. member for Louis-Saint-Laurent's perspective and the powerful imagery she used. I would like her to continue to encourage us to dream by taking us farther and sharing her plans for the future with us in this House.

Ms. Alexandrine Latendresse: Mr. Speaker, I would like to thank the hon. member for Beauport—Limoilou who is such a wonderful colleague. He always encourages us to go farther. I am very grateful to him because he is part of the reason why I am here

Government Orders

now. He was one of the first people to encourage me to go into politics over five or six years ago now.

So, he is partly responsible if I am now in this position where I can defend these ideals and try to build a Canada that better reflects who we are and that will listen to my generation, something that has practically never been done to date. This will allow us to have a Canada where no one is left behind. I therefore thank him very much for his contribution.

[*English*]

The Acting Speaker (Mr. Bruce Stanton): Before we resume debate with the hon. member for London—Fanshawe, I will let her know that we do not have quite enough time for the full 10 minutes. When we get to 6:30 p.m., we will come to the end of the usual time allocated for government orders for today. However, I will give the hon. member an indication of when we need to wrap up.

The hon. member for London—Fanshawe.

Ms. Irene Mathyssen (London—Fanshawe, NDP): Mr. Speaker, rail freight customers, from farmers to mining companies, are suffering because railway companies have a virtual monopoly when it comes to the vital rail lines that Canadians need to get goods to market.

In most parts of the country shippers cannot choose between rail services because they only have access to either CN or CP. Even in the few places where both rail companies provide access, one is usually priced out of the market, leaving the shipper with no real choice.

Shippers routinely suffer from service disruptions, delays and experience all kinds of examples of non-reliable performance by CN and CP. Deliveries and pickups are not done on time or are skipped completely. Frequently the number of ordered railcars is not matched by the delivered number of railcars and sometimes cars are badly damaged.

When a shipper contracts a specific number of railcars, that shipper needs to know those cars will be available. Anything other than this kind of reliability is bad business and bad management. Unfortunately, we know that 80% of the service commitments for agricultural rail customers are not met by rail companies.

After years of talking, the Conservatives have finally tabled legislation to address a number of key rail freight customer grievances after years of inferior service by the big rail companies. Bill C-52 is a step forward, but is far from a perfect solution.

Key demands from the shipping community have, quite simply, not been addressed. Bill C-52 would also create loopholes because of its ambiguous language. The Conservative language is weak. Its protective measures do not cover existing contracts between shippers and rail companies and offers only a narrow, costly arbitration process for failed negotiations for new contracts. Key demands like the shippers' call to include penalties for rail companies in service agreements, performance standards and an easily accessible conflict resolution process were ignored.

Adjournment Proceedings

While NDP members will support this legislation, we will also push for amendments at the committee stage to protect shippers from the abuse of market power through the right to comprehensive service agreements and conflict resolution processes.

Rail transport is the backbone of Canada's economy, with 70% of all surface goods shipped by rail. It is crucial to make rail freight services work for both rail companies and shippers. We cannot take the importance of the railroad for granted.

It is also critical to note that current pricing for rail freight services is also damaging Canada's shippers. Bill C-52 explicitly excludes pricing, despite the calls from all parts of the shipping community to address the pricing regime. This has a significant impact on Canada's trade deficit, which is, by the way, ballooning. It reached almost \$2 billion in November alone. We cannot afford to lose even more ground when it comes to global competitiveness for Canada's products.

A broad range of industries are affected by the situation created by the virtual monopoly of current rail service providers. I have already mentioned agriculture, but we must not forget other key industries like forestry and mining as well as chemical and automotive businesses. Many of the goods produced by these industries are destined for export.

Lacklustre rail services are hurting Canada's exporters' ability to compete in global markets. For example, soybeans from Argentina enjoy a competitive advantage in markets like Japan and China because they are delivered faster and more punctually than soybeans from Canada, despite the fact that the total distance that needs to be covered is significantly shorter for products from Canada.

Rail freight is not only central to Canada's economy; we also need strong rail freight services to take trucks off the road and tackle greenhouse gas emissions. While the overall share of surface transport for goods remains high for rail, frustrated companies switch to trucking where possible and the environment loses.

Rail freight is only one aspect where the Conservatives are slow to act. From new rail safety measures to cuts at VIA Rail and blocking the introduction of high-speed rail in Canada, Conservatives do not give Canada's rail network the attention it deserves.

● (1825)

The bill has taken a long time to come to the House. For years, shippers have been unhappy but no concrete action was taken by the Conservatives. Since 2007 they employed a talk it out and wait tactic, starting with the promise of an expert panel review.

The rail freight service review started in 2008. The independent panel tabled its final report in early 2011. Half a year later in the fall of 2011, the Conservatives initiated a mediation process that did not yield any results. Presumably with the tacit backing from the Conservative government, CN and CP were unwilling to make any meaningful concessions. The mediation process, led by retired Conservative politician and University of Calgary chancellor Jim Dinning, failed. Dinning released his report in June 2012 and the Minister of Transport promised government legislation on the topic to be tabled in the fall.

Parallel to the end of the mediation process, fortunately, the member for Trinity—Spadina tabled private member's Bill C-441, the rail customer protection act, in June 2012. The private member's bill by the member for Trinity—Spadina, coupled with advocacy work from the shipping community, put pressure on the minister to follow up on his promise to actually table legislation. However, CN undertook a massive lobbying effort last year, first to prevent any effective bill, then to have it watered down. Dozens of documented visits to government offices and a media campaign show the determination of CN to keep the status quo.

Rail customers have banded together now and are organized in the Coalition of Rail Shippers. The coalition is a loose and informal entity, but it wants something positive for its industry. It wants something positive for the people who produce the goods, who create the wealth in this country, the men and women who do the work to make this country tick and be productive.

Shippers are having a hard time getting fair and reliable freight service, and that is simply unacceptable. We can and should do better for those that rely on our rail system. Our manufacturers, farmers and resource industries depend on our rail system. If rail were made more fair and affordable, consumers would also see an advantage.

This is a country that emerged as a strong, independent nation because of the accessibility of our railways. Let us not abandon those who would continue to build our Canada.

● (1830)

The Acting Speaker (Mr. Bruce Stanton): Order, please. The hon. member for London—Fanshawe will have two and a half minutes remaining for her remarks when the House next resumes debate on this question and the usual five minutes for questions and comments.

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

Adjournment Proceedings

[Translation]

AVIATION SAFETY

Mrs. Maria Mourani (Ahuntsic, BQ): Mr. Speaker, on October 17, I asked the government a question about the fact that blueprints of the Montreal airport terminal had been found in a recycling bin. I talked to Aéroports de Montréal (ADM) about this, and I was told that there was no security protocol for the airport's blueprints.

The government says that it is a proponent of security and that it has invested in airport security. However, blueprints of a secure area, where photos cannot even be taken, were found in a recycling bin. ADM's obvious lack of security with respect to blueprints of its premises is also indicative of a more fundamental problem.

Aéroports de Montréal, a non-profit organization, does not have to account to virtually anyone. The people who manage this organization, which is vital to our economy, are exempt from any serious and transparent independent audit.

The Auditor General of Canada cannot even conduct a financial or environmental audit of ADM's books. With respect to aircraft noise, ADM is both judge and jury. In terms of public health and the environment, ADM does not even obey Quebec laws because it is a federal entity. Worst of all, the federal government cannot even conduct its own audits of ADM.

Having control over ports and airports is of strategic importance to a nation. But the public and elected officials are being duped. Management of the ADM reminds me of the kind of governance we saw in the 19th century, before the Patriotes Rebellion in Upper Canada and Lower Canada. At the time, parliamentarians and the public were calling for government accountability. The English governor had control over public goods and services for his friends, and ignored the people most directly concerned, the public and elected officials.

We can understand the government giving up its responsibilities, but it must let the Government of Quebec have authority over its ports and airports and put an end to the lack of transparency and gross incompetence on the part of the ADM.

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, I thank the hon. member for her question of October 17, 2012, regarding the Montreal airport documents that were found, because this gives me the opportunity to talk about the safety of Canada's aviation system.

The safety and security of Canada's transportation network is extremely important to our government. We were very concerned about this situation, which was clearly communicated to the airport authority in Montreal during a call between the Minister of Transport, Infrastructure and Communities and the CEO, James Cherry.

Even though the documents in question did not contain any sensitive information on airport security, this government absolutely wants to maintain the safest aviation networks in the world.

Transport Canada, Canada's aviation industry and other safety partners have worked hard to promote a culture of safety awareness

across the country, since such tragedies as Air India flight 182 and, obviously, the September 11 terrorist attack.

Security awareness is a culture in which security is everybody's business. If you see something suspicious, you report it to the appropriate authorities. The fact that this happened gives us an opportunity to learn and to improve our security system in the airport industry.

The member's question gives me an opportunity to discuss what is in place to manage security at airports, including how sensitive documents are handled.

In January 2012, the government modernized our aviation security regulations, including new requirements to better manage security at airports. For instance, the regulations prohibit airport operators from divulging sensitive information. The regulations also require them to have procedures in place for the receiving, retaining and disposing of security-related documents.

Transport Canada security inspectors examine those documents. This includes preparing procedures, knowing who is responsible for sensitive information, how the documents should be stored and the process for sharing and destroying information on security.

The modernization of the Canadian Aviation Security Regulations, 2012 also requires airport operators to designate an individual to be responsible for managing security and to clearly define the roles and responsibilities related to security for people at the airport.

Thank you, Mr. Speaker, for allowing me this opportunity to talk about security.

● (1835)

Mrs. Maria Mourani: Mr. Speaker, I am pleased to know that the minister took the time to speak with the president of ADM. However, when I spoke with ADM, I was told that there was no security protocol for all airport blueprints and that there was a security protocol for some security contracts but that others were granted without a competitive bidding process.

When I heard that, I made a written access to information request in accordance with parliamentary procedure. I asked what relationship existed between ADM and Construction Gastier. I wanted to know if they rented them any space and if so, how much. I wanted to know whether there were contracts between Construction Gastier and ADM and whether a competitive bidding process had been held for certain contracts.

I therefore submitted a series of written questions. Unfortunately, the minister responded to me by saying that Transport Canada does not interfere in the management of ADM's day-to-day business, that ADM had full responsibility for managing this, that the company was completely independent and could do what it wanted, and that parliamentarians have no oversight.

That is dangerous, especially when we see what is happening right now at the Charbonneau commission.

Adjournment Proceedings

Mr. Pierre Poilievre: Mr. Speaker, the hon. member will be pleased to hear that Canada has one of the safest aviation systems in the world. This government understands the importance of ensuring that everyone working in the system—from security personnel to those working the concessions—understands the part they play in the airport's security.

In that vein, in 2012 Transport Canada introduced regulatory requirements for airport security programs. Airport operators—and this includes Montreal's airport—must now prepare and maintain detailed, integrated and coordinated aviation security programs. Airport operators must, at all times, protect confidential security information and demonstrate that they have a process in place to protect this information from all unauthorized access or publication.

• (1840)

[English]

ABORIGINAL AFFAIRS

Mrs. Carol Hughes (Algoma—Manitoulin—Kapusksing, NDP): Mr. Speaker, I am pleased to rise again and speak to the important issue at the heart of my question in October, the gap in funding for welfare services for on-reserve children in Canada and the incredible length the government has gone to discredit the work of the First Nations Child and Family Caring Society of Canada and its spokesperson, Cindy Blackstock.

In October, it had just been announced that the Canadian Human Rights Tribunal would decide whether the government was retaliating against Ms. Blackstock as it investigates the society's complaint of unequal funding for welfare services in Canada's first nation communities. It is well known that millions of dollars in government resources were wasted on surveillance of Ms. Blackstock to discredit her. That is in keeping with the government's propensity to shoot the messenger instead of addressing the issue. However, the issue is bigger than any individual and is proving to be the government's biggest test.

The scourge of poverty in Canada's aboriginal community leads to any number of negative outcomes. Much of the discontent we are seeing in Canada's first nations, Inuit and Métis communities has roots in the inequity and the challenges that arise from it. In fact, in 2008, the Auditor General confirmed that substantial shortfalls in federal child welfare funding on reserves are jeopardizing children's safety.

The money the government wasted spying on Ms. Blackstock would have been better used addressing any number of pressing issues that would actually make a difference.

When coupled with frozen and inadequate budgets for education, the penny-pinching on welfare services entrenches a cycle of dependence that must be addressed if we are going to help create the conditions that will allow this generation to lift itself out of poverty.

It is well known that education in Canada's aboriginal communities is chronically under-funded and contributes significantly to the low number of high school graduates. For every ten children on reserve, only four will graduate high school. That limits employment opportunities, which in turn limits incomes and contributes to the cycle of poverty. With poverty comes health challenges and these

same communities face inordinate rates of diabetes, suicide and the fastest growing rate of HIV infection in Canada.

What is discouraging is how the government has shown an incredible lack of concern on these issues. Last week, the House debated a New Democrat motion to recognize the broad based demand for action and the need for improvement of the economic outcomes of first nations, Inuit and Métis communities. New Democrats believe these challenges should be a central focus for budget 2013.

The government has to commit to action on treaty implementation and engage in full and meaningful consultation on legislation that affects the rights of aboriginal Canadians. This is not something we pulled out of thin air. Canada is required by domestic and international law to engage in these consultations and it is the only path forward that has any hope of truly changing outcomes for many of these communities.

In terms of unilateral action, there are avenues open to the government. It is entirely within the government's abilities to increase the budget for on-reserve welfare services. It could also lift the funding cap on education that all but ensures there will be no progress on the low number of aboriginal high school graduates.

Let me remind the government that the House unanimously voted a year ago this month in support of a motion to provide equitable funding for all first nation schools, based on Shannen's Dream. These motions are not meant to be passed and then forgotten; they are marching orders for the government. It is a shame the government ignores these motions. One year later the country has become electrified with the grassroots campaign that is based on both the inaction of the government on pressing issues, like education, funding and unequal welfare services, and the incredible liberties it has taken with legislation that directly affects first nations, Inuit and Métis without proper consultation.

Will the government take action on the cycle of poverty that grips far too many of Canada's aboriginal communities and increase the budgets for welfare services in those communities?

• (1845)

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, this government knows that our children are our future. That is why our government is taking concrete steps to ensure that first nation children have the same opportunities as all Canadians.

All children are protected by provincial and territorial child welfare legislation. Provincial and territorial governments can delegate authority for child and family services to first nation service providers on reserve and are responsible for ensuring that they comply with provincial and territorial legislation and standards.

Adjournment Proceedings

Over the last 20 years, provincial welfare authorities have delegated program delivery on reserve to a growing number of first nation child and family service agencies. Currently, there are 105 first nations with this authority. In areas where first nation child and family service agencies do not exist, the government funds services by provincial and territorial organizations or departments. Our government provides funding to support the implementation of these programs on reserve.

Since 2006, we have increased funding for child and family services by 25%. However, our government knows that money is not the solution. While progress has been made, it will take the continued and coordinated efforts of governments at all levels as well as first nations to make long-term progress. That is why we have launched prevention models working with provincial and first nation partners on a province-by-province basis. This new approach enhances the ability of child and family service providers to offer culturally appropriate services, such as kinship care, and to ensure that best practices and prevention are brought to reserves.

The new approach was welcomed immediately by service providers in making programming choices for first nation children, youth and families on reserve. We will continue to work with our partners in the first nation community to ensure proved outcomes.

I would remind the member that first nations want to have opportunities to improve their own lives. That is why we are creating a stronger economy with greater economic opportunity for all the people of our land to pursue their dreams, take responsibility for their lives and own their destinies. That includes improving accountability and transparency in the way that dollars are spent so that they achieve the maximum result. We will continue to implement policies that are favourable to that objective. We encourage the hon. member across to join us in that enterprise.

Mrs. Carol Hughes: Mr. Speaker, as the member talks about accountability and transparency, I think he better look at his own side of the House and get that house in order.

We understand that nobody likes to be told that they are discriminating against children, however the Conservative government certainly is discriminating. Discrimination is clearly happening and it must be eliminated immediately with sufficient funding.

I can say that the first nations I visited in Algoma—Manitoulin—Kapuskasung have become even more politicized in the last year.

Increasingly, I am speaking to young people in these communities who are asking why so little has happened. They see a government that saddles their communities with drinking water regulations and accounting procedures and interferes with the way those communities make decisions, but pays nothing more than lip service to education deficits, health crises and housing challenges. How are those young people supposed to believe that their own country is on their side when it has spent millions of dollars trying to discredit people, such as Ms. Blackstock, who consistently fights for their interests?

Instead of digging up dirt on people, should the government not be dealing with the funding gap for welfare services in Canada's aboriginal communities? The Conservatives should look at their side of the House and make sure that they reduce the inequities on first nation communities.

Mr. Pierre Poilievre: Mr. Speaker, the righteous indignation of the NDP will do absolutely nothing to improve conditions on first nation reserves. Rather, concrete action is required to achieve that.

Concrete action is precisely what we have delivered, building new schools, enhancing access to safe drinking water, improving accountability and removing red tape so that it is possible for first nations, should they so choose, to develop commercial enterprises on their own lands. It is through economic opportunity and economic freedom that our aboriginal friends and neighbours will have the ability to build for themselves the future that they want and to have the kind of independence that they deserve. That will only be achieved with a strong economic action plan such as the one we are delivering.

We encourage the NDP to abandon its old way of thinking and come forward into the future with us to build that brighter tomorrow for our aboriginal partners.

● (1850)

[*Translation*]

The Acting Speaker (Mr. Bruce Stanton): The motion to adjourn the House is now deemed to have been adopted. Accordingly the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6:50 p.m.)

CONTENTS

Monday, February 4, 2013

PRIVATE MEMBERS' BUSINESS

Canada Labour Code

Bill C-464. Second reading	13595
Mrs. Hassainia	13595
Mr. O'Toole	13597
Mr. Lamoureux	13597
Mrs. Day	13597
Mr. O'Toole	13597
Mr. Cuzner	13599
Mrs. Day	13600
Ms. Leitch	13601
Ms. Freeman	13602

Succession to the Throne Act, 2013

(Bill C-53. On the Order: Government Orders:)	13603
Mr. Van Loan	13603
Motion	13603
(Motion agreed to, bill read the second time, considered in committee of the whole, reported with amendment, concurred in, read the third time and passed)	13603

GOVERNMENT ORDERS

Fair Rail Freight Service Act

Bill C-52. Second reading	13603
Mr. Kellway	13603
Mr. Lamoureux	13605
Ms. May	13605
Mr. Côté	13605
Ms. Chow	13606
Ms. May	13608
Ms. Duncan (Edmonton—Strathcona)	13608
Mr. Donnelly	13608
Mrs. Day	13609
Ms. Sims	13609
Ms. Duncan (Edmonton—Strathcona)	13611
Mr. Lamoureux	13611
Mr. Dreeshen	13612
Ms. May	13612
Mr. Lamoureux	13612
Mr. Blanchette	13614
Ms. May	13614
Mr. Valeriote	13614
Mr. Morin (Chicoutimi—Le Fjord)	13615
Mr. Blanchette	13615

STATEMENTS BY MEMBERS

Government Priorities

Mr. Shipley	13617
-------------------	-------

Lunar New Year

Ms. Quach	13617
-----------------	-------

World Pond Hockey Championship

Mr. Allen (Tobique—Mactaquac)	13617
-------------------------------------	-------

Black History Month

Ms. Duncan (Etobicoke North)	13617
------------------------------------	-------

BlackBerry

Mr. Braid	13618
-----------------	-------

Employment Insurance

Ms. Péclet	13618
------------------	-------

The Economy

Ms. Adams	13618
-----------------	-------

Swift Current Oratorio Choir

Mr. Anderson	13618
--------------------	-------

The Penny

Mr. Martin	13618
------------------	-------

World Cancer Day

Mr. Carrie	13619
------------------	-------

Villa Ste-Rose

Mr. Giguère	13619
-------------------	-------

The Penny

Mr. Toet	13619
----------------	-------

St-Albert Cheese Co-operative

Mr. Bélanger	13619
--------------------	-------

The Economy

Ms. Bateman	13620
-------------------	-------

Democratic Reform

Mr. Thibeault	13620
---------------------	-------

New Democratic Party of Canada

Mr. Butt	13620
----------------	-------

ORAL QUESTIONS

Pensions

Mr. Christopherson	13620
Mr. Goodyear	13620

Employment Insurance

Mr. Christopherson	13621
Mr. Baird	13621
Mr. Christopherson	13621
Mr. Baird	13621

Pensions

Ms. Turmel	13621
Mr. Goodyear	13621

Employment Insurance

Ms. Turmel	13621
Ms. Finley	13621

Employment

Mr. Goodale	13622
Mr. Baird	13622
Mr. Goodale	13622
Mr. Baird	13622

Employment Insurance			
Mr. Dion	13622		
Ms. Finley	13622		
Arctic Council			
Ms. Leslie	13622		
Ms. Rempel	13622		
Ms. Leslie	13622		
Ms. Rempel	13623		
Poverty			
Ms. Nash	13623		
Ms. Finley	13623		
Ms. Nash	13623		
Ms. Finley	13623		
Mrs. Day	13623		
Ms. Finley	13623		
Employment Insurance			
Ms. Charlton	13623		
Ms. Finley	13624		
Mr. Cash	13624		
Ms. Finley	13624		
Mr. Toone	13624		
Ms. Finley	13624		
Mr. Godin	13624		
Ms. Finley	13624		
Human Resources and Skills Development Canada			
Mr. Cuzner	13624		
Ms. Finley	13624		
Poverty			
Mr. Brison	13625		
Ms. Finley	13625		
Ms. St-Denis	13625		
Ms. Finley	13625		
Public Safety			
Mr. Garrison	13625		
Mr. Toews	13625		
Ms. Doré Lefebvre	13625		
Mr. Toews	13625		
Veterans			
Mr. Chicoine	13625		
Mr. Blaney	13625		
Ms. Mathysen	13626		
Mr. Blaney	13626		
Justice			
Mr. Wallace	13626		
Ms. Findlay	13626		
Ethics			
Mr. Boulerice	13626		
Mr. Van Loan	13626		
Mr. Angus	13626		
Mr. Van Loan	13626		
Mr. Angus	13626		
Mr. Van Loan	13627		
Democratic Reform			
Mr. Scott	13627		
		Mr. Uppal	13627
		Aboriginal Affairs	
		Ms. Bennett	13627
		Mr. Duncan (Vancouver Island North)	13627
		Co-operatives	
		Mr. Bélanger	13627
		Mr. Goodyear	13627
		Natural Resources	
		Mr. Chisholm	13627
		Mr. Anderson	13628
		Mr. Chisholm	13628
		Mr. Anderson	13628
		The Economy	
		Mr. Van Kesteren	13628
		Mr. Menzies	13628
		Food Safety	
		Mr. MacAulay	13628
		Mr. Ritz	13628
		Air Canada	
		Mr. Aubin	13628
		Mr. Lebel	13628
		The Environment	
		Mr. Weston (West Vancouver—Sunshine Coast—Sea to Sky Country)	13628
		Mr. Lebel	13629
		Telecommunications	
		Ms. Borg	13629
		Mr. Goodyear	13629
		Public Safety	
		Ms. May	13629
		Mr. Toews	13629
		Points of Order	
		Oral Questions	
		Mr. Godin	13629
		Ms. Finley	13629
		ROUTINE PROCEEDINGS	
		Interparliamentary Delegations	
		The Speaker	13629
		Right to Procedural Fairness	
		Mr. Blaney	13629
		Committees of the House	
		Procedure and House Affairs	
		Mr. Preston	13630
		Petitions	
		Shark Finning	
		Mr. Donnelly	13630
		The Environment	
		Mr. Donnelly	13630
		Human Rights	
		Mr. Donnelly	13630

The Environment	
Mr. Valeriote	13630
Gatineau Park	
Ms. Turmel	13630
The Environment	
Ms. Duncan (Etobicoke North)	13630
Road Safety	
Ms. LeBlanc (LaSalle—Émard)	13630
Justice	
Mr. Lamoureux	13630
Experimental Lakes Area	
Ms. Charlton	13631
Food Labelling	
Ms. Crowder	13631
Poverty	
Ms. Crowder	13631
41st General Election	
Ms. May	13631
The Environment	
Ms. May	13631
Ms. Freeman	13631
Housing	
Ms. Pécelet	13631
Pensions	
Ms. Mathysen	13631
Questions on the Order Paper	
Mr. Lukiwski	13631
Request for Emergency Debate	
Human Resources and Skills Development Canada	
Mr. Cuzner	13631
Speaker's Ruling	
The Speaker	13632
Privilege	
Access to Information	
Mr. Lukiwski	13632
Mr. Bélanger	13632

GOVERNMENT ORDERS

Fair Rail Freight Service Act	
Bill C-52. Second reading	13633
Mr. Blanchette	13633
Mr. Dubé	13634

Mr. Del Mastro	13634
Mr. Lamoureux	13635
Mrs. Day	13635
Mrs. Sellah	13635
Mr. Lamoureux	13636
Mrs. Day	13636
Mr. Morin (Chicoutimi—Le Fjord)	13636
Mr. Morin (Chicoutimi—Le Fjord)	13637
Mr. Del Mastro	13639
Mr. Kellway	13640
Mrs. Day	13640
Mr. Dubé	13641
Mr. Morin (Chicoutimi—Le Fjord)	13643
Mr. Del Mastro	13644
Mr. Lamoureux	13644
Mr. Bevington	13644
Ms. Duncan (Edmonton—Strathcona)	13646
Mr. Del Mastro	13647
Mr. Lamoureux	13647
Ms. Morin (Saint-Hyacinthe—Bagot)	13647
Mrs. Day	13648
Mr. Donnelly	13649
Mrs. Yelich	13650
Mr. Lamoureux	13651
Mr. Aubin	13651
Mr. Galipeau	13652
Mr. Lamoureux	13652
Ms. Duncan (Edmonton—Strathcona)	13652
Mrs. Day	13653
Ms. Latendresse	13653
Mr. Lamoureux	13654
Mr. Côté	13655
Ms. Mathysen	13655

ADJOURNMENT PROCEEDINGS

Aviation Safety	
Mrs. Mourani	13657
Mr. Poilievre	13657
Aboriginal Affairs	
Mrs. Hughes	13658
Mr. Poilievre	13658

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