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Chair

Mr. James Rajotte

Standing Committee on Finance

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● (1535)

[*English*]

The Chair (Mr. James Rajotte (Edmonton—Leduc, CPC)): I call to order meeting number 12 of the Standing Committee on Finance.

Pursuant to the order of reference of Tuesday, October 29, 2013, we are continuing our study of Bill C-4, a second act to implement certain provisions of the budget tabled in Parliament on March 21, 2013 and other measures. Colleagues, we are doing clause-by-clause consideration of this bill.

I'll remind you as your chair, that I'm operating according to the motion, moved by Mr. Saxton, and adopted by this committee on Tuesday, November 5. It's quite a lengthy motion. I know you are quite familiar with its contents.

We have a number of amendments proposed by many of the parties here with respect to certain clauses. My advice to the committee in terms of how we propose.... You obviously have a copy of the agenda in front of you. The agenda highlights which clauses have which amendments attached to them. If any of you need any additional information, please highlight that to the clerk. We have our legislative clerk here as well, if you need any procedural advice with respect to amendments.

I will delve into clause-by-clause consideration.

Pursuant to Standing Order 75(1), consideration of clause 1, short title, is postponed. Therefore, I'm going to move to clause 2.

I do not have an amendment until clause 14, so, colleagues, may I...?

Ms. Nash, go ahead, please.

Ms. Peggy Nash (Parkdale—High Park, NDP): Can we group clauses 2 to 12?

Some hon. members: Agreed.

(Clauses 2 to 12 inclusive agreed to)

The Chair: We'll then deal with clause 13.

(Clause 13 agreed to on division)

(On clause 14)

The Chair: We'll deal with clause 14, where we have our first amendment. We have NDP-1 in the name of Ms. Nash.

I will recognize Ms. Nash or Monsieur Caron.

[*Translation*]

Mr. Caron, go ahead.

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Thank you kindly, Mr. Chair.

We understand the Supreme Court's decision on the matter of farming income versus income from other sources. But, if a farmer incurs losses year after year, he faces the choice of closing his operation or finding a source of income that enables him to keep the farm going. And the proposed changes don't take that reality into account. It would have been much more prudent of the government to consider the effect that the reasonable expectation of profit provision would have on the reality farmers face, particularly in tough economic times.

Our amendment addresses that problem to some extent. The government is proposing a $17,500 exemption, which was established in 1958. If you factor the increase in the cost of living into the initial exemption amount, it would be somewhere in the neighbourhood of $37,500, not $17,500.

Our amendment recognizes that the reasons for the exemption are still valid, while reflecting the fact that the exemption can't really work for farmers if it isn't raised to factor in the increase in the cost of living since 1958. Therefore, we are proposing that the exemption amount be raised to $37,500.

The Chair: Thank you, Mr. Caron.

Any other comments?

[*English*]

Mr. Saxton, please.

Mr. Andrew Saxton (North Vancouver, CPC): Mr. Chair, the motion put forward by the member opposite would effectively increase the maximum deduction available in respect of restricted farm losses to $40,000. The amendment in Bill C-4 proposes to increase the maximum deduction from the existing $8,750 to $17,500 in order to reflect inflation. The motion of my colleague across the table is inconsistent with the increase, which is already in the clause.

Thank you.

The Chair: Thank you, Mr. Saxton.

[*Translation*]

Mr. Caron, back to you.

Mr. Guy Caron: Actually, the amendment doesn't even reflect half the increase in the cost of living. According to our calculations, the initial exemption from 1958 should be between $37,500 and $40,000. That's why we are putting this amendment forward. The $17,500 isn't even close to what it should be.

[*English*]

The Chair: Okay, thank you. Merci.

I will then call the vote on NDP-1.

(Amendment negatived: nays 7; yeas 4 [See *Minutes of Proceedings*])

(Clause 14 agreed to on division)

The Chair: Colleagues, we have clauses 15 to 58. I do not have an amendment for any of those clauses.

Ms. Nash.

● (1540)

Ms. Peggy Nash: If you're thinking of grouping, could you group up to clause 53?

The Chair: The proposal is to group clauses 15 to 53.

Mr. Brison.

Hon. Scott Brison (Kings—Hants, Lib.): I would say up to and including clause 30 we would be supporting, but not clauses 31 and 32.

The Chair: Can we group clauses 15 to 30, colleagues?

(Clauses 15 to 30 inclusive agreed to)

The Chair: Mr. Brison, do you want to group clauses 31 and 32?

Hon. Scott Brison: Yes.

The Chair: The vote is on clauses 31 and 32.

(Clauses 31 and 32 agreed to)

The Chair: Mr. Brison, can we group from clauses 33 to 53?

Hon. Scott Brison: I'd be all right with grouping to clause 56.

The Chair: Okay.

(Clauses 33 to 53 inclusive agreed to)

(Clause 54 agreed to on division)

(Clauses 55 and 56 agreed to)

(Clause 57 agreed to on division)

(Clause 58 agreed to)

(On clause 59)

The Chair: Colleagues, we have amendments for clause 59. We have NDP-2, NDP-3, NDP-4, NDP-5. We also have Bloc Québécois 1, Bloc Québécois 2.

This is where we get into an area where we're dealing with amendments proposed by independent members. I'm proposing that we proceed similar to how we did last time, where we allocate a couple of minutes for Monsieur Plamondon to address his amendments and then the committee will vote with him. We will start first with the NDP addressing their amendments, and the NDP can address them separately or together, as they wish.

Monsieur Caron.

[*Translation*]

Mr. Guy Caron: I'll give the overall argument, including the main motion and the amendment.

As our friends may have noticed, this clause is one of the most contentious in the bill. Most of the witnesses we heard from described a specific context in which the tax credit was actually helping the investors who were choosing to save, and not the funds. Under the Quebec model, savings take the form of an RRSP that then goes into a labour-sponsored fund to serve as development or venture capital. Quebec has two main labour-sponsored funds, and there are others outside Canada. This federal tax credit has been around since 1988 and has been serving its purpose well. Only one witness we heard from had the opposite view and objected to the tax credit, like the Minister of Finance.

From a venture capital perspective, Quebec is clearly a leader in Canada. In fact, Quebec is the leader in Canada when it comes to administering venture capital. What's more, in challenging economic times, this asset distinguished Quebec as a leader in the OECD. For that matter, as I have repeatedly mentioned, Quebec's venture capital investment as a share of GDP puts Quebec in third place among OECD member states, just behind Israel and the United States. The amount of managed venture capital in Quebec, as a share of GDP, is nearly three times greater than the Canadian average, and more than four times greater than Ontario's.

In Ontario, the tax credit was eliminated in 2005. Since then, Ontario's share of venture capital has decreased steadily, in proportion to Canada's total share. That's no coincidence, despite the comments made by Mr. Mintz, the government's main witness in favour of eliminating the tax credit. Despite having a much larger GDP than Quebec, Ontario has a share of managed venture capital that is equal to Quebec's, in proportion to Canada's total share. For both provinces, the figure is 36%. So the model is extremely successful.

There are many things about this measure I find deplorable. I find the government's failure to consult the major stakeholders deplorable. The views of all those who support the tax credit need to be taken into account. Conversely, we heard from just one witness with the opposite view, Jack Mintz, and no one else.

The government submitted a single study to support the measure, the OECD's study. Well-known documents that were submitted, including those of Deloitte and SECOR-KPMG, show that the tax credit barely costs the government a thing, because of the tax and quasi-tax revenue the government takes in from the venture capital investment that the tax credit generates or facilitates.

Quebec's significance in this respect cannot be disregarded. And the reason I keep bringing up Quebec is that its proportion of venture capital, labour-sponsored funds and the tax credit is 90%, precisely because its model has worked so well. Throughout our study, the government heard from members from across Quebec's business community. Representatives from Fédération des chambres de commerce du Québec appeared before the committee. The Board of Trade of Metropolitan Montreal supported our stance on the tax credit. And not only did Regroupement des jeunes chambres de commerce du Québec and Manufacturiers et Exportateurs du Québec support the continuation of the tax credit, but so did Canada's Venture Capital and Private Equity Association, the stakeholder whose input should carry the most weight.

● (1545)

It is clear that all the people, companies and organizations that are intrinsically and directly working with the two funds in Quebec understand the importance this may have, especially in a context where Quebec and Ontario economies, in the eastern part of the country, are experiencing much more difficulty than the economy in the western part of the country. So why eliminate the tax credit now without any impact studies having been conducted?

I asked Mr. Keenan that during the study. I actually asked him three questions about impact studies. First, I asked him whether an impact study had been carried out to determine the potential repercussions of such a decision on the level of venture capital invested in Canada. No impact study was conducted. Second, I asked him whether an impact study had been done to determine the potential consequences of that measure on the level of savings, especially in Quebec, but also across Canada. No impact study was done. Third, I talked about the fact that the two funds had provided the government with an opportunity to actively participate in its venture capital action plan. That action plan includes a $400-million investment from the government. Incidentally, that amount is close to what the government is hoping to save by eliminating the tax credit.

The two funds—the QFL Solidarity Fund and Fondaction—were prepared to invest $2 billion over 10 years under that action plan. This contribution is five times larger than that of the federal government.

In addition, the two funds were satisfying one of the federal government's requests—that of decreasing the impact of tax expenditures resulting from the tax credit by putting a cap on their share issuing in order to ensure that the government would offer 30% less in tax deductions.

So they have done 30% of the work in terms of tax deductions and are offering to invest five times the amount the federal government is proposing to inject in its venture capital action plan. I asked whether an impact study was conducted to compare the offer made by the two funds and what the government will manage to accomplish with the action plan. Once again, the answer was no.

So I am appealing to the government members and asking them to understand the reality of the situation. The proposed amendments aim to stop the gradual elimination of the tax credit, since we know that the credit will be reduced from 15% to 10% in fiscal year 2015-2016, and to 5% the following year. Finally, it will be completely eliminated.

The three amendments we are proposing aim to stop the gradual elimination and to take away 5%. That way, as of 2015-2016, the tax credit would be only 10%, but it would not be eliminated later on. This is an attempt to recognize the federal government's wish to limit tax expenditures arising from the tax credit, but without eliminating it, as that would have a significant impact on job creation in Quebec and on the level of venture capital that could be invested.

I know that we will first vote on the amendments. I hope that our members and the Conservative members of the committee will seriously consider this proposal, which would be tantamount to what the Conservatives are proposing for 2015-2016. In the meantime, they will also have an opportunity to carry out a real impact study on what this will mean for Quebec and Canadian venture capital and also what it will mean for the Quebec savings level, which has grown significantly thanks to the two funds. When the QFL Solidarity Fund was created in 1983, Quebec had one of the lowest, if not the lowest, savings levels in Canada. Currently, Quebec has one the highest levels, with thousands of savers. And these are not speculations; we are really talking about average Quebeckers. About 50% of individuals who contribute to savings are unionized. Half of them are not unionized, but they are still workers.

The elimination of that tax credit will directly affect savings. We want to know what the impact of a complete elimination will be, and the proposal also has to do with that.

I will stop here for now.

● (1550)

[*English*]

The Chair: Thank you, Monsieur Caron.

I will go next to Mr. Brison.

Hon. Scott Brison: I'm going to support this amendment.

One of the reasons that I think we ought not to move forward with these changes to the labour-sponsored venture capital funds is that the government's new program, I think the VCAP program, has not yet been implemented. We would actually be ceasing one level of support for venture capital without having in place a functional replacement.

I think it's sensible to delay these changes and perhaps not go forward with them in any case, but I think the timing of this is really bad, given the state of venture capital in Canada and the reality that the new program has yet to be operational.

The Chair: Thank you, Mr. Brison.

Monsieur Caron, perhaps I could just clarify. We have NDP-2, 3, 4, and 5. Can we apply the vote on NDP-2 to the other ones, or do you want to vote separately on each of them?

Mr. Guy Caron: I think they all come to the same conclusion. We can vote on them together.

The Chair: Colleagues, we'll now vote on amendment NDP-2.

(Amendment negatived [See *Minutes of Proceedings*])

The Chair: We will apply that vote to NDP-3, NDP-4 and NDP-5.

We'll now go to amendment BQ-1. As I mentioned before, I'm suggesting we allocate some time to Mr. Plamondon to address the amendment.

[*Translation*]

Mr. Plamondon, the floor is yours.

Mr. Louis Plamondon (Bas-Richelieu—Nicolet—Bécancour, BQ): Thank you, Mr. Chair. Thank you for allowing us to discuss this bill too.

I have just heard Mr. Caron present the NDP amendment. We share the same goals and we would have supported it if we had the right to vote on the amendment. This amendment completely eliminated the clauses in question; instead of eliminating all the clauses, our proposal is to amend the rate to go from 15% to 10% and then to 5%. For the next two years, we would like it to decrease by one-tenth of one percent, meaning that it would go to 14.9999%.

We deplore the fact that no negotiations took place with government, specifically with the Government of Quebec, since these labour-sponsored funds are extremely popular, and useful for Quebec's economic development. There were no negotiations; this is a unilateral decision. Therefore, for the next two years, the decrease would start with a minimal amount, but discussions would certainly start with a view to coming to an agreement. Perhaps the decrease could be up to 10% or similar, as the NDP suggests. But we have to sit down around a table and we have to avoid throwing out a system that was working so well, that had so many benefits and that cost the government practically nothing.

Thank you, Mr. Chair.

● (1555)

The Chair: Thank you, Mr. Plamondon.

[*English*]

Colleagues, I will advise you that the vote on amendment BQ-1 applies to amendment BQ-2.

(Amendment negatived [See *Minutes of Proceedings*])

(Clause 59 agreed to)

The Chair: Colleagues, for clauses 60 to 123, I do not have another amendment until clause 124.

Ms. Nash.

Ms. Peggy Nash: We are fine to group clauses 60 to 72.

The Chair: Is the committee okay with that?

(Clauses 60 to 72 inclusive agreed to)

(On clause 73)

The Chair: I am now dealing with clause 73.

[*Translation*]

You have the floor, Mr. Caron.

Mr. Guy Caron: Let me tell you how disappointed I am that we have already voted on some of the elements of the labour-sponsored funds tax credit without even having heard a single reply to the arguments I presented. I feel that I laid out a detailed analysis of the impact this will have, but the government side stays completely silent and simply votes to end it.

The evidence it has presented is very weak. I find it a real pity to see how lightly the government takes the impact this will have on the Quebec economy, on the Canadian economy and on the success of its own venture capital action plan. By accepting the proposal from the two Quebec funds, it could have significantly improved the positive effect of its own plan to develop Canadian venture capital. But all we get from the Conservative government is silence.

A number of government members, especially those with constituencies in less urban regions, should be affected by one other aspect. I see some of those members in front of me. I am thinking of the effect of those funds through regional funds that invest directly, either development capital or venture capital, in regions outside Montreal and Quebec City, for example. Eastern Quebec is currently trying to diversify its economy. With those funds, it can do so. If the government is looking to reduce the dependence on, or the amount of seasonal work in those regions, it would do well to support the positive effects these funds bring through those regional funds.

Why is the government content to vote blindly for a measure that —I repeat—will have such profound effects without having done the least amount of study about the elimination of this tax credit? I am extremely disappointed to have received no answer. I hope I will get one before the end of this vote, or another vote on another aspect of the elimination of the tax credit. If not, I will understand that the government is acting in a doctrinaire fashion without considering the economic realities at the same time as it claims to be the government of economic prosperity and jobs. By rejecting the proposal presented to it under the venture capital action plan, it is directly and negatively affecting job creation in Quebec and in Canada.

Thank you.

[*English*]

The Chair: Thank you. Merci.

Is there further discussion?

(Clause 73 agreed to)

The Chair: Colleagues, do you want me to group any further clauses? We do not have an amendment until clause 124.

Can we carry clauses 74 to 79?

Some hon. members: Agreed.

(Clauses 74 to 79 inclusive agreed to)

(Clause 80 agreed to)

The Chair: Is there any further grouping I can do, colleagues?

Ms. Peggy Nash: Clause 81 is separate.

(On clause 81)

The Chair: There is discussion on clause 81.

Monsieur Caron.

● (1600)

[*Translation*]

Mr. Guy Caron: I assume that the government is going to remain silent about the impact that the elimination of the tax credit is going to have. That is the latest clause we are discussing.

I would like to know whether the government really was impressed by the minister's performance when he appeared on Monday. The minister was asked about the impact of eliminating the tax credit and, I would like to remind you, his answer was that it was not working. His justification for eliminating this tax credit is that it is not working. Why is it not working? Because it is not working!

All the evidence, all the proof, all the studies, except the one by the OECD and the one by Jack Mintz, show the opposite. I read the study from the University of Calgary. Mr. Mintz had absolutely no understanding of the complexity of the two Quebec funds and of the level of success and the level of support that those two funds have in developing innovation and business, and in keeping companies going in Quebec. Even the Minister of Finance was not able to come before us and justify the reasons why this credit should be abolished. He had a golden opportunity to do so, but he did not. That was right after the two meetings we had with people who talked about the matter. There was a representative from iNovia, a fund that invests directly in innovation. Mr. Arsenault told you about the glowing successes of the fund, the glowing successes that could not have happened, as he told us himself, without support from the Fonds de solidarité FTQ.

At the moment, the government is making a real mess of its desire to work to create jobs and to achieve regional economic success. Basically, this is nothing more than grandstanding on its part. It had the opportunity to support a model that works. Not only that, if the government had been consistent in its desire to get the economy working across the country, from coast to coast, it could even have encouraged the expansion of the model to other regions. Those regions too are looking for more economic diversification; they also need many more diversified jobs and they too are looking for more support from the federal government for innovation, for research and development, and for areas of cutting-edge technology that still carry enormous risks. But they are the reason these funds exist; they support those areas.

I know that the government is going to stay silent again. It is regrettable, but I think it shows what its true colours really are when the time comes to address the questions of economic development and job creation. A lot of fine words are spoken in the House, but when it is time to support the development in a tangible way, it is ready to do away with any model that does not conform to its dogmatic approach and its ideology.

Thank you.

The Chair: Thank you, Mr. Caron.

[*English*]

Is there discussion?

Mr. Saxton.

Mr. Andrew Saxton: Chair, since my colleague opposite wishes to engage us on this particular topic, I just want to point out which issues were already pointed out when witnesses were before us in committee, which is that this particular venture capital plan is no longer achieving its desired results. It's no longer achieving its original purpose. It has become simply a tax-driven investment plan, which is encouraging the inefficient use of capital.

However, having said that, as a government we recognize the importance of venture capital. We recognize the importance of venture capital when it comes to creating jobs in our economy, which is why we plan to replace this particular labour-sponsored venture capital corporation with a new venture capital action plan, which will be well funded, and we expect to achieve its desired results.

Thank you.

● (1605)

The Chair: Thank you, Mr. Saxton.

[*Translation*]

Mr. Caron, the floor is yours.

Mr. Guy Caron: I would like to thank Mr. Saxton for at least saying something before the voting ends on this matter. His comment actually corresponds to mine, that the government claims that the tax credit is not working and is no longer meeting its objectives. What does the government use as a basis for saying that? There is nothing, except one study from the University of Calgary that Mr. Mintz supports and that he presented. But we have two studies, one from Deloitte & Touche Inc. and one from SECOR-KPMG, that argue that, on the contrary, it has been a success.

This is not a tax shelter like the other tax shelters we hear about. It is a fund into which small savers invest a small portion of their paycheques. The government is supposed to be encouraging people to save; this is an ideal way to do it. Not only does it encourage saving for retirement, it does so productively. Instead of putting their money into speculative funds or into funds where the money is going to lie dormant because they hold mostly stocks and bonds that provide no direct support to the economy, these people are deciding to save their money by putting it into venture capital funds.

Yes, the government has established a venture capital action plan for a period of 10 years. It has invested $400 million. If it really wanted to make that venture capital fund work, it would have jumped with both feet onto the offer that the two Quebec funds made, to invest $2 billion into the fund.

You have a choice. Either you can have a venture capital action plan that starts at $2.4 billion or that would be guaranteed to reach $2.4 billion with the cost of the tax credit reduced by 30%. Or you can have the current plan whereby the tax credit is eliminated entirely without knowing exactly how that will affect the overall level of venture capital or the level of savings. That is an easy decision to make, it seems to me. Any economic analysts you like would have made the sensible decision. The government made the opposite decision and abolished the tax credit.

The answer has been exactly the same from the outset. The government has no evidence that it does not work. It has not even done an impact study. It relies on one study only out of all the others that have been done and on a second study that was done peripherally by the OECD. It rejects all the studies on the extremely complex, extremely rich role that the Quebec funds play.

A voice: That is true.

[*English*]

The Chair: Merci.

Do you have anything further on this, Mr. Saxton?

Mr. Andrew Saxton: Thanks, Chair.

I just want to remind Mr. Caron that our government has introduced an extremely popular savings vehicle known as the tax-free savings account. I believe there are something like six million or seven million of these accounts which have been opened. They encourage Canadians to save for the future.

The Chair: I'm not sure either side is convincing the other, but I will go back to Monsieur Caron.

[*Translation*]

Mr. Guy Caron: Perhaps you are right there, Mr. Chair.

In reply to Mr. Saxton, yes, the government has established the TFSAs, but that is not related in any way to venture capital. They are personal savings. But we have something that can serve both functions at once.

The first function was to help people to save. The second was to allow those savings to directly strengthen venture capital and development capital that provides specific help to regions that we want to develop economically, regions that are not always urban.

There are a number of ways to save. The RRSP, which has been around for a long time, is a way to save. With these funds, we had savings directly targeted to a current weakness in Canada, the level of venture capital. Among OECD countries, Canada is bringing up the rear in terms of venture capital.

I hope that the action plan will be a success. But it would have stood a better chance with the investments from the labour-sponsored funds. Unfortunately, the government rejected the offer.

[*English*]

The Chair: Merci.

(Clause 81 agreed to)

The Chair: Can I group any more clauses, colleagues? How will we proceed?

Mr. Brison is saying up to clause 99. Ms. Nash.

Ms. Peggy Nash: Well, we'll stop there then. For us, it's up to 112.

(Clauses 82 to 99 inclusive agreed to)

The Chair: Mr. Brison, do you want to vote on clause 99?

● (1610)

Hon. Scott Brison: No, I'm fine with clause 99.

The Chair: I'm sorry, that's clause 100.

Hon. Scott Brison: Clause 100 we're opposed to, as we are opposed to clauses 101 and 102.

The Chair: May I group clauses 100 to 102?

Hon. Scott Brison: Certainly.

The Chair: I will call the question on clauses 100, 101 and 102.

(Clauses 100 to 102 inclusive agreed to on division)

Hon. Scott Brison: We are fine with clauses 103 to 105.

(Clauses 103 to 105 inclusive agreed to)

The Chair: What about clause 106, Mr. Brison?

Hon. Scott Brison: No, that's on division.

(Clause 106 agreed to on division)

The Chair: Can I group clauses 107 to 112?

Some hon. members: Agreed.

(Clauses 107 to 112 inclusive agreed to)

(On clause 113)

The Chair: Monsieur Caron.

[*Translation*]

Mr. Guy Caron: I am sorry, I forgot that this clause also deals with labour-sponsored venture capital corporations.

A voice: I thought we had finished.

Mr. Guy Caron: I thought so too, but we haven't.

This is an important decision, and it is worthwhile to look at it again.

How can the government really claim that its venture capital action plan will work when it is opposed even by the principal association representing the entire industry that it wants to affect in this way? Right after the budget, Canada's Venture Capital Association was the first to issue a media release expressing its strong opposition to the elimination of the tax credit.

Is the government listening to business as it claims? Is it listening to Quebec's business community? Ask the President of the Treasury Board about the reception he got the day after the budget when he went to Montreal to meet business people at a meeting of the Board of Trade of Metropolitan Montreal. Five of the seven questions he was asked reflected the doubts and opposition of the Montreal business community to the measure the government was proposing.

Is the government listening to other chambers of commerce, to other organizations and to businesses? Is it aware of the impact this will have? No, because, as i have said many times, the government has conducted no impact studies, just like it conducted no impact studies on employment insurance reform, for example. How can they state that they are demonstrating good governance when they make proposals blindfold?

If I think about the reaction at the last vote on the tax credit, the government even seems very happy. If I were in the government members' place, I would been a little embarrassed. I would not have shown my satisfaction so openly. I get the impression that we may not have heard the last of it. There will be other discussions and there will be more pressure before the gradual decrease starts; the government will be told that it is moving in the wrong direction and that it is affecting the economy of an entire region of the country. I am not just talking about Quebec; I am also talking about the Maritimes and about other provinces in Canada where a number of private risk capital funds—not labour-sponsored funds—recognize the impact of labour-sponsored venture capital corporations and work hand-in-hand with them.

I am putting the government on notice. I am also telling it that, if it is really interested in governing for all Canadians, including Quebec, this is clearly going to be one of the major issues in the 2015 election. I am warning the government that it will have this issue to face in Quebec and, I hope, in the rest of Canada.

The Chair: Thank you.

[*English*]

(Clause 113 agreed to)

The Chair: Colleagues, can I group clauses 114 to 120?

Ms. Peggy Nash: You can group up to clause 124 for us.

● (1615)

The Chair: Shall clauses 114 to 123 carry?

Mr. Brison.

Hon. Scott Brison: We would like to group clauses 116 to 118.

The Chair: Shall clauses 114 and 115 carry?

(Clauses 114 and 115 agreed to)

The Chair: Shall clauses 116 to 118 carry on division?

(Clauses 116 to 118 inclusive agreed to on division)

The Chair: Shall clauses 119 to 123 carry?

(Clauses 119 to 123 inclusive agreed to)

The Chair: Okay, we've dealt with parts 1 and 2, but we're still on part 2 of the bill.

(On clause 124)

The Chair: I have Liberal amendment 1.

Mr. Brison.

Hon. Scott Brison: Mr. Chair, the government is using this clause to retroactively change the rules and when a tax dispute with a number of the municipalities.... This is a $50 million to $60 million question in terms of revenue from municipal parking meters. Municipalities already face revenue challenges, and the federal government ought not to use a retroactive amendment to deny municipalities these revenues.

My amendment would change the effective date from December 17, 1990 to the budget date in March 2013 when the municipalities first learned of this rule change. The rule would still be changed, but it would not be applied retroactively.

The Chair: Thank you, Mr. Brison.

I will call the vote on Liberal amendment 1.

(Amendment negatived [See *Minutes of Proceedings*])

The Chair: Shall clause 124 carry on division?

(Clause 124 agreed to on division)

The Chair: Shall clause 125 carry?

An hon. member: On division.

(Clause 125 agreed to on division)

(On clause 126)

The Chair: I have Liberal amendment 2.

Mr. Brison.

Hon. Scott Brison: Mr. Chair, according to the fiscal update, the EI account will now have two accumulative surpluses in 2015. The government had previously committed to setting the EI rate at a break-even rate as soon as the account is in balance. This clause effectively breaks that promise. Instead of allowing the EI rate to fall in 2016, this clause freezes the EI rate at an unnecessarily high level. As a result, Canadian workers and businesses will pay an additional $5.6 billion more in EI premiums than what is required to balance the account.

We had the Canadian Restaurant and Foodservices Association before the committee the other day. That organization is one of the organizations that agree we ought to reduce EI premiums as opposed to maintaining an artificially high surplus. My amendment would allow the EI rate to fall in 2016.

I think it's important to recognize that this is a very tenuous recovery, and it's one that, while there have been some jobs created, with the job situation for young Canadians for instance, there are around 225,000 fewer jobs for young Canadians than before the downturn. Therefore, we don't believe that in the current labour or jobs environment it's a time to maintain unnecessarily high EI premiums right now.

The Chair: Okay, thank you, Mr. Brison.

Ms. Nash.

Ms. Peggy Nash: We support this amendment.

As was just said, of course the economy is still fragile. We still have persistently high unemployment, particularly among young people. There is global uncertainty, but let's not forget that the domestic economy is underperforming and we have a long way to go in terms of solid job creation and solid investment to get the economy back to where it should be.

The Conservatives have made a big fanfare about freezing EI premiums, but it should be noted that the cumulative deficit in the EI operating account only exists because successive Liberal and Conservative governments took the $57 billion that had accumulated from EI premiums that were paid by workers and employers, and that money ought to have been there to pay unemployed workers. We wouldn't have faced this deficit at any period if that money hadn't been plundered right before a major recession.

The old EI account had a surplus but that money was basically used to pay for other things like corporate tax cuts. What's happened as a result is workers and employers, yes those small businesses, those restaurant owners and businesses across the country, have had to pay higher premiums because that money was taken when it should have been there as a cushion for an economic downturn.

When the Conservatives started a new account, they started with a balance of zero. That $57 billion was gone and they started with a balance of zero right when we were going into a major recession. Let's be clear how we got to where we are. That money should have been there, but instead was basically used to balance the books and pay for tax cuts. Then we were faced with higher premiums at a time when the economy was in a downturn.

We support this; we generally support the freeze, but we also support a lower premium rate, if it's possible to be lower. Most of all we support having the premiums that workers and employers pay in a fund there for them to use when they need it most, when workers lose their jobs. What we don't support is a situation we have now where the vast majority of workers, when they do lose their jobs can't even get benefits at all. There are significant changes that should take place with EI.

Thank you.

● (1620)

The Chair: Thank you, Ms. Nash.

Mr. Saxton.

Mr. Andrew Saxton: Thank you, Chair.

We do not support the proposed changes.

I want to remind my colleagues in the NDP and Liberal Party that in fact, this legislation is going to ensure that EI premium rates will be no higher than $1.88 in 2015 and 2016. It does not preclude the government from further lowering the rate in the future depending on the evolution of economic conditions.

The Chair: Thank you, Mr. Saxton.

[*Translation*]

Mr. Caron, you have the floor.

Mr. Guy Caron: I would like to remind Mr. Saxton that the government raised the premium rate to $1.88 because it ignored the surplus of $57 billion that was there at the time. We have asked the officials who are here with us a number of questions about where the $57 billion reserve is. It turns out that the surplus has actually been fully incorporated into the government's general revenue fund. That means that, when the government set up the premium rate, it ignored the $57 billion.

So I would like Mr. Saxton to consider the fact that the government made the decision to reform employment insurance, to increase the premiums and to reduce access to the program by ignoring the existence of the $57 billion that came from the premiums paid by employers and employees. Remember that the government has not contributed to the program for over 20 years.

The Chair: Thank you.

[*English*]

Mr. Saxton.

Mr. Andrew Saxton: Chair, I just want to add as well, that by freezing the rate, it will provide certainty and predictability to employers and employees over the next few years, which we think is very important.

In 2017 the rate will be set on a seven-year, break-even basis.

Thank you, Chair.

The Chair: We will then vote on Liberal amendment 2.

(Amendment negatived [See *Minutes of Proceedings*])

(Clauses 126 to 129 inclusive agreed to on division)

(Clause 130 agreed to)

(On clause 131)

The Chair: We'll go to clause 131, where we have amendment NDP-6.

Ms. Nash, please.

● (1625)

Ms. Peggy Nash: What we are proposing with this amendment deals with rate changes. The minister under Bill C-4 would have the power to substitute in any year whatever rate he wanted for any reason he deemed to be in the public interest.

We think there should be some accountability that goes with that power. We're concerned that it opens the door to continuing politicization of premium rates and potential future abuse of the system to create surpluses to be used for non-EI purposes, which is the situation I just described with the $57 billion that Conservatives and Liberals used for balancing budgets and giving corporate tax cuts.

Our proposed amendment NDP-6 would require the minister to report to Parliament on the reasons for substituting a rate. If the minister wants to change the rate, he should have to, at a minimum, tell Canadians why he wants to change the rate, and what the impacts of the substituted rate would be compared with what was recommended by the EI commission. We believe this would bring much greater transparency, and with the EI funds that's greatly needed, given that it is moneys that come in from workers and employers across the country, and given the shocking history of abuse of the EI funds by successive governments.

We feel that if the minister is going to have these increased powers, which basically override the EI commission, which he has been disregarding anyway, that he should have to justify a substituted rate that he's recommending and say why this will have a positive impact versus the rate that the EI commission is recommending.

We think that greater transparency and accountability are what Canadians are looking for. I would urge my colleagues, especially in the Conservative Party, to vote in favour of accountability and transparency.

The Chair: Thank you, Ms. Nash.

Mr. Saxton.

Mr. Andrew Saxton: Chair, we cannot support the proposed changes, because changes to the EI rate-setting process that will come into effect in 2016 will ensure transparency and accountability in the rate-setting process. In addition, the legislative requirement to break even over time will ensure that any surplus EI premiums are ultimately only used to pay for EI benefits.

The Chair: Thank you.

Do you have anything further to add, Ms. Nash?

Ms. Peggy Nash: Yes. I just have to add, Mr. Saxton, how can concentrating power in the exclusive hands of the minister without public accountability lead to greater transparency? It doesn't make sense. What we have is an EI commission, and there is an accountability measure through the EI commission, but what this does is it turns the power over to the minister to impose whatever rate he wants on EI premiums without public accountability.

All we're proposing with this amendment, and we think it ought to be pretty basic and easy to support, is if the minister is going to override the EI commission and substitute a rate, then for goodness' sake, let's just have him come to Parliament, say why he wants to do that, and what the impact would be. It's pretty basic.

The Chair: Thank you.

Mr. Saxton, please.

Mr. Andrew Saxton: Thanks, Chair.

I just want to remind Ms. Nash that both the EI commission and the actuary for the EI operating account will prepare EI premium rate reports, and these reports will be made public when the rate for the following year is announced in September, and tabled soon after by the Minister of Employment and Social Development.

The Chair: Does that satisfy you, Ms. Nash?

Ms. Peggy Nash: What you're saying, then, is that the EI commission can come in and recommend a rate based on their study, their observations, and their predictions, and the minister can come in and impose a different rate. After the fact, the EI commission can publish a report on that and say what the impact was, but the rate will already have been adopted.

All we're asking is if the minister believes it is in the best interests of Canadians to make a change to the EI rate, that he at least, for goodness' sake, tell Canadians why he thinks that change is beneficial and why he wants to override the experts on the EI commission. He should have to say what the impact of that rate change would be. I think that's pretty fundamental.

Thank you.

● (1630)

The Chair: Thank you, Ms. Nash.

I will then call the vote on amendment NDP-6.

(Amendment negatived [See *Minutes of Proceedings*])

(Clause 131 agreed to on division)

The Chair: Colleagues, I do not have an amendment until clause 176.

Ms. Peggy Nash: You can group clauses 132 to 134.

Hon. Scott Brison: I would like to have them voted on separately.

(Clauses 132 to 134 inclusive agreed to on division sequentially)

(On clause 135)

The Chair: Ms. Nash.

Ms. Peggy Nash: I just want to make a point on clause 135. We are going to vote in favour of this.

We support the extension of the small business hiring credit, but we have heard concerns that it is funded through the EI account, which the Conservatives have already pretty much depleted. We think it ought to be funded through general revenues. We've also proposed additional job creation measures, like a youth job creation grant, but we will support this clause.

(Clause 135 agreed to)

The Chair: May I group clauses 136 to 175?

Ms. Peggy Nash: No.

The Chair: Shall clause 136 carry?

(Clause 136 agreed to on division)

(On clause 137)

The Chair: Mr. Caron.

[*Translation*]

Mr. Guy Caron: I would like to talk about one of the basic problems with the way the government is managing EI, including the reform that the government has been implementing for a while and even the measures in place before the reform. In fact, in an interview I gave in my riding, I was asked an interesting question. The reporter had talked to a number of former MPs from all the political parties, Liberal, Conservative and New Democratic, and he asked everyone the same questions. He wanted to know why the management of EI was a recurring problem and why people were never happy. I answered right away. The main reason is that the government consults with employers and employees as little as possible and it independently manages a program to which it makes no contribution. The government invests nothing in the EI fund. The funding comes from premiums.

Clearly, when an entity like the Government of Canada manages a program of the size and complexity of Canada's employment insurance without consulting those directly affected by the program, people will be very unhappy. At least, the Canada Employment Insurance Financing Board was a bit more independent than the government in setting the premium rates. However, not long after the government created the board, it abolished it, despite the fact that the previous budget bill confirmed that the board would just be suspended. The government changed its tune, and now the organization is abolished. From now on, the government is and will be in full control of setting the premiums that, let us not forget, are paid by employers and employees.

I am sure that people across Canada, particularly the workers who want to be heard on the issue, will be extremely disappointed by the government's attitude. It will not help rebuild the confidence of workers, the unemployed and those who receive benefits because they lost their jobs. Nor will it help rebuild the confidence of employers who, despite the government's fine promises, will still have to do what the government wants in terms of setting benefits, but with minimal consultation.

We strongly deplore the government's decision, which once again confirms one thing. As my colleague said, even though it was the Liberal government that helped itself to the $57 billion from the EI fund, it was the Conservative government that made sure that fund was completely closed, actuarially speaking. It was the Conservative government that created another fund with the level of premiums and revenue set at zero, as if the previous $57 billion did not exist. It was the Conservative government that took over the management completely.

The government did not do what it did just with the Canada Employment Insurance Financing Board. It did the same thing by abolishing the boards of referees and replacing them with the Social Security Tribunal. Government employees or representatives cannot be aware of everything. Those boards had the advantage of being regional. They were dealing with appeals from claimants whose benefits were denied, but on a regional basis. The boards understood the regional reality. However, the government has centralized that whole process and taken all the power by appointing a number of former Conservative members or supporters to the commission. That process is anything but impartial.

Once again, that clearly shows the Conservative government's failure to understand, or even its contempt for, the reality of workers and of the unemployed in all regions of Canada.

● (1635)

The Chair: Thank you, Mr. Caron.

[*English*]

We'll hear Mr. Saxton on this, please.

Mr. Andrew Saxton: Thank you, Mr. Chair.

I just want to say that we agree with our colleagues. It's unfortunate that the previous Liberal government chose to raid from the fund more than $50 billion, but as I mentioned earlier, the legislative requirement to break even over time will ensure that any surplus EI premiums are ultimately only used to pay for EI benefits.

(Clause 137 agreed to)

The Chair: Can I group any other clauses, colleagues?

Ms. Peggy Nash: You could group up to clause 156.

(Clauses 138 to 156 inclusive agreed to on division)

(On clause 157)

The Chair: Ms. Nash.

Ms. Peggy Nash: Mr. Chair, we support this clause. My colleagues across the way will be very happy to hear that.

Let's just clarify that this fixes a mistake that was made by the government, again in another omnibus budget bill that was rushed too quickly. Too much was crammed into one bill and there was too short a timeframe to consider it. That's when mistakes get made. Just as we are fixing the mistake of doubling the taxes that credit unions pay, which we fixed in another clause here, this clause fixes a mistake that the Conservatives made when they penalized fishermen and women, costing them EI benefits.

We fought hard against these changes at the time because we knew it was penalizing unemployed workers and it hurt particularly those in Atlantic Canada who depend on seasonal work like fishing.

We're glad to see that the Conservatives are fixing one of their more egregious mistakes, but we think that they should go further and repeal the EI changes that have already been condemned by premiers, workers, employers, and a variety of experts.

This clause fixes the mistake that the Conservatives made, but we think that the overall package of changes they made were a big mistake for Canadian workers and that they should be amended as well.

Thank you.

The Chair: Thank you, Ms. Nash.

I'll go to Mr. Keddy, please.

Mr. Gerald Keddy (South Shore—St. Margaret's, CPC): Thank you, Mr. Chairman.

I'm glad to hear that my colleague across the way is going to support this correction.

It needs to be said, quite frankly, that this was an unintended consequence. The EI regulations got changed. I don't recall at the time, Mr. Chairman, anyone in any of the parties saying anything about a separation of fishing hours and regular hours and the fact that they couldn't be added together. I think that needs to be on the record.

This is a recognition by the government that this shouldn't have been done. It's an effort to correct it, and I'm glad to hear that the opposition parties are supporting it.

The Chair: Thank you, Mr. Keddy.

Ms. Nash and then Mr. Brison.

● (1640)

Ms. Peggy Nash: Mr. Chair, I'm a little astounded by the member's comments.

To be fair, Mr. Keddy, it was prior to your membership on the finance committee—

The Chair: Please make your comments through the chair, please.

Some hon. members: Oh, oh!

Ms. Peggy Nash: That's fair.

It was prior to his joining the finance committee.

The Chair: I've been here forever. They're going to stuff me pretty soon.

Some hon. members: Oh, oh!

Ms. Peggy Nash: It's never too long, presidency of the chair.

It was prior to Mr. Keddy joining the finance committee.

My goodness gracious, there were news conferences and protests and there were many speeches given about the impact these changes would make on seasonal workers. I remember vividly being at one news conference on this. There was a great deal of publicity given to the impact this would have on seasonal work, which of course people in the fishing industry are a part of. There was a lot of concern that the impact, the denial of benefits, would mean that people who work in seasonal industries would be forced to leave their area to go to find other employment because they would not be able to get benefits during off-season, and that's unfortunately the nature of the work that some people participate in, such as fishing, tourism, and many other sectors. Clearly there were a lot of concerns raised at the time.

We are glad that the mistake made by the Conservatives is being fixed with this bill.

The Chair: Thank you.

Mr. Brison, please.

Hon. Scott Brison: Further to Ms. Nash's comments, we were strongly opposed to these changes, not simply with the fisheries, but for other sectors as well.

While we support this change, this correction, we still believe that overall the changes are deleterious to particularly rural and small town Canada, and the regions in Atlantic Canada.

The Chair: Thank you.

Mr. Keddy, again please.

Mr. Gerald Keddy: Again, just to finish my point of clarification, Mr. Chairman, of what I stated, there was lots of opposition to the changes in EI, absolutely. That opposition was completely unfounded.

More importantly, what I'm specifying is that this specific change is a change that allows fishing hours to be used along with non-fishing hours and allows the fishing hours to take precedence, because those stamps, quite frankly, are worth more, and so it increases the EI.

There was an unintended consequence and the government recognized that. I represent one of the largest fishing ridings in this country, and I and a number of colleagues approached the minister on it. The minister changed the rules because the rules were unintended. That's why it's backdated to April 1.

The Chair: Thank you, Mr. Keddy.

[*Translation*]

Mr. Côté, you have the floor.

Mr. Raymond Côté (Beauport—Limoilou, NDP): Mr. Chair, I am very happy that Mr. Keddy spoke again because that shows the lack of rigour on the government side.

I would just like to remind the committee that we are looking at an omnibus bill. Once again, it is because of omnibus measures, not to mention the rush and the debates being cut short, that this type of measure was passed. It is very interesting because, during the hearings on the consideration of Bill C-4, a number of very credible witnesses warned us about the dangers of having a bill that deals with a number of different pieces of legislation. Unfortunately, it has not been studied in sufficient depth, despite all the serious thought and effort that has gone into it.

So we are forced to correct it after the fact, after all the costs have been incurred by various players in the community, as well as by the government and taxpayers, of course. It is very important to point that out.

In closing, I would say that this is just one measure among many that the government had to correct and that it will have to correct in the future. In addition, there is no mention of the major dangers that were brought to our attention by a number of witnesses, meaning the referral of some measures to court because they are not consistent with some of our country's fundamental laws. The outcome is costs, exclusion and hardship for people.

● (1645)

The Chair: Thank you, Mr. Côté.

[*English*]

(Clause 157 agreed to)

The Chair: Can I group any more clauses?

An hon. member: No.

The Chair: Shall clause 158 carry?

(Clause 158 agreed to on division)

The Chair: Shall clause 159 carry?

Ms. Peggy Nash: We could group up to clause 166.

(Clauses 159 to 166 inclusive agreed to on division)

(Clauses 167 to 175 inclusive agreed to)

(On clause 176)

The Chair: Mr. Saxton.

Mr. Andrew Saxton: I know that Ms. May is very keen to get going on her amendment. May I just propose a five-minute break before we get to clause 176?

Ms. Elizabeth May (Saanich—Gulf Islands, GP): My comments will only take an hour, so if you want a break, take it now.

Mr. Andrew Saxton: That's what I was anticipating, Elizabeth. Let's make it a 10-minute break.

Some hon. members: Oh, oh!

The Chair: We'll suspend for five minutes, then.

● (1645)

(Pause)

● (1655)

The Chair: I call this meeting back to order.

We are resuming debate on Bill C-4, with clause-by-clause discussion. We left off at clause 176.

Colleagues, we have a number of amendments. We have Green Party amendments 1, 2, 3, 4, and 5, and we have NDP amendments 7 and 8.

This is a grey area but I'm proposing, and hopefully it's agreeable to you, that we give Ms. May a maximum of five minutes to address all of her amendments in this clause, if she can do that in one fell swoop. Then we will go to the NDP, and they'll address their amendments.

Ms. May, you may address your five amendments, please.

Ms. Elizabeth May: Mr. Chair, I will start out with a brief on-the-record statement of protest. The first protest would be to any taxidermal treatment of the chair. I want that on the record because I wasn't able to speak to the point when you were suggesting you might be stuffed soon. I think we appreciate your role here.

I also want to say, on a serious point, that although I realize my appearance and participation here is couched in terms of an invitation, it's essentially not an invitation that I welcomed. I want to repeat that the entire operation of identical motions in multiple committees has the effect of reducing the rights of members of Parliament such as myself. Essentially, to participate in a less than meaningful way is—without any personal comment towards any of you here, and certainly no personal animus, because I don't believe anyone around this table initiated this process—coercive, as I regard it, and an abuse of the powers of a majority towards a minority.

Moving on to my five amendments which all relate to division 5, I'm speaking to changes that I have proposed in five different amendments to clause 176. This is the clause that changes the Canada Labour Code by essentially eliminating the role of the health and safety officers and regional health and safety officers and changing the definition of “danger”.

To move through them fairly quickly, my first amendment is to delete the repeal of the definitions of “health and safety officer” and “regional health and safety officer”. I noted that during evidence-taking at the human resources committee, and this amendment is largely based on testimony that the committee heard, particularly Chris Aylward from PSAC made the point:

> The current health and safety officers are neutral, trained and specialized. They have the authority to monitor workplaces and issue directions.

We think that it's an unhelpful move in Canada Labour Code management, and a lot of sophisticated work has built up over the years to have a Canada Labour Code that works, and that it's capricious to remove the important role of the health and safety officers. Amendment PV-1, the Green Party's first amendment, essentially is a deletion of just a few of the lines in clause 176 so as to preserve the role of health and safety officers.

Amendment PV-2 similarly deletes the new definition of “danger”, which would allow us to revert to the previous one. In this amendment, I'd like to cite the evidence that was heard from Hassan Yussuff of the Canadian Labour Congress, who pointed out that by redefining “dangerous work”, “the bill basically narrows the scope of application that allows workers to exercise their right to refuse dangerous work. The right to refuse work would now only apply to workplace conditions that cause so-called 'imminent or serious threat' to the worker.”

As you can see, my amendments proceed along the lines of finding ways in the alternative, and I provide them in the alternative in the hope that one of them might actually succeed to preserve both the role of the health and safety officers and/or a more reasonable comprehensive definition of “danger”, so that workers will have the right to refuse dangerous work.

Amendment PV-2 speaks to that deletion.

Amendment PV-3 moves to my first alternative definition of “danger”. It attempts to revert to the previous definition while adding elements of hazard or condition. The amendment itself both preserves the current definition of “danger” and adds to it.

Moving quickly to amendment PV-4, we have another alternative definition, but this time adding the notion of acute or chronic shock.

The fifth definition is one that... We found a paper from some time ago from the Canadian Labour Congress suggesting that the World Health Organization's definition of “health”, which is incorporated in amendment PV-5, would in fact be more comprehensive and useful for workers in being able to refuse dangerous work.

I think I've taken less than five minutes, but that's a quick summary of the five amendments I've put forward to protect workers and protect the scheme by which workers are currently protected through health and safety workers.

Another amendment goes to this point but occurs further along in division 5.

Thank you, Mr. Chair.

● (1700)

The Chair: Thank you very much, Ms. May.

I'll just look to my NDP colleagues. Do we wish to deal with the Green Party amendments first, or do you wish to address this clause and your amendments and then have the votes on everything all at once?

Ms. Peggy Nash: We can deal with everything all at once. I think we'll be voting the same way.

The Chair: Okay.

Ms. Nash, please address your amendments to this clause.

Ms. Peggy Nash: Sure. I just want to say first of all that we support the amendments put forward by Ms. May, as well as putting forward our own amendments that I'll describe in just a moment.

I want to start off by saying that I think the changes which the Conservative government is making about workplace health and safety are the most serious and dangerous changes in this bill. I'm very, very strongly opposed to them, as are many of the witnesses we heard testify before committees.

I have to say, when I first started getting involved in my union as a young person, it was as a health and safety representative in the federal jurisdiction, so on a personal level, I really valued the health and safety legislation. I saw it progressively get stronger over the years, and the changes in this legislation would in fact take the legislation back in time many, many years. Ultimately, I think it will make the workplace much more dangerous and less desirable for Canadian workers.

Fundamentally, every worker deserves a workplace that is safe and healthy, that's free from danger, free from health hazards. The obligation is on the employer to provide that safe and healthy workplace. That's their legal requirement. Working people also have rights, such as the right to refuse unsafe work, to know what they're working with, to participate in their health and safety, but how you define the right to refuse work, for example, is changing dramatically. It is becoming narrowed by this legislation. What that means is there are workplace conditions that previously would have meant that a worker can decide that it is dangerous for them and they could have had the right to say that they don't want to put themselves in that situation. With these changes, they would be obliged to continue to work.

I don't think we have an absolute epidemic of work refusals in this country. It's a pretty serious step for someone to refuse to continue to work, but when someone does refuse, it is the right that they ought to have in order to protect the integrity of their own health. It is really rolling back the clock to narrow this definition. Let's make no mistake that it will increase the risk that workers are subjected to, and it will increase the injuries. It will increase, in fact, the compensation claims and the lost time, and ultimately will be very dangerous for workers. It also doesn't make good economic sense on that basic level.

Speaking to our amendment on narrowing the definition of “danger”, we believe that providing an alternative definition that's more substantive in scope is important. Again, we think that when it comes to a person's individual health and safety, none of us wants to be put in a position where the employer is saying that you must work even though you truly believe it is going to be a serious health risk or a serious risk to your safety.

The other amendment is about the change the government is making, which is to strip health and safety officers of nearly all of their powers and concentrate them in the hands of the minister. The minister has a myriad of other things that he or she is responsible for. The minister cannot have the expertise of a health and safety officer, who is trained, who does this for a living, who is an expert, and has a track record when it comes to health and safety. It really makes no sense.

● (1705)

Again, as I said on a previous clause, it lacks transparency and accountability, and ultimately it would undermine the ability of people to get their rights enforced in the workplace.

Our amendment would undo the elimination of health and safety officers, while requiring that they be government employees and not be outsourced or have that power concentrated in the hands of the minister.

I want to say that one of the changes in the rules which we find is remarkable is that under the changes in Bill C-4, there would no longer need to be a physical inspection of a work site, an actual workplace; a phone call would suffice. You can just imagine this: the employer is sitting in an office and someone from the minister's office, or someone that has been delegated, phones up and says, “ Is this okay? Have you got that done? Did you do this? Are you going to do this?” “Sure, everything's fine. Good to go.”

The fact that they would not have to go there and lay their eyes right on that situation and inspect it for themselves frankly is shocking, and it's unbelievable. I just can't imagine that we would allow that situation through our laws. This is Canada, and people have a fundamental right to a safe and healthy workplace. We're strongly opposed to the changes that would be made through this bill.

We believe that our amendments and Ms. May's amendments would help correct some of these changes. Again, I would urge my colleagues across the way to put themselves in the position of someone who's trying to get a basic right enforced and that employer is sitting in the office telling an inspector over the phone that the workplace is good to go, no problem.

Hopefully, you will support our amendments.

The Chair: Thank you, Ms. Nash.

Mr. Jean, and then I'll go to Mr. Saxton, please.

Mr. Brian Jean (Fort McMurray—Athabasca, CPC): Thank you, Mr. Chair.

Very quickly, I understand that if you look at *OHS Canada*, Canada's occupational health and safety magazine, you'll see that it has even recognized in several articles, one in particular, that there is an issue with the law. My understanding is that this fix proposed by the government is a result of cases such as the Canadian Labour Relations Board heard in Alan Kucher v. Canadian National Railway Company, where it was found that, under the current definition, a refusal of work could be decided on the basis of 20 years of working habits with somebody, and in the circumstances, it found that it was adequate, even though in my mind, after reading some of the facts behind the case, I find it kind of ridiculous.

I think the response by the government is a result of an uncertainty in the law even recognized by that particular industry in Canada.

● (1710)

The Chair: Thank you, Mr. Jean.

We'll go to Mr. Saxton, please.

Mr. Andrew Saxton: Thank you, Chair.

I thank my colleague, Mr. Jean, for making that very important point.

What we're proposing here in Bill C-4 is designed to ensure clarity, oversight, and consistent application of the Canada Labour Code across work sites, employers, and industrial sectors. Health and safety officers will continue to play an important role in enforcing the Canada Labour Code.

Ms. Nash's and Ms. May's proposal is not feasible legally as a definition of a term. For example, “health and safety officer” cannot be included when that term is not used within the legislation. As well, the term “federal public administration” would affect the minister's ability to delegate to an employee of a province. We cannot support either of their amendments.

The Chair: Thank you.

Monsieur Caron.

[*Translation*]

Mr. Guy Caron: I would like to take advantage of the fact that we are talking about amendments, including those of the Green Party, to reiterate our strong opposition to the process imposed on the committee. This process takes away the traditional rights fundamentally acquired—and for good reason—by independent members of Parliament or party members not recognized by the House of Commons. Given the tradition and given that those members of Parliament cannot sit on committees the way we do, they do not have the same rights as us. They had acquired the right to introduce amendments in the House at report stage. However, their right was denied, and we strongly oppose that.

We condemn the initiative of the Conservative government. Furthermore, we are extremely surprised that the committee member representing the Liberal Party has also supported this government measure, which takes away a good number of the few rights independent MPs can still have in the House and in committees.

Once again, we will vote the way we have to vote unfortunately. However, I hope that the government does not make a habit out of this for future bills, or a habit that could be seen in other committees in terms of some of the other aspects we have discussed.

Each MP here in this committee also represents a riding. We have the right to represent our constituents. Unfortunately, this right has largely been taken away from those who represent the constituents of their ridings without their party being recognized by the House.

Thank you.

The Chair: Okay, thank you.

[*English*]

Colleagues, I'm going to take the vote first on amendment PV-1. Can we apply the vote on PV-1 to PV-2, PV-3, PV-4, and PV-5, or do you want separate votes on each?

An hon. member: One is fine.

The Chair: So we shall apply it.

(Amendment negatived [See *Minutes of Proceedings*])

The Chair: Can I take the vote on NDP-7 and apply it to NDP-8?

Some hon. members: Agreed.

(Amendment negatived [See *Minutes of Proceedings*])

The Chair: Shall clause 176 carry?

(Clause 176 agreed to)

(On clause 177)

The Chair: On this clause we have amendment NDP-9.

Ms. Nash.

Ms. Peggy Nash: Under existing legislation, a health and safety officer can require the posting of notices in any location, but under clause 177 of Bill C-4, that power is eliminated.

This amendment would allow the minister or his or her delegate to require multiple postings in a workplace, as had been the case previously. One can only imagine very large workplaces with great distances between people and the ability.... I have seen situations in which something is posted, but it's in the supervisor's office, or it's in a place that's not easily accessible to the majority of workers in a workplace.

The ability to have multiple postings of notices is just a practicality. I have no idea why the government would want to eliminate that possibility. If there's a notice that can help protect people's health and safety, goodness gracious, surely we would want them to be aware of it. Or if there's an order for the employer to do something in the workplace, this is a good check and balance so that the people who work there every day can make sure that it happens.

Our amendment would basically require the status quo, that the officer have the ability to require multiple postings. This was the case previously.

● (1715)

The Chair: Thank you.

We'll take the vote on NDP-9.

(Amendment negatived [See *Minutes of Proceedings*])

(Clause 177 agreed to)

The Chair: Can I group clauses 178 to 180?

Some hon. members: Agreed.

(Clauses 178 to 180 inclusive agreed to [See *Minutes of Proceedings*])

(On clause 181)

The Chair: We have amendment NDP-10.

Ms. Nash.

Ms. Peggy Nash: Yes, this is about making sure, given that the minister is concentrating all the power in his or her office, that he or she is getting a full picture of what's going on in a workplace.

Right now what Bill C-4 would do is, if there is a health and safety committee and the committee is not unanimous on a decision or points of view on something, only the majority decision or the majority viewpoint would be reported to the minister. However, there may be a diversity of opinion. There may be a minority opinion. We believe that the minister ought to get all the information. If a decision is not unanimous, we think that all the results should be passed on to the minister.

That's what amendment NDP-10 would do.

The Chair: Is there further discussion on this?

(Amendment negatived [See *Minutes of Proceedings*])

(Clause 181 agreed to)

(On clause 182)

The Chair: Colleagues, there is another amendment. You should have an amendment dealing with clause 182. I am going to call it amendment NDP-10.1.

Ms. Nash.

Ms. Peggy Nash: Mr. Chair, I apologize for the lateness of this motion.

This amendment would eliminate the ability of the minister to throw out a refusal on the grounds of it being in bad faith or being trivial. Again, we don't believe the minister has the ability to determine that, and the concentration of power in the hands of the minister, we think, could be detrimental to the health and safety of people working in federal jurisdiction workplaces across this country, so we're proposing that this ability be eliminated.

The Chair: Okay, thank you.

(Amendment negatived [See *Minutes of Proceedings*])

(Clause 182 agreed to)

(Clauses 183 to 189 inclusive agreed to)

(On clause 190)

The Chair: We have amendment NDP-11.

Ms. Nash.

● (1720)

Ms. Peggy Nash: Mr. Chair, this amendment would require that any individual to whom the minister delegates his or her health and safety powers, which is the ability that would be granted through Bill C-4, in fact is qualified to exercise those powers, which I'm sure everyone in this room would think is kind of basic. If you're going to give powers to someone to enforce the law, they actually should be qualified to do so. The person who is being delegated with this power would have the appropriate training in occupational health and safety or at least have the equivalent experience. That is what our amendment proposes.

The Chair: Thank you.

Dealing with amendment NDP-11, we'll have Mr. Saxton, please.

Mr. Andrew Saxton: Chair, very quickly, I want to mention to Ms. Nash that the notion that the person has to be qualified is already set out in subsection 140(1).

The Chair: Thank you.

(Amendment negatived [See *Minutes of Proceedings*])

(Clause 190 agreed to)

(Clauses 191 to 195 inclusive agreed to)

(On clause 196)

The Chair: Ms. Nash.

Ms. Peggy Nash: Mr. Chair, it's linked to the subsequent amendments as well, NDP-12 and NDP-13.

The Chair: You can speak to them now, if you like.

Ms. Peggy Nash: The amendment is a key request from stakeholders in the health and safety area who have called for the introduction of an appeal process for a ministerial decision around a work refusal. I've already spoken to the difficulty in concentrating this power in the hands of the minister and the lack of the ability of the minister to fully carry out this power when it comes to the work of a health and safety officer and the ability of the minister to delegate this power.

The Conservatives have just defeated a motion that would have required competency in the person to whom that power is delegated, so this is to ensure a fair and transparent process in work refusals so that if there is a decision that a work refusal is not going to be upheld by the ministerial representative, there is some kind of appeal process, which does exist in many jurisdictions.

The Chair: Thank you for that.

I'm going to deal with clause 196 first, then.

All in favour of clause 196?

Ms. Peggy Nash: Well, hang on. Excuse me, are you taking—

The Chair: I'm just doing clause 196 first.

Ms. Peggy Nash: We're not voting on the amendments?

The Chair: Not yet. I'll do that in succession.

(Clause 196 agreed to)

(On clause 197)

The Chair: We'll go to clause 197.

We have amendment NDP-12, which Ms. Nash addressed. We also have amendments PV-6 and LIB-3.

We'll go to Ms. May for one minute, approximately.

● (1725)

Ms. Elizabeth May: Thank you, Mr. Chair.

I want to second everything that Ms. Nash has said about how egregious these changes to the Canada Labour Code are. She started out as a health and safety worker. I once practised union side labour law. Seeing these changes to the Canada Labour Code without background, without consulting any of the key stakeholders is really quite shocking. I don't know in whose interests these changes are, but we certainly oppose them.

This amendment goes to the fact that there's replacement of health and safety worker judgment with levels of political discretion of the minister without statutory appeal. What I'm proposing in amendment PV-6 is that the decisions that are made under subsection 129(1), where the minister can decide not to investigate, would now be open to a statutory appeal for the employer, the employee, or the trade union. It expands the language that you now find in section 146 to include not only the direction the minister may make but a decision the minister makes under new section 129 not to investigate.

It certainly is capricious to give political discretion and deny an appeal.

The Chair: Thank you, Ms. May.

We'll go to Mr. Saxton on this as well.

Mr. Andrew Saxton: Thank you, Chair.

I just want to remind Ms. May that recourse mechanisms still exist to address issues that are not appealable. In addition, the authority given to the minister to determine not to investigate under the proposed changes to subsection 129(1) is aligned to other acts, such as the Canadian Human Rights Act.

Therefore, Ms. May, your amendment is not necessary.

The Chair: Thank you, Mr. Saxton.

I'll just remind members that comments go through the chair.

Ms. Nash.

Ms. Peggy Nash: Mr. Chair, the notion that somehow, if you are told that you don't have a work refusal and you have recourse to the Canadian Human Rights Act is a bit ludicrous. Presumably you're refusing work because you believe that your health and safety are in danger. As we know, human rights legislation involves a very lengthy process and is the antithesis of a speedy resolution of a health and safety measure.

Frankly, it's absolutely not a solution to an appeal process. If somebody believes that their health and safety are in danger, especially if their refusal is rejected by a phone call from somebody who perhaps isn't even qualified to make that decision, goodness gracious, we could be putting people's lives at risk. I think that having some kind of basic appeal is pretty standard and would add greater transparency and safety to the workplace. I think that has to be paramount in all our minds as we contemplate this legislation.

In how many workplaces do you see safety is job one? It ought to be our job one when we are thinking through the impact of these clauses in Bill C-4. People's health, their limbs, their lives, could depend on the decisions we make. It sounds dramatic, except that bad things happen, and I think our obligation is to do the most we possibly can to ensure that people are protected and that their rights are enforced. Frankly, in a safety situation, recourse to human rights legislation, which could take years, is not a solution.

The Chair: Thank you, Ms. Nash.

Colleagues, we also have amendments LIB-3 and LIB-4.

Mr. Brison, do you wish to add to the debate?

Hon. Scott Brison: I agree with my colleagues. There has been no consultation with stakeholders on these significant changes. It's another case of omnibus legislation and this committee deliberating and ultimately voting on something unrelated to the fiscal framework of the country, which is what we ought to be dealing with in budget bills.

The Chair: Thank you.

I'll just explain the voting. For clause 197, amendments PV-6, LIB-3, and NDP-12 are identical, so the vote on amendment PV-6 will obviously apply to amendments LIB-3 and NDP-12.

As well, colleagues, you should be aware that amendments LIB-4 and NDP-13 are consequential, so that if you defeat amendment PV-6, for instance, you will also be defeating amendments LIB-4 and NDP-13. This is a very consequential vote on amendment PV-6.

(Amendment negatived [See *Minutes of Proceedings*])

The Chair: Colleagues, I do not have another amendment until clause 212. Can I group some clauses together? You can take a look.

Oh, I'm sorry; I'm reminded here that I did not take an official vote on clause 197.

(Clause 197 agreed to)

● (1730)

The Chair: Ms. Nash.

Ms. Peggy Nash: You could group clauses 198 to 203.

(Clauses 198 to 203 agreed to)

(On clause 204)

The Chair: Monsieur Côté.

[*Translation*]

Mr. Raymond Côté: Thank you very much, Mr. Chair.

I will indulge myself and have some fun at the expense of my colleague Brian Jean, who said this week that he was very concerned about the spending power of judges, meaning their power to use the money of others, when the government is doing such a great job in that area. However, here we have an example of a rather specific expense, whose usefulness for the public good was not demonstrated at all. When the senior officials came to answer our questions, they told us that the amendment will easily cost $430,000 for reprinting documents and replacing the signage.

Changing the name of the current Department of Human Resources and Skills Development to the Department of Employment and Social Development is clearly a political tactic. It can even be considered propaganda. When all is said and done, that will enable the government to highlight the word "employment" in big neon letters. This razzle-dazzle will also enable the minister to focus on the word "employment" when he travels across the country and the word appears on TV or in photographs.

It is really embarrassing for the government to spend so much money just for propaganda. That is one of the reasons why we oppose this initiative.

I would also like to talk about clause 205. In fact, I would like to talk about the new definition for the title of the Minister of Employment.

I will leave it at that, at least in terms of section 204.

[*English*]

The Chair: Merci, Monsieur Côte.

(Clause 204 agreed to)

(Clause 205 agreed to)

(On clause 206)

The Chair: Monsieur Côté.

[*Translation*]

Mr. Raymond Côté: Thank you very much, Mr. Chair

In addition to the titles a minister can give himself, his actions are clearly a consideration. The minister being called "the Minister of Employment and Social Development" is not a bad thing in itself, if it weren't for the lack of real employment policies. As I said, clause 204 opens the door to propaganda first and foremost. In the next few years, the next couple of years in particular, just before the next election, the government will constantly be able to highlight the word "employment" on television.

Employment development has always been a priority for the NDP. That has been the case since the party was formed, over 50 years ago. However, employment development does not happen through piecemeal actions, one-time actions. We need to keep the big picture in mind. I would also like to remind the committee that the countries in the world that achieve full employment make a concerted effort and use real strategies.

What is really deplorable is that, at the end of the day, this is a marketing exercise to make the government look good, but it does not come with a real strategy, with tangible actions. Mr. Chair, I will not hide the fact that the NDP supported some of the government's measures, including the employment credit, but we are very far from having a strategy here.

There you go. We can now vote on this clause. Thank you very much.

● (1735)

The Chair: Thank you.

[*English*]

(Clause 206 agreed to)

(Clauses 207 to 210 inclusive agreed to)

(Clause 211 agreed to)

(On clause 212)

The Chair: We have amendment NDP-14.

Go ahead, Ms. Nash.

Ms. Peggy Nash: Bill C-4 would introduce electronic enforcement of the Canada Labour Code. Given that the Conservative government through Bill C-4 is already making very drastic changes to health and safety—we've talked about that; the drastic changes would reduce health and safety protections in the workplace, put workers at risk across this country—in this light, we're very concerned that the power to administer this particular act electronically could further undermine the rights of workers who want to object to dangerous situations.

Our concern is, for example, that if someone is wanting to refuse to work, there could be no visual inspection of the workplace and maybe a phone call or an e-mail might suffice, but we believe that a visual inspection is essential where there are serious problems in the workplace. That's what our amendment would provide for.

The Chair: Thank you.

(Amendment negatived [See *Minutes of Proceedings*])

(Clause 212 agreed to on division)

(Clauses 213 and 214 inclusive agreed to)

(Clauses 215 to 217 inclusive agreed to)

● (1740)

The Chair: We have clauses 218 to 238.

Ms. Peggy Nash: Nice try.

The Chair: Okay, is everyone in favour of clause 218?

(Clause 218 agreed to)

(Clauses 219 to 238 inclusive agreed to)

(On clause 239)

The Chair: We have amendment PV-7. We will go to Ms. May again, please.

Ms. Elizabeth May: Thank you, Mr. Chairman.

I have a number of amendments that relate to this section. Did you want me to address them all at once or separately?

The Chair: You have amendments PV-7, PV-8, PV-9, PV-10, PV-11, and PV-12. Did you want to address all of them at one time?

Ms. Elizabeth May: It's up to you, sir. As long as I'm allowed to address them either a minute at a time, with breaks in between, or all at one go. It's up to you.

The Chair: If you want to do it all in one go, it's probably easier. Is that okay?

Ms. Elizabeth May: Yes, certainly. I'm fine with that.

My amendments to these sections, beginning with PV-7 and going through to PV-12, are all relating to division 7, as you will know, which is an extremely important section of Bill C-4. Unfortunately, this is one of those examples of where it would have been so much more preferable to have this in stand-alone legislation.

This relates to the disposition of a substantial chunk of lands that were known as the Dominion Coal Blocks. They were tied up in very old legislation, under the Crow's Nest Pass act, and held by the federal government, but they've also been the subject of significant research and advocacy, because they are part of the proposal for Flathead national park.

They're part of a very significant and valuable ecosystem that is particularly important as a wildlife corridor. It's the Flathead and Elk valleys of southeastern British Columbia, in the riding of our friend, Dave Wilks. Mr. Wilks is well aware of the conservation values here, as are we all. It's also the traditional territories of the Ktunaxa First Nation. I know that first nation has been consulted through this process. They have been the stewards of this land for 10,000 years, so they have something to say about it, and their rights must be respected in this.

The intention of the sale is to open up mining. By the way, there are international concerns as well. UNESCO has declared the Waterton Glacier International Peace Park as a world heritage site, so there is also concern internationally about whether the development of coal mining operations in this area would in any way diminish the ecosystem values found in a world heritage site.

It's hard to overstate the significance of this particular part, division 7 of Bill C-4, in terms of the biodiversity obligations of Canada under the United Nations Convention on Biological Diversity, under our Canada National Parks Act, and in the interests of future generations.

Mr. Chair, to give you a sense of what I'm attempting to do in my amendments, PV-7 is to create a buffer zone. There would be a two-kilometre inward buffer zone so that there would be a preservation of ecological integrity around the boundaries of wherever there was to be development of coal. We do know that Teck is very interested. This will likely be one of the ways that Canada gets itself out of deficit, by selling off our assets in this way.

The second amendment, PV-8, goes to ensuring that there would be a statutory responsibility that no negative environmental effects would be allowed to the Flathead watershed associated with the sale of the Dominion Coal Blocks.

The third amendment, Mr. Chair, goes to ensuring ongoing consultation with all the key stakeholders. I know there has been discussion, from the briefing we had with officials, but this is to make sure that continues as a matter of statutory obligation.

The next amendment, Mr. Chair, again goes to reinforcing the buffer zone so that if there is a further disposition of lands beyond the one that takes place at the outset, the buffer zones will be protected.

PV-10 speaks to ensuring that within that buffer zone there would not be any activities that would be of the nature of resource development.

PV-11 wants to make sure, and would ensure as a matter of statute, that the Governor in Council would have to ensure there were no negative environmental impacts to the Flathead River watershed from the sale.

The most interesting one, although certainly they're all important, is PV-12. I really recommend it to you because this could be very creative, and I think it will be well received by all stakeholders. It's to ensure that there be a restrictive covenant that runs with the land, so that before disposing of this land we could ensure that any new owner would be required to maintain and preserve the ecological integrity of the land.

● (1745)

Restrictive covenants are used quite commonly across Canada these days for conservation purposes. It would not mean that the Dominion Coal Blocks were not then used for resource development, but as the land was disposed of and sold to private commercial interests, the commitments to maintain ecological integrity would run with the land—not just in the case of a Teck, which is a company with a particularly good reputation, but in the case of others down the road—so that we would be able to protect the ecological integrity of the Flathead. With these amendments, I hope it would be possible to continue moving forward with Flathead as a national park.

These are not trivial concerns. We want to make sure that we watch for the pollution that could be taking place with toxic chemicals, which tend to be involved in acid-mine drainage, with selenium and other substances that could be very negative for the local ecosystem.

I'm getting a bit of a sign from you, Mr. Chair, that this is probably where I should wrap up.

I really hope my colleagues will consider these seriously, because they would be very well received, I think, by all stakeholders.

The Chair: Thank you very much, Ms. May.

We'll go to Mr. Saxton on this issue.

Mr. Andrew Saxton: Mr. Chair, are we just dealing with clause 239 at this moment?

The Chair: I allowed her to group her discussion, so she has addressed amendments PV-7 through to PV-12, but in terms of voting, I will deal in succession with clauses 239, 240, 241, and 242.

I will ask the NDP to address their amendments at clause 242, if that's acceptable.

Mr. Murray Rankin (Victoria, NDP): Thank you, Mr. Chair. I'll do so, if I may, on behalf of the NDP.

The Chair: Do you want to address the whole issue now right up to clause 242?

Mr. Murray Rankin: I'm happy to do so, but I need a little latitude because I have to address the Green Party amendments as well. I have our amendments and hers to address.

The Chair: Why don't we do that, then.

I had Mr. Saxton on the list first, so I'll go—

Mr. Andrew Saxton: I think it would be best to hear from both opposition parties, and then I'll wrap up afterwards.

The Chair: We'll go to Mr. Rankin, then, please.

Mr. Murray Rankin: Thank you, Mr. Chair.

This is the first opportunity I've had to speak today. I want to put something on the record before I speak specifically to the amendments proposed by the NDP and those by my colleague Ms. May.

I want to first say that I feel that the inability of Ms. May to participate as effectively as she has in the past and indeed the inability of all other independent members of Parliament to do so is a function of a very mean-spirited and indeed anti-democratic position taken by the Conservatives. The NDP has consistently defended the rights of independent MPs, and we continue to speak out against any measures that would limit their ability to participate in the democratic process.

I was so proud of my colleague, Ms. Nash, at this committee, who spoke out so eloquently on this very issue. I want to welcome Ms. May to this committee and say that I appreciate very much her work in this field.

I should say at the outset that on the substance I entirely support her. We as the NDP will be supporting each and every one of her amendments. I think they are well grounded in what we have heard from the witnesses. The committee will remember Mr. Bergenske of the Wildsight organization, who testified before us.

I have personally been involved in the attempts to preserve the Flathead. I've hiked in that area with many of the participants and leaders and worked with the Ktunaxa Nation as well on this issue. I salute their efforts to try to create something in this area.

The division that is before us, Mr. Chair, gives the minister sweeping powers to do whatever he feels is necessary to sell off the Dominion Coal Blocks, needless to say, to provide some funds so that the government can claim victory on the deficit. It's a great concern to us that this bill means that the sale will not have to comply with existing federal legislation respecting federal assets. What we in the NDP have been seeking is greater transparency in the sale of the land and that the regular process for selling off crown assets be followed.

We believe the sale should balance economic and environmental concerns. We've heard concerns loud and clear from the environmental community that there are simply no conditions attached to selling the land. To that end, we have several amendments to propose, but I want to reiterate our support for those of the Green Party.

May I now address our amendments?

● (1750)

The Chair: I think Mr. Saxton said that you can address them now.

Mr. Murray Rankin: Amendment NDP-15 would increase the transparency involved by requiring the minister to table a report showing the value of the lands and the sale price and requiring the minister to detail what steps were taken to ensure the preservation of sensitive environmental areas as well as preservation of access to recreational areas. That is the intent that is, I believe, reflected in the language of amendment NDP-15.

Amendment NDP-16 attempts to add clarification that none of these sweeping new powers given to the minister can be construed as abrogating or derogating from any existing aboriginal or treaty rights.

Let me just pause on that point. The amendment that is before you is entirely consistent with, I dare say, dozens of clauses in legislation that this government has brought forward to provide clarity that there is no intent in the disposition of these lands, should it occur, to derogate from existing aboriginal or treaty rights.

I presume that the government would support this amendment in particular, since it's entirely consistent with their general legislative stance. I think it would be shocking if indeed this were not followed in the circumstance. It would beg a question: if you have done it so many times in so many other statutes, why is that clause not found here?

Amendment NDP-17 requires the minister to protect sensitive environmental areas.

That is the basis of these amendments.

Thank you, Mr. Chair.

The Chair: Thank you very much, Mr. Rankin.

I am going to go to Mr. Saxton on this topic, please.

Mr. Andrew Saxton: Thank you, Chair. I'd like to respond to the opposition's proposed amendments.

First of all, I want to say that since 2010 the government has made clear its commitment to the protection of the Flathead River watershed. The government is in close consultation with the Government of British Columbia to determine the best way to protect the area of the Dominion Coal Blocks that overlaps with the Flathead River watershed.

While it is too early to know the scope or nature of a potential future project on the Dominion Coal Blocks, provincial and federal environmental legislation exists to ensure that any future projects on the Dominion Coal Blocks are subject to a rigorous provincial and federal regulatory review and permitting process.

The government has been and continues to be in close consultation with key stakeholders on the proposed divestiture. These stakeholders include the Province of British Columbia and the Ktunaxa Nation. Canada has a duty to consult with affected first nations under section 35 of the Constitution Act, 1982 and is respecting this duty. Legislating a duty to consult stakeholders is redundant with Canada's constitutional obligations and with the government's current approach to the proposed sale of the Dominion Coal Blocks.

The government will only proceed with the sale in a manner that maximizes value for Canadian taxpayers. The amount of the proceeds from disposition of the Dominion Coal Blocks will be made public.

Therefore, Mr. Chair, we feel that the amendments are unnecessary, create duplication, and overlap with existing environmental regulations.

The Chair: Thank you, Mr. Saxton.

Do you want to respond on this, Mr. Rankin?

Mr. Murray Rankin: I will respond to one point. I wonder whether my colleague would address the point I made earlier, that the amendment in question, which refers to aboriginal rights, amendment NDP-16, is derived from many other statutes in the federal domain.

Does he worry that failure to include it here would draw attention to the fact that there is no such clause here, whereas there is in so many other statutes? Doesn't that provide the potential for a problem that could be eliminated by simply doing here what you do so frequently in other statutes?

The Chair: Responding to this, we will hear Mr. Saxton.

Mr. Andrew Saxton: Chair, as I mentioned earlier, the government has been and continues to be in close consultations with key stakeholders on the proposed divestiture. These stakeholders include the Province of B.C. and the Ktunaxa Nation. Canada has a duty to consult with affected first nations under section 35 of the Constitution Act, and we're respecting that duty.

● (1755)

The Chair: On this I'll hear Mr. Jean, please.

Mr. Brian Jean: I think what Mr. Rankin might be referring to is legislation that deals specifically with federal jurisdiction matters. I'm not sure, but possibly in this particular case it's a joint jurisdictional issue, provincially and federally and possibly municipally, and that would make sense as to why those particular clauses aren't present in this legislation.

The Chair: I will deal first of all with amendment PV-7.

(Amendment negatived [See *Minutes of Proceedings*])

(Clauses 239 and 240 agreed to on division)

The Chair: On clause 241, I shall put the question on amendment PV-8.

(Amendment negatived [See *Minutes of Proceedings*])

(Clause 241 agreed to on division)

The Chair: Colleagues, on clause 242, I'll deal first with amendment PV-9. Can I apply the vote on amendment PV-9 to amendments PV-10, PV-11, and PV-12?

Some hon. members: Agreed.

(Amendment negatived [See *Minutes of Proceedings*])

The Chair: We will then vote on amendments NDP-15, NDP-16, NDP-17. Can I apply the vote on amendment NDP-15 to amendments NDP-16 and NDP-17?

Some hon. members: Agreed.

(Amendment negatived [See *Minutes of Proceedings*])

(Clause 242 agreed to on division)

The Chair: Can we go as far as to clause 255, or is that too much?

Ms. Peggy Nash: We can go to clause 248.

(Clauses 243 to 248 inclusive agreed to on division)

(On clause 249—*Definition of "amalgamated corporation"*)

The Chair: Monsieur Côté.

[*Translation*]

Mr. Raymond Côté: Thank you very much, Mr. Chair.

This clause and the subsequent clauses seek to merge four separate crown corporations that manage five international bridges.

The first major aspect is that this provision was once again incorporated into an omnibus bill. It did not deserve to be reviewed separately which shows a lack of respect on the part of the government. It is somewhat troubling, if not very troubling. However, we are still talking to a wall, which is rather sad in this case.

Before we move to the vote, I would like to raise another point. The Federal Bridge Corporation Limited, which will be responsible for these bridges, will not be governed by its own law the way the four crown corporations were. We can therefore ask ourselves if the new entity will be subject to an independent oversight mechanism or whether it will be subject to the government's arbitrary power. Will we be kept somewhat in the dark?

It is really unfortunate for the communities that will be affected. They would have certainly deserved to have this provision reviewed separately, and so would have all the people who use those international bridges connecting us to the United States. The committee was not able to spend more than a few minutes on this issue. As we clearly recall, the officials were forced into a very fast-paced game of musical chairs. There was also the information evening that basically went on until midnight. Unfortunately, this provision is imposed on us and fails to respect a large segment of the Canadian population, meaning the businesses and people who must use those bridges and who will be affected by those amendments.

● (1800)

The Chair: Thank you, Mr. Côté.

[*English*]

(Clause 249 agreed to on division)

The Chair: Can I group clauses 250 to 255?

Some hon. members: Agreed.

(Clauses 250 to 255 inclusive agreed to on division)

(On clause 256—*Charges*)

The Chair: Colleagues, on clause 256 we have amendment PV-13.

We'll go to Ms. May for a minute.

Ms. Elizabeth May: Thank you, Mr. Chair.

I'm sorry that I wasn't able to track the committee hearings as to whether this was discussed, but it strikes me as anomalous. This is under the section on bridges, with the conveyance of a number of named bridges and reorganization of certain crown corporations bridges to allow those to be disposed of.

This is essentially infrastructure developed through the public purse, but under subclause 256(2): The amalgamated corporation may authorize another person to fix or charge tolls, fees and other charges for the use of such a bridge or tunnel.

Amendment PV-13 proposes to delete the ability of this newly created private entity to charge tolls on bridges that were built as public infrastructure, converting them to a private cash cow. I'm sure that on reflection, my colleagues in the Conservative Party will also vote to delete these lines.

The Chair: Thank you.

We'll go to the vote on amendment PV-13.

(Amendment negatived [See *Minutes of Proceedings*])

(Clause 256 agreed to on division)

The Chair: Shall clauses 257 to 268 carry?

An hon. member: Let's go to clause 269.

The Chair: Shall clauses 257 to 269 carry?

(Clauses 257 to 269 inclusive agreed to on division)

The Chair: Monsieur Caron.

[*Translation*]

Mr. Guy Caron: Mr. Chair, can we take a five-minute break please? The meeting has been going for about two and a half hours.

[*English*]

The Chair: I was waiting to see if our dinner was ready.

Do you want to go for a short break now?

We're not going to debate this.

Let's take a break, and we'll see if the food is ready.

The meeting is suspended.

● (1800)

(Pause)

● (1840)

The Chair: I call this meeting back to order.

This is meeting number 12 of the Standing Committee on Finance, continuing our discussion of Bill C-4, clause-by-clause consideration.

Colleagues, we left off at clause 270. Will we deal with clause 270 separately?

Ms. Peggy Nash: Yes, we'll deal with clause 270 separately, and then clause 271.

(Clause 270 agreed to)

(On clause 271)

The Chair: Is there discussion?

Ms. Peggy Nash: We support this. While we welcome the introduction of a separate position for the chair of the National Research Council, we want to point out that the Conservatives have been cutting, and in fact gutting, this internationally respected institution and eliminating its capacity for discovery research.

The Conservative approach to the NRC is very troubling for our future innovation capacity. As this committee well knows, when it comes to innovation, Canada's ranking is near the bottom of the OECD. To undermine our scientific capacity and therefore further undermine our innovation capacity is travelling in the wrong direction. I want to make that point.

However, we will be supporting the creation of a separate position for the chair of the NRC.

(Clause 271 agreed to)

The Chair: May I group clauses 272 to.... No?

Will we deal with all of them separately? Okay.

(On clause 272)

The Chair: Is there debate on clause 272?

Ms. Peggy Nash: Yes, I want to make the point that we do not support this clause because it cuts the maximum size of the council down from 18 to just 10. We're concerned that a reduction in size could be a reduction in oversight, and that's why we'll be voting against it.

The Chair: On this clause, Mr. McGuinty, go ahead.

Mr. David McGuinty (Ottawa South, Lib.): Thank you, Mr. Chair.

A lot of NRC officials live and work in my riding. I've heard a lot of them, as we like to say, viva voce, live voices, say that they're deeply concerned by these cuts. They believe that a larger number of voices at council is going to be more productive and more helpful for the federal government in pursuing an innovation strategy for the country. That multiplicity of voices is being eroded with these cuts for what seems to be almost indecipherable amounts of money.

This is something that's very difficult for my constituents, and a lot of folks who work at NRC, to understand.

The Chair: Thank you for the debate on clause 272.

(Clause 272 agreed to)

Ms. Peggy Nash: Chair, do you want to group the next three clauses?

The Chair: Okay, we'll group clauses 273 to 275.

(Clauses 273 to 275 inclusive agreed to)

(On clause 276)

The Chair: We have amendment PV-14.

We'll ask Ms. May to speak to it first, and then I'll go to Mr. Rankin.

Ms. May, go ahead, for about a minute.

Ms. Elizabeth May: Thank you, Mr. Chair.

This amendment is quite straightforward. It goes to the heart of respect for veterans in this country. It's division 11, a change at page 217. Division 11 is exactly one clause that changes the Veterans Review and Appeal Board Act by replacing the terms by which the independent board is appointed.

My amendment is really quite straightforward. I think it creates an improvement in how the Veterans Review and Appeal Board would be struck. I'm not proposing to change the numbers, which is one of the main things that has changed in this. This says "25 permanent members…appointed by the Governor in Council and any number of temporary members….". What I am proposing as an amendment is that the members who join the Veterans Review and Appeal Board be based on at least the advice of the Veterans Ombudsman.

I'm not suggesting that the Veterans Ombudsman make the choice, but that in making these appointments, the Governor in Council have reference to, and seek the advice of, the Veterans Ombudsman who, of course, is himself or herself appointed by Governor in Council. In other words, it's getting expert advice about the best possible people.

● (1845)

The Chair: Thank you, Ms. May.

I have Mr. Rankin on debate on this amendment.

Mr. Murray Rankin: Thank you, Mr. Chair.

We support the amendment proposed by Ms. May for greater oversight of the veterans context on the board by the ombudsman.

I should say, while I have the floor, that we think clause 276 itself, which would cut the maximum size of the Veterans Review and Appeal Board, is regressive. The Conservatives have already shamefully cut benefits for our veterans.

We need greater oversight, not less, so we would oppose this clause.

The Chair: Thank you.

Mr. Saxton, please.

Mr. Andrew Saxton: Very briefly, Mr. Chair, I want to remind my colleagues that the chair of the board is in the most knowledgeable position to advise the Minister of Veterans Affairs Canada of the board's operational needs respecting the appointment of both permanent and temporary members.

Additionally, the veterans ombudsman's role is defined in order in council and includes reviewing systemic issues related to the board. Recommending board members does not fall within his mandate. Further, it would place the ombudsman in a conflict if he were to advise on appointments to the board that he is mandated to review.

The Chair: Thank you, Mr. Saxton.

We'll now do the vote on amendment PV-14.

(Amendment negatived [See *Minutes of Proceedings*])

(Clause 276 agreed to)

(On clause 277)

The Chair: We have amendment PV-15.

Ms. May, does your previous argument carry, or do you want to address this specifically?

Ms. Elizabeth May: This is a completely different section. It's not division 11 anymore. We're into division 12, page 218, The Canada Pension Plan Investment Board Act.

I hope people will agree this time that my amendment is reasonable. I think all of my amendments have been reasonable. I keep hoping that we won't have just an accidental vote in favour of one of my amendments.

Colleagues, in this one you'll note that the Canada Pension Plan Investment Board is receiving a tweak in terms of how the minister puts together the board. It adds the ability of having no more than three of the twelve directors residing outside of Canada.

Given that this is an important function dealing with a large amount of funds that are the fiduciary responsibility of the Government of Canada to maintain properly, I think it's only appropriate that although those directors may reside outside of Canada that they be Canadian citizens.

The amendment I'm putting forward would ensure that all directors of the board are Canadian citizens, whether they live in the country or not.

The Chair: On this amendment, we will have Mr. Rankin, please.

Mr. Murray Rankin: Mr. Chair, the NDP is not in favour of this amendment.

First of all, I'm the pensions critic, and I met with the CPP Investment Board people on November 4 and have reviewed their white paper on what they call international directors. We support the clause as it's written because it would permit a maximum of 25%, three of 12, and the clause merely says, "endeavour to ensure that no more than three of the 12 directors...", and does not require citizenship, as Ms. May has pointed out.

We believe that the CPPIB is a huge success story for Canadians. It's grown from $12 million in 1999, to now $166 billion under management for eight million Canadian contributors and beneficiaries.

We want the best and the brightest to play this role, so we do not support this amendment.

● (1850)

The Chair: Thank you.

Mr. Saxton.

Mr. Andrew Saxton: I think Mr. Rankin said it all, so I don't need to add to that.

Thank you.

The Chair: It's nice to see some cross-aisle cooperation.

(Amendment negatived [See *Minutes of Proceedings*])

(Clause 277 agreed to)

The Chair: Can I group clauses 278 to 281?

Some hon. members: Agreed.

(Clauses 278 to 281 inclusive agreed to).

(On clause 282)

The Chair: We'll deal with clause 282, and we have amendments PV-16 through to PV-19, and amendment BQ-3.

Ms. May, you have about four minutes for your amendments, please.

Ms. Elizabeth May: Mr. Chair, within omnibus Bill C-4, we are now at division 14, which relates to changes to the Mackenzie gas project management.

Historically, the Mackenzie gas pipeline project and its attendant governance structures have been impressive and also based on the multi-stakeholder, multi-partite relationships that exist in the Mackenzie Valley in order to ensure that the various first nations communities, the territorial governments, and others were involved in managing funds.

This moves us in the direction, as so much of this act has done, to ministerial discretion instead of the boards that were there before.

I'll move quickly through my specific amendments.

PV-16 is to amend the purpose clause of this section. It actually adopts language that is currently found in the Northwest Territories Heritage Fund Act, to include in the purpose of the act that it is for "present and future generations". The impact of amendment PV-16 is to add the focus on future generations as well as present generations.

The changes that are being made to clause 282 are replacing lines...that essentially operate, under amendment PV-17, to inject sustainable development criteria that the minister would consider in determining which projects were eligible for contributions. We are trying to ensure, through this amendment, that a joint review panel reports and that the ongoing consultations that led us to where we are today would be honoured; and proposed new section 8.1 would ensure the criteria for determining the projects in respect of contributions; would include such things as socio-economic impacts; would consider adverse cumulative effects; would consider adverse cumulative effects not only on the ecosystem but on economic, social, and cultural well-being, inequities in relation to positive effects within and among communities, any adverse impacts of boom-and-bust cycles that tend to be attendant to projects like this, where most of the jobs are in construction and then things fall away; and adverse cumulative impacts of the project overall. That's amendment PV-17.

Amendment PV-18 amends the act in terms of the creation of advisory committees that will advise the minister on the administration of the act, again trying to counterbalance the level of ministerial discretion that is being injected here, and ensure that the fund is administered with respect to community needs. It's a response to the replacement of the corporation by the minister. It had been the corporation in the past, as I mentioned earlier, which was seen as fairly neutral and independent.

The last of this group of amendments, amendment PV-19, ensures that there will be a report tabled in Parliament to report on the use of the fund and progress that's being made in meeting the objectives of the act.

These are very consistent with the changes that Bill C-4 is putting forward, but they bring back the changes to meet the objectives of the project to date, in other words, a commitment to future generations, a commitment to sustainable development, and more public transparency as to how the minister is distributing funds found within the Mackenzie gas project's impact fund, which is being created here.

Thank you, Mr. Chair.

The Chair: Thank you, Ms. May.

We also have amendment BQ-3.

I will allow Mr. Plamondon to address amendment BQ-3 briefly.

[*Translation*]

Mr. Louis Plamondon: I'll be brief, Mr. Chair.

It would involve increasing the planned reserve from $500 million to $650 million. I think that would be much more appropriate.

Let's keep in mind the repercussions in the United States, in the case of the Kalamzaoo River. Based on recent estimates, the cost would exceed $750 million.

So, it's better to err on the side of caution. I think $650 million would be more appropriate.

Thank you, Mr. Chair.

● (1855)

The Chair: Fine, thank you.

[*English*]

I have two rulings on two of the amendments.

Mr. Rankin, do you have some debate first?

Mr. Murray Rankin: No, go ahead.

The Chair: Amendments PV-16, PV-17 and PV-19 are in order, but I have a ruling on amendment PV-18.

Bill C-4 seeks to establish the Mackenzie gas project impacts fund to fund projects that mitigate existing or anticipated socio-economic impacts on the communities in the Northwest Territories. The amendment attempts to establish a committee to advise the minister on the administration of this act.

As *House of Commons Procedure and Practice*, second edition, states on pages 767 and 768: Since an amendment may not infringe upon the financial initiative of the Crown, it is inadmissible if it imposes a charge on the public treasury, or if it extends the objects or purposes or relaxes the conditions and qualifications specified in the royal recommendation.

Therefore, in the opinion of the chair, the amendment proposes to establish a new committee, which would impose a charge on the public treasury. I therefore rule the amendment inadmissible.

I also have a ruling with respect to amendment BQ-3.

Bill C-4 seeks to establish the Mackenzie gas project impacts fund to fund projects to mitigate existing or anticipated socio-economic impacts on the communities in the Northwest Territories. The amendment attempts to increase the amount available for the fund from $500 million to $633 million.

As *House of Commons Procedure and Practice*, second edition, states on pages 767 and 768: Since an amendment may not infringe upon the financial initiative of the Crown, it is inadmissible if it imposes a charge on the public treasury, or if it extends the objects or purposes or relaxes the conditions and qualifications specified in the royal recommendation.

In the opinion of the chair, the amendment proposes to increase the amount of the fund, which would impose a charge on the public treasury. Therefore, I rule the amendment inadmissible.

Colleagues, we will be voting on amendments PV-16, PV-17 and PV-19, but I will allow further debate on clause 282 and these amendments.

Mr. Rankin, go ahead, please.

Mr. Murray Rankin: Thank you, Chair.

We support each of the amendments by the Green Party that were proposed a moment ago by Ms. May.

On the merits of this division, in clause 282 in particular, the changes would concentrate more power in the hands of the minister by creating a new entity to pay organizations to carry out projects to mitigate socio-economic impacts for communities in the Northwest Territories, in place of what is currently in place, an arm's-length corporation, which I think raises serious concerns about accountability and transparency and funding decisions.

The omnibus bill before us, Bill C-4, would repeal something that created a crown corporation established to administer the Mackenzie gas project impacts fund and would give the job to the minister. The minister would have up to $500 million to play with, kind of like the EI fund which successive Liberal and Conservative governments have plundered. We don't want any more concentration of power in ministers and more political discretion given to them, and therefore, we would oppose that.

The Chair: Thank you, Mr. Rankin.

Mr. Saxton, go ahead, please.

Mr. Andrew Saxton: I will speak very briefly, Mr. Chair.

Ms. May proposes amending the criteria. The criteria will be developed in consultation with regional organizations and stakeholders. Furthermore, with regard to reporting and transparency, should the Minister of the Canadian Northern Economic Development Agency be designated as the minister responsible for the fund, CanNor would support the minister in this role. This means CanNor already reports to Parliament through the estimates process, and going forward, these reports could include information related to the fund.

Additionally, CanNor's proactive disclosure practices already include quarterly reports on its grants and contributions awards.

The Chair: Thank you, Mr. Saxton.

We will vote on amendment PV-16. Can I apply that to amendments PV-17 and PV-19?

(Amendment negatived [See *Minutes of Proceedings*])

The Chair: All those in favour of clause 282?

An hon. member: On division.

(Clause 282 agreed to on division)

The Chair: Can I group clauses 283 to 287?

Some hon. members: Agreed.

(Clause 283 to 287 inclusive agreed to on division)

(On clause 288)

The Chair: We have amendment L-5.

Mr. McGuinty will speak to this.

● (1900)

Mr. David McGuinty: Mr. Chair, I welcome this opportunity to comment on division 15, part 3, of Bill C-4. These provisions would amend the Conflict of Interest Act. Why they're in a budget bill is beyond me, but they are.

Mr. Chair, as members know, the act already applies to some 3,000 federal public office holders. Approximately 1,100 of these public office holders are reporting public office holders.

These amendments are inspired chiefly by the excellent work of a senior partner at Fasken Martineau DuMoulin, who heads up the firm's government ethics, transparency, and political law practice, one Guy Giorno, former chief of staff to the Prime Minister of Canada and former chief of staff to the Premier of Ontario. He has presented to the committee an extremely well-reasoned brief with respect to these changes.

We know that the current exceptions under the act are narrow. They apply to full-time ministerial appointees. However, clauses 288 and 289 of the bill are going to add an additional open-ended category of membership in the public office holder and the reporting public office holder groups, specifically any person or class of persons designated by cabinet.

This pretty much means, Mr. Chair and colleagues, that cabinet's power to designate new public office holders and reporting public office holders would be unlimited and could be based on virtually anything. The minister may think that someone with blue eyes should be designated as opposed to someone with green eyes, somebody who wears black suits as opposed to blue suits. There's no criteria. It's unlimited and far-reaching. It places no restrictions whatsoever on cabinet's power to designate individuals and classes of individuals as being subject to the act.

The government has not indicated who, if anyone, might be designated if these provisions are in fact passed and come into force. The budget is silent on this point. In fact, Mr. Chair, the budget plan never suggested that the Conflict of Interest Act should or would be amended. On the contrary, the budget plan said—and here I think the budget plan was right—that other financial sector statutes should be amended to bring them in line with the Conflict of Interest Act as it presently is constituted.

The Canadian Bar Association is opposed to these changes. It wants to see other changes that would catch important offices, such as the Governor of the Bank of Canada, who is presently excluded from the act.

These amendments seek to circumscribe the power of cabinet to designate anybody it feels it should designate. All colleagues should be extremely worried by this kind of wording, in terms of our present and future lives.

I wanted to open up with those comments, Mr. Chair, and I welcome comments from colleagues.

Thank you.

The Chair: Thank you very much, Mr. McGuinty.

Ms. Nash, please.

Ms. Peggy Nash: Thank you, Mr. Chair.

I won't repeat the points that were just made by my colleague. I support them and I support this amendment.

Let me just add that the parliamentary committee tasked with undertaking a statutory review of this act has yet to report its recommendations. It's being pre-empted by the change in this clause in Bill C-4. It's unclear where the government is getting its advice, and why it's making this change and why the rush. There is a parliamentary committee looking into the Conflict of Interest Act, and we await the conclusion of its review and its report.

There have been some recommendations made by the conflict of interest commissioner, but they do not seem to reflect the recommendations she has made. As was said, it gives the Governor in Council sweeping powers to designate anyone, or whole groups of people, as public office holders, therefore making them subject to the act.

We believe the government would be far better to wait for the conclusion of the statutory review and then act accordingly.

● (1905)

The Chair: If there's no further debate, I will call the vote on amendment L-5.

(Amendment negatived [See *Minutes of Proceedings*])

(Clause 288 agreed to)

The Chair: On clause 289, we have amendment L-6.

If there is no debate on this, we'll vote on L-6.

(Amendment negatived [See *Minutes of Proceedings*])

(Clause 289 agreed to)

(On clause 290)

The Chair: Colleagues, we have a whole series of amendments. The first amendment is PV-20.

Ms. May, you have about five minutes. Do you want to address all of your amendments in this clause?

Ms. Elizabeth May: If that's your wish, Mr. Chair. I don't mind.

They're a bit less coherent than some of the other blocks I've addressed because they address different parts moving into division 16, the Immigration and Refugee Protection Act.

I can work through them in one go, if that's—

The Chair: You can take two slots.

Ms. Elizabeth May: I'll do what I've been doing and try to get through all of them, but they don't flow quite as well, so just bear with me.

The Chair: That's fine.

We'll have you address your amendments first.

Ms. Elizabeth May: The first one, PV-20, is speaking to a section on page 226. We're now dealing with, of course, a new scheme under the Immigration and Refugee Protection Act premised on a two-step process based on an "expression of interest" to bring prospective new Canadians to Canada.

The expression of interest scheme also, of course, involves confidential information, so the first of my amendments deals with the fact that the amendment, as drafted in proposed paragraph 10.3 (1)(g) is overly broad as drafted in referring to entities, so the personal information the minister may disclose under the subsequent proposed section 10.4 is based on it being able to be disclosed to "entities".

Now, all the evidence before the committee suggested that the only entities we know of are provinces and territories that are part of the overall placement of skilled workers coming to Canada, so there's no reason, based on the evidence before this committee at any rate, to leave this overly broad term, because personal information is personal, and protection of the privacy information of prospective Canadians and new Canadians is important. The suggestion in PV-20 is quite straightforward: rather than use the word "entities", we would use the term "provinces and territories to which that information may be disclosed".

The next one, PV-21, is on the next page. Actually, all of my next amendments cluster in this area, which is dealing with instructions that are given in relation to new information for personal information that can be disclosed. Certainly, the immigration law section of the Canadian Bar Association is the source of most of my amendments. I looked at their evidence and tried to craft some amendments to deal with their concerns. As Mario Bellissimo, the chair of that immigration law section, noted before you, "If the department is aware of who they are identifying, it would be best in the spirit of transparency to identify those bodies...".

Moving on to PV-21, again the CBA expressed significant concern. The amendment I'm proposing would delete proposed subsection 10.3(5) which states that the minister can, by instruction, "provide for criteria that are more stringent than" current "criteria or requirements" under any other division of the act. Again, this is overly broad language and could impact other sections of the act that have nothing to do with this particular scheme, the expression of interest scheme.

Moving on to my amendment PV-22, this is simply to clarify that no matter what we might infer from proposed subsection 10.3(3), we want to ensure in amendment PV-22 that nothing can be seen to have retroactive effect. That would be a change on page 227, adding proposed subsection 10.3(6) to ensure that ministerial instruction could not have "retroactive effect".

Moving on to amendment PV-23, again we're still on page 227 at clause 290, and again we have further transparency directions around these instructions. This again is based on advice that was given to the committee from the Canadian Bar Association immigration law section, and it's the same about another approach to instructions, as found in my amendment number PV-24, which is that instructions that are given "under subsection (1) shall be treated as proposed regulations referred to in subsection 5(2)" and then "shall be laid before the House". That's the key thing. It's to provide more transparency and a further opportunity to stay on top of this process.

Last, since this is a new scheme of legislation, amendment PV-26 would put forward a requirement that within two years after the provisions of this division coming into effect, once we're into an expression of interest process, that there be "a comprehensive review" on the impact of this new approach, and that the review be undertaken by a committee of the House of Commons, and there of course would be a public review.

I'm sorry for running through them rather quickly, but they all deal with the fundamental point that we want to make sure that this expression of interest is proper, and that the process surrounding it is drafted in such a way that we don't inadvertently open too much disclosure of private information, fail to direct where the information can go, and have overly broad permission for instructions from the minister, and that we also ensure transparency and accountability by having a review two years after the new system is in place.

● (1910)

I think that covers it, Mr. Chair.

The Chair: Thank you very much, Ms. May.

We also have amendment L-7.

Mr. Brison, do you want to address that amendment?

Hon. Scott Brison: Yes.

Our concern is that ministerial instructions, unlike regulations, have no required public notice period. As such, a minister can change important aspects of the immigration system without any forewarning or advance notice to those who will actually be affected. We saw evidence of this with the recent changes to the Canadian experience class, as an example.

This amendment would create a notice period of 30 days when the minister would publish new ministerial instructions in the *Canada Gazette*. The only substantive change is providing 30 days of notification.

The Chair: Thank you very much for that.

We also have amendments NDP-17.1, NDP-18, and NDP-18.1.

Go ahead, please, Ms. Nash.

Ms. Peggy Nash: Mr. Chair, as my colleagues have said, this expression of interest system comes through the minister's new power to issue ministerial instructions that will bring this new system into effect, but without being able to access those instructions and provide a public opportunity to respond, we have no way of knowing if this is providing an adequate review of the system or not.

We have amendments that would provide a proper and public review of this system once the instructions were public. Specifically, it would require the minister to publish any proposed instructions for consultation for a period of 60 days, and to consider the feedback before making them final.

It adds a requirement to review the application of these changes every three years after they come into force, and each year thereafter, by a House of Commons committee. It's just a check and balance so that we can measure and evaluate the impact of this new system, the expression of interest system. As above, it details the broader role of the committee in that regard.

That's the essence of the three amendments the NDP is proposing.

● (1915)

The Chair: Is there further debate?

Colleagues, do you want me to group these by party, or do you want to go successively with each one?

Hon. Scott Brison: Each one, because they might want to support the Liberal moderate ones....

The Chair: We will do a vote on PV-20, and that will apply to—

An hon. member: Mr. Chair—

The Chair: Is it on this, Mr. Jean?

Mr. Brian Jean: Mr. Chair, I do have one question in relation to PV-20.

I wasn't sure from what I heard, but it seemed that Ms. May was actually restricting the persons who might be considered as interested entities to specifically territories and provinces.

I was wondering if that was what she suggested in her—

Ms. Elizabeth May: May I respond?

The Chair: Yes, I think we'll have Ms. May respond to that.

Ms. Elizabeth May: No, it's not a question of who are the interested entities; it's a question of to whom private information may be disclosed.

Mr. Brian Jean: Mr. Chair, why is she restricting it to just the provinces and territories, as it seems here?

Ms. Elizabeth May: The evidence before the committee is that right now they're the only entities that anyone could imagine were interested. If it were left as vague as "entities", it could eventually be disclosed to, for instance, private sector corporations. It could be disclosed to others, such as private sector future employers. It's one place where, when you're dealing with privacy information, one would like precision in the language.

Since the only evidence before the committee that I could find in the transcripts of who the entities might be mentioned provinces and territories, why not say that rather than leave it overly broad?

Mr. Brian Jean: Thank you.

The Chair: Thank you, Ms. May.

Your issue has been addressed. Thank you, Mr. Jean.

Is there further discussion, or are we proceeding to a vote?

Ms. Peggy Nash: Could I make one other point?

The Chair: Ms. Nash.

Ms. Peggy Nash: Thank you, Mr. Chair.

Before I got into the detail of the amendments we're proposing, I neglected to mention this point. Given that this is a new model being proposed by the government, I want to say that our amendments are based on a concern we have that the government is rushing into these changes without adequate consultation and without the necessary checks and balances.

We've seen really the mess the government has made with the temporary foreign workers program. There were concerns raised by employers, by communities, and by workers who were concerned about their rights not being respected, about taking Canadian jobs. There were concerns expressed, and then the government had to amend what they had brought into place.

Our concern is based on the experience that when you rush into a new system and you don't have proper checks and balances, that's where you get into difficulties. Because we don't really have the information from the government about why they're making these changes, and based on what recommendation, and we don't see the transparency of monitoring the changes once they are made, we're concerned about what that's going to mean.

That's why we've proposed these amendments.

The Chair: Thank you.

We will move to the vote on PV-20.

I think I have your consent to apply it to PV-21, PV-22, PV-23, PV-24, PV-25, and—

● (1920)

Ms. Peggy Nash: No, I'm sorry, we need to take them separately.

The Chair: All of them?

Ms. Peggy Nash: We could group the first two together.

The Chair: Okay. Maybe separately is easier.

Ms. Peggy Nash: Can I just clarify something?

I just want to flag that we're going to be voting against these first couple of amendments, because we think it's important, if there is going to be a new system, that it has to be allowed to work. We don't want to pre-empt it altogether.

That's our rationale.

The Chair: Thank you.

We will vote on PV-20.

(Amendment negatived [See *Minutes of Proceedings*])

The Chair: We will vote on L-7.

(Amendment negatived [See *Minutes of Proceedings*])

The Chair: We will vote on PV-21.

(Amendment negatived [See *Minutes of Proceedings*])

The Chair: The next vote is on PV-22.

(Amendment negatived [See *Minutes of Proceedings*])

The Chair: The next vote is on PV-23.

(Amendment negatived [See *Minutes of Proceedings*])

The Chair: The next vote is on PV-24.

(Amendment negatived [See *Minutes of Proceedings*])

The Chair: The next vote is on NDP-17.1.

(Amendment negatived [See *Minutes of Proceedings*])

The Chair: Amendment PV-20 applies to PV-25, so there is no vote required on PV-25.

The next vote is on PV-26.

(Amendment negatived [See *Minutes of Proceedings*])

The Chair: The next vote is on NDP-18.

(Amendment negatived [See *Minutes of Proceedings*])

The Chair: The next vote is on NDP-18.1.

(Amendment negatived [See *Minutes of Proceedings*])

The Chair: All those in favour of clause 290?

Ms. Peggy Nash: On division.

(Clause 290 agreed to on division)

The Chair: Can I group clauses 291 to 293 together?

Some hon. members: Agreed.

The Chair: Shall they carry?

Ms. Peggy Nash: On division.

(Clause 291 to 293 inclusive agreed to on division)

(On clause 294)

The Chair: We have one amendment, NDP-19. This is dealing with division 17, public service labour relations.

We'll have Ms. Nash speak to NDP-19.

Ms. Peggy Nash: Mr. Chair, here we are dealing with yet another Conservative omnibus budget implementation act, and a very significant portion of this act includes changes to public service labour relations. You have to ask yourself what the heck does that have to do with the budget bill, and why would a labour relations bill be dealt with in our committee. It's once again problematic that so much is crammed into this one bill with very diverse content.

Later on we'll be dealing with appointments to the Supreme Court, and we've just dealt with a section on immigration. The ridiculousness of this is very frustrating.

These changes to the Public Service Labour Relations Act are very troubling, and I have to ask the government if they really want to prompt a deterioration of labour relations in the public sector. That's what's being provoked with these changes. I don't know, maybe the government thinks it's good politics to poke its finger in the eye of hard-working public sector workers, people who are paid with our tax dollars but who work very hard and do an excellent job on behalf of Canadians.

The government's belt-tightening has already seen the layoff of more than 20,000 public sector workers. Many are working very hard. We have heard a lot of complaints, whether it's from veterans, from seniors, from people trying to get access to EI, or from people concerned about cuts to search and rescue, services that have been cut and in some parts of the country are simply impossible for Canadians to get access to. These are public services. This is the work of the public sector and those are the jobs we are talking about.

This first change is about the definition of “essential service”. What the government is proposing with Bill C-4 is to give the minister sweeping powers to designate groups of workers as essential. That may sound like a good thing. We can all imagine essential workers. If your house is on fire, you don't want the firefighter to say, “I can't come right now because there is a labour issue that I'm dealing with”. There are some situations where it makes sense for there to be a designation of an essential service, but there is no definition provided here, or list of criteria that objectively one can point to, to say what would make some services essential and some not.

There is real concern that these powers will be used by the minister to designate groups of workers as essential, strictly for the purpose of undermining the ability of that bargaining unit to bargain collectively and defend their workers' rights. The definition of “essential service” that does appear seems to run contrary to the conventions of the ILO, the International Labour Organization.

This amendment would change the definition of “essential service” to reflect the definition from the ILO. The ILO provides an internationally recognized definition, and that's what is provided in this amendment.

We believe the important status of essential workers should be based on actual criteria rather than a loose definition that leaves the minister the power to designate people at will and strip them of their full collective bargaining rights. We think this is fundamentally undemocratic. It runs contrary to conventions that have been internationally agreed upon, and it is a dangerous slippery path that this government is going down.

● (1925)

It would give the minister incredible arbitrary powers, and as one of the witnesses said to us, it's like giving Coca-Cola, which is one of two parties in collective bargaining, in labour relations, the power to say that whole groups of employees in their workplace are designated essential and unable to exercise their full collective bargaining rights, their full labour rights, because it suits the employer, and it's convenient and perhaps advantageous for the employer. That is the power the minister is giving himself with these changes.

We think that's fundamentally wrong. We've had several labour experts testify here and tell us why that is wrong and why it's an affront to the practice of labour relations and to all of our experience in Canada and internationally.

On this particular clause, we're proposing an alternative, which is an agreed-upon international definition, which would give some clarity and some balance to the collective bargaining relationship, rather than really tipping the scales to the side of the employer, which in this case is the government.

Thank you.

The Chair: Thank you, Ms. Nash.

We will go to debate beginning with Mr. Saxton, please.

Mr. Andrew Saxton: Thank you, Chair.

The proposed amendment by the NDP is inconsistent with the objective of making the essential services designation process more efficient and effective. The definition of what constitutes an essential service is not the problem; rather, the process itself and its ability to deliver results that ensure the safety and security of the public are protected where a strike may take place.

Let me give you some statistics, Mr. Chair.

Only six out of fourteen groups on the strike route have been able to negotiate an essential service agreement, an ESA. These six ESAs cover less than 20,000 public servants. The ESAs for 91,000 public servants have not been included, even after more than seven years of negotiations. The average time to reach an ESA for the six groups is two years and five months. For seven years, for example, we have been unable to negotiate an ESA with border guards. You can only imagine the chaos and the security risk to our country if border guards were to go on strike.

● (1930)

The Chair: Thank you very much, Mr. Saxton.

[*Translation*]

Mr. Côté, you have the floor.

Mr. Raymond Côté: Thank you very much, Mr. Chair.

It's pretty funny to hear that. I'm sorry for laughing, but it's pretty hard to keep a straight face.

First, I'd like to thank the officials for being here. And Mr. Duggan was able to answer some of my questions about the possible impact of not having a definition for “essential services”, that is, the ability to arbitrate that the government was conferring upon itself. I submitted the answers that we have received to the expertise of jurists from the Association canadienne des juristes, including a jurist specializing in labour law. They told me that it was absolutely arbitrary, given that no section or category of employees would be excluded right off the bat from being considered an essential service. They also felt that it would open the door to costly court action that would be harmful to the public interest. According to them, it also went against good and sound workplace relations. They stated that it would open the door to increased court action to determine, at the end of the day, what an essential service is, instead of resolving it using a perfectly valid bargaining process.

It is very difficult to determine what the government is trying to achieve, aside from imposing its capricious will on every situation in its labour relations with public service employees. It's quite appalling. In the end, all the government is doing is throwing oil in the frying pan. And I certainly hope things don't blow up in our face, but I do expect to see a marked increase in the likelihood of labour disputes because of this kind of arbitration. I wouldn't blame anyone for wanting to challenge that kind of arbitrary measure to opt out.

I won't go on any longer. I think I've been fairly clear. In any event, the testimony was so dense and it's unbelievable that the government party is still turning a blind eye to reason, especially to the expertise that was really convincing and eloquent.

The Chair: Okay. Thank you.

[*English*]

We'll go to Ms. Nash again.

Ms. Peggy Nash: You know it takes two parties to negotiate, and if the government—and I'm not saying it's totally the government—is throwing roadblocks in the way of finding a solution, they can't point fingers at the other guy and scream “fire”. All I know is in a negotiation with two parties you really do have to find solutions, and if one party is intransigent, that may pre-empt finding a solution.

Having said that, I'm not saying the situation as it exists today is perfect and that's the only way it can operate. We're proposing something that would look at an internationally recognized standard and try to find an alternative way of getting to the same point. It seems to me that if there are objective criteria that make sense, that are reasonable, that people around the world have agreed to, then that makes sense, but to say, “Wait a minute; none of that matters. None of what the rest of the world has agreed to matters. We know this one minister is going to make the best decision and everyone should just trust this one person”, that makes no sense.

We always believe that if one side has a problem with something, then these are issues that need to be addressed, but they should be addressed in a fair way.

My sense is what's happening here is the government has some issues, some irritations, some problems with the public sector in some areas and they've lost their cool. They're overreacting rather than acting reasonably. There are internationally agreed upon reasonable ways of approaching the issue of essential services that will protect Canadians, make sure that the services are there when they need them. Nobody wants our borders undefended. We had the head of the public sector union say that on 9/11 all kinds of people voluntarily came in to work, and the union led that.

We think there are ways to be reasonable here that would solve a concern the government has and not offend people's basic rights.

● (1935)

The Chair: Thank you, Ms. Nash.

(Amendment NDP-19 negatived [See *Minutes of Proceedings*])

(Clauses 294 to 295 inclusive agreed to)

(On clause 296)

The Chair: We have amendment NDP-20.

Ms. Nash.

Ms. Peggy Nash: This amendment seeks to preserve the compensation analysis and research service, which the government is eliminating under Bill C-4 .

We believe that informed decisions tend to be better decisions. We think it's important that there be independent research and support for arbitration decisions. We think this clause makes no sense. I suppose if you're operating in the dark you can make whatever decision you want, but it's probably not going to be the best decision. We think the more information the better, and that's what this amendment speaks to.

The Chair: Is there further debate on this?

(Amendment negatived [See *Minutes of Proceedings*])

(Clauses 296 and 297 agreed to)

(On clause 298)

The Chair: We have amendment NDP-21.

Ms. Nash.

Ms. Peggy Nash: Mr. Chair, this amendment is similar to the amendment in NDP-20, so I won't repeat myself. The same arguments apply.

The Chair: Okay, thank you.

(Amendment negatived [*See Minutes of Proceedings*])

(Clause 298 agreed to)

The Chair: Can I group clauses 299 to 301?

Some hon. members: Agreed.

(Clause 299 to 301 inclusive agreed to)

(On clause 302)

The Chair: We have amendment NDP-22.

Ms. Nash.

● (1940)

Ms. Peggy Nash: Mr. Chair, this amendment is key in this whole section. It speaks to maintaining dispute mechanisms in collective bargaining. It allows unions to choose whether they want to go to binding arbitration or whether they want conciliation. These kinds of services have been established in our labour relations process for decades. They've served us well. They provide checks and balances, and the goal is always to foster a negotiated agreement and prevent labour disputes. Generally in our federal jurisdiction, it has been pretty successful in performing that function. It's not perfect; every so often, there is a dispute, but it provides every opportunity to try to resolve problems, freely negotiated between the two parties.

Eliminating binding arbitration will provoke more labour disputes. One could argue that's why the government wants to be able to designate vast swatches of workers as essential services. They don't have to sit down and reasonably negotiate, find compromise, find solutions that will actually work well in people's lives. They can be more dictatorial and suppress opposition by using the essential worker designation. I hope that's not the case, but it begs the question, otherwise, why all these changes? What will the outcome be?

We think there are a number of changes here, whether it's altering the information people can use, denying them information, extending the notice to bargain to one year. We are concerned that a longer timeframe may, in fact, provoke more disputes. We think that by undermining this process, really, without good reasons that we've heard, it's ultimately going to lead to more labour disputes. We don't think that's good for Canadians, and we don't think that undermining people's rights is good for Canadians.

Public servants work hard. They go to work every day. They pay their taxes. They do a good job for Canadians. We don't think they should be denied the rights that are available to other people.

The Chair: We'll go to the vote on NDP-22.

(Amendment negatived [See *Minutes of Proceedings*])

(Clause 302 agreed to)

The Chair: Can I group clauses 303 and 304?

An hon. member: Agreed.

(Clauses 303 and 304 agreed to)

(On clause 305)

We have amendment NDP-23.

Ms. Nash, go ahead on this one.

Ms. Peggy Nash: Mr. Chair, this also speaks to the essential worker designation without any objective criteria. Again, we think it's inappropriate. Limiting the essential service designation to cases that are consistent with the ILO definition of essential services makes a lot more sense. That's what this amendment speaks to.

(Amendment negatived [See *Minutes of Proceedings*])

(Clause 305 agreed to)

The Chair: Colleagues, I don't have an amendment until clause 470. Can we group clauses 306 to 470?

Some hon. members: Agreed.

The Chair: On division?

Ms. Peggy Nash: No.

The Chair: Agreed?

Ms. Peggy Nash: No, no, no.

The Chair: On division?

Ms. Peggy Nash: No, we'll vote.

The Chair: We'll vote. Okay.

(Clauses 306 to 470 inclusive agreed to)

(On clause 471)

The Chair: We have two amendments, BQ-4 and L-8.

First, Monsieur Plamondon.

● (1945)

[*Translation*]

Mr. Louis Plamondon: Thank you, Mr. Chair.

I'll also speak to clause 472 because it's the same thing the Bloc Québécois is proposing. We recommend removing those sections because they would stop the federal government from having obligations to appoint Supreme Court justices. We aren't fools: these two sections are the federal government's answer to challenges to Justice Nadon's appointment to the Supreme Court.

Let's keep in mind that three seats are set aside for Quebec. A list of candidates is provided by the Government of Quebec, and the federal government chooses from that list. This time, the government did not, and it did not meet the usual selection criteria. Therefore, these sections should not be in the bill. That's why we suggest they be removed.

Mr. Chair, I know that you will reject the two amendments because we can't remove sections in committee, but only propose amendments to the sections.

Thank you for listening.

[*English*]

The Chair: That is some wonderful foreshadowing on your part, Monsieur Plamondon, because the ruling of the chair is dealing with both BQ-4 and BQ-5, as both of these amendments deal with the deletion of clauses.

BQ-4 states: That Bill C-4 be amended by deleting clause 471.

BQ-5 states: That Bill C-4 be amended by deleting clause 472.

Because they are deletion of clauses at committee stage, the chair is going to rule both of these amendments as inadmissible.

Therefore, we shall move to amendment L-8.

Mr. Brison, please.

Hon. Scott Brison: Thank you, Mr. Chair.

It's Liberal-9, is it not?

The Chair: No, we're still on clause 471, so it's Liberal-8.

Hon. Scott Brison: Could you hold on one moment, please.

Ms. Peggy Nash: That will explain why we're against it.

The Chair: We can move on to Liberal-9, if you wish.

Hon. Scott Brison: I'm sorry, Mr. Chair. I was on Liberal-9.

The Chair: Mr. Brison, you could address Liberal-8 and Liberal-9 together, if you wish.

Hon. Scott Brison: Yes, that's right. They're substantively—

The Chair: You're also adding a new clause in amendment L-10, so if you wish to address all three, you may do so.

Hon. Scott Brison: On Mr. Casey's amendment as proposed last week, what we're proposing is adding this definition:

> at least 10 consecutive years in good standing at the bar of a

That's at the bar of a province, obviously. We feel that this strengthens the clause.

I want to take this opportunity to reiterate how ludicrous it is that in a budget implementation act, this committee is actually charged with dealing with issues of the appointment to the Supreme Court.

Mr. Murray Rankin: It's just crazy.

The Chair: Excuse me, Mr. Rankin, but Mr. Brison has the floor.

Mr. Murray Rankin: I'm sorry, I can't help myself.

Hon. Scott Brison: This ought to be debated, discussed, and voted on, certainly at the justice committee, if there are going to be changes to the Supreme Court Act. These are important and fundamental changes. It is unprecedented that something so unrelated to the fiscal framework be part of a budget implementation act.

My colleague, Mr. Casey, a lawyer and someone who has served on the justice committee, proposed this amendment. I think that it makes sense and will improve what ought not to be part of a budget implementation act to begin with. We don't have significant expectation that the Conservative members will give any support to this at this stage, even though it is Christmastime, and hope springs eternal.

Again, the idea that we're debating at the finance committee changes to the Supreme Court Act reminds us how patently absurd this whole process has become.

Thank you.

● (1950)

The Chair: On this point, Mr. Jean.

Mr. Brian Jean: It reminds me a lot of some omnibus legislation brought in by the Liberals in the late 1990s or early 2000s. It's very similar. There were some strange things that didn't need to be in that bill, setting the precedent, Mr. Brison.

Mr. Andrew Saxton: Don't put us in the same boat.

The Chair: Order.

I have Monsieur Caron, and then I'll go back to Mr. Brison.

[*Translation*]

Mr. Guy Caron: Thank you very much, Mr. Chair.

I will speak only about the amendments, and I'll come back to the main motion later.

We are obviously opposed to the government's intention to amend the Supreme Court Act. Not only do we disagree with how it was done, but we also disagree with the fact that the government tried to address in an ad hoc way a situation that they themselves created and should have predicted.

Because the provisions themselves are extremely problematic, we cannot support the amendments or a simple correction to the process put forward by the government through the Standing Committee on Finance. We think it is extremely important that there be a viable and valid process for something as important as the Supreme Court. Since the amendments cannot improve the effectiveness of the provisions or their validity, we will simply vote against them. We acknowledge the effort made, but it isn't enough. On principle and within the spirit of good governance, we cannot support these amendments.

The Chair: Thank you, Mr. Caron.

[*English*]

Mr. Brison, did you want the floor again?

Hon. Scott Brison: No, that's fine.

The Chair: Thank you.

Mr. Saxton, on this.

Mr. Andrew Saxton: Chair, I just wanted to say that the provisions being added by clauses 471 and 472 are intended to merely be declaratory in nature, which means they are not meant to change the requirements for appointment to the Supreme Court of Canada as set out in sections 5 and 6 of the Supreme Court Act. They are only meant to clarify what these sections have always required.

The amendments proposed by the honourable member for Charlottetown would likely constitute substantive changes to these sections and cast doubt on the declaratory nature of clauses 471 and 472.

It is important to remember that sections 5 and 6 of the Supreme Court Act only set out the minimum criteria for appointment to the Supreme Court. Additional requirements are determined and assessed through the Supreme Court selection process, which includes a multi-party, non-partisan appointments advisory committee whose role it is to review in detail the professional qualifications of candidates for appointment.

In practice the process is rigorous, and appointments are only made following consideration of a range of criteria regarding a candidate's professional qualifications, experience, and personal attributes, all of which inform the key consideration, which is merit.

For these reasons, we're opposed to the amendment.

The Chair: Thank you, Mr. Saxton.

We'll go back to Mr. Brison.

Hon. Scott Brison: Mr. Chair, it ought to be clear why we've proposed this amendment. It's because the government bungled the Supreme Court appointment, which some journalists have called a spectacular mess.

We're not blaming the nominee, Justice Marc Nadon, for anything. The blame lies squarely with the justice minister and the Prime Minister, for going ahead with an appointment when there was clearly risk of litigation, and there was a question of whether Justice Nadon met the specific rules regarding who can assume a seat on the Supreme Court from Quebec.

The justice minister himself hinted the statute needed to be changed over the summer, and in the fall he released a legal opinion that the government had sought to defend the choice of nominee. The problem is that an opinion, even from a great jurist, does not make one immune from a lawsuit. The minister took the risk of making the appointment. The lawsuit challenging the government's interpretation of the law was filed, and since then the court has been sitting with eight justices and Quebec is under-represented in the nation's highest court.

Through the back door, and with Bill C-4, the government is attempting to retroactively rewrite its appointment law, while at the same time it's asking the court to interpret the law by means of a reference. The problem is that it's not even rewriting its own appointment law well, and that's where this amendment comes in. The government's rewrite is to say that the members of a bar with 10 years of standing at a bar at any time are eligible for nomination to the court. Our amendment would make it that they would have to be in good standing, and that the 10 years would have to be consecutive.

At committee we heard from Professor Adam Dodek of the University of Ottawa. He and others were asked if these changes were good ideas, and they agreed that we should want bar members in good standing only to be eligible, and it would make sense that their 10 years of membership in any bar be consecutive.

Frankly, we're trying to be constructive and help the government to deal with this issue. It's awkward, because it ought not to be before this committee and we are trying to be constructive. My colleagues, Sean Casey and Irwin Cotler, a former minister of justice during better times, have been extremely helpful and constructive on this, and it is in the interest of good government that we are proposing it.

● (1955)

The Chair: Thank you, Mr. Brison.

We'll go to Mr. Saxton.

Mr. Andrew Saxton: Thanks, Chair.

In my closing remarks I want to reiterate, in addition to what I already said, that the purpose of passing these declaratory provisions now is so that the Supreme Court will have the benefit of Parliament's declared intent of sections 5 and 6 of the Supreme Court Act, when it renders its advisory opinion on the reference questions that have been put to it.

Counsel for the Attorney General of Canada will advance legal arguments before the court that these declaratory provisions allow for Parliament to remove any doubts surrounding its intent. To delay the coming into force of these provisions until after oral arguments in the reference would potentially deprive the court of Parliament's considered view of its intention with respect to sections 5 and 6 of the Supreme Court Act.

Furthermore, January 16 is after the hearing date of January 15, but will likely be before the Supreme Court's decision is rendered. The court might well want to see if the legislation is passed.

For these reasons, we are opposed to the amendment.

The Chair: Thank you.

We'll now move to the vote on amendment L-8.

(Amendment negatived [See *Minutes of Proceedings*])

(Clause 471 agreed to on division)(On clause 472)

● (2000)

The Chair: We have amendment L-9.

(Amendment negatived [See *Minutes of Proceedings*])

The Chair: All those in favour of clause 472?

Mr. Guy Caron: There's another amendment.

Ms. Peggy Nash: Liberal-10, that's the same clause.

The Chair: It's a new clause.

Ms. Peggy Nash: No, we have it in the same clause. In Liberal-10 we have 472.

Mr. Guy Caron: Okay.

The Chair: No, it's a new clause.

Mr. Guy Caron: I still want to speak on 472.

Ms. Peggy Nash: Okay, we want to speak on 472.

The Chair: Clause 472? Okay.

Monsieur Caron.

[*Translation*]

Mr. Guy Caron: Even if Mr. Saxton says that this is a declaratory aspect, in the sense that Parliament's intention is declared, I think it is completely useless and insulting. The government made its decision when it made the appointment and, as Mr. Brison said, I don't think it entails judging Mr. Nadon's experience as a newly appointed Supreme Court justice. The problem has more to do with the process and the government's lack of rigour. The government failed to ensure that the appointment would not cause any particular problems for Quebec or that the measure would not lead to the kind of recourse we're seeing now. The government was completely negligent in this situation.

Using a budget bill to try to hastily address a gross error involving one of the government's greatest responsibilities, namely, the appointment of Supreme Court justices, is something I can only condemn and deplore. We voted against Mr. Brison's amendments, and not entirely because of their relevance. It was more because we would not want to be complicit in an action that flies in the face of a good governmental process.

I sincerely believe that the government made a mistake. It was a mistake to include this measure in a budget bill and not consult Quebec in any way when objections were raised. I think the government will soon see that this measure will in no way affect the current process and that the problems in the appointment and the problems that ensued will continue to haunt the government.

With that in mind, we will continue to vote no, while reiterating our concern about the steps the government has taken in this matter.

The Chair: Fine. Thank you, Mr. Caron.

[*English*]

I'll call the vote then on clause 472.

(Clause 472 agreed to)

The Chair: New clause 473, which is Liberal amendment 10.

(Amendment negatived [See *Minutes of Proceedings*])

The Chair: Shall the schedule carry?

(Schedule agreed to on division)

The Chair: Shall the short title carry?

Ms. Peggy Nash: No, I want to speak to that.

The Chair: You want to speak to the short title?

Ms. Peggy Nash: I want to speak to the title, yes.

The Chair: The title or the short title?

Ms. Peggy Nash: The title includes "A second act to implement certain provisions". I don't want to speak to that part. I want to speak to the title. The short title is "Economic Action Plan 2013 Act, No. 2".

The Chair: Okay, the short title is what we're on right now.

Ms. Peggy Nash: No, I don't want to speak to the short title. I want to speak to the title.

The Chair: Okay. Shall the short title carry?

Some hon. members: Agreed.

An hon. member: On division.

The Chair: Shall the title carry?

Debate, Ms. Nash.

Ms. Peggy Nash: I just want to make a point while we're dealing with the title, which is "A second act to implement certain provisions of the budget tabled in Parliament on March 21, 2013 and other measures".

It's the words "and other measures". We have here, for the fourth time, a budget implementation act which is an omnibus bill that has everything in it but the kitchen sink, including the Supreme Court of Canada.

● (2005)

Mr. Murray Rankin: Why not?

Ms. Peggy Nash: Why not? We've dealt with immigration, the environment, first nations; they're all thrown in. Not everything has to be mentioned in the budget.

I just want to say that this process is so offensive to Canadians. We hear about it at the doorstep. I'm sure Conservatives are hearing about it too. People don't like this process. They say it is anti-democratic.They say it is lacking in transparency.

We have dealt in this bill with mistakes that have resulted from bills being rushed through. Previous acts that were rushed through this committee, rushed through the House, resulted in mistakes. It resulted in legislation that isn't in the best interests of Canadians. You have to go back afterwards and correct it. It creates a lot of uncertainty, and it's not good democratic process. You folks know that, and I'm sure you hear about it too.

I just want to register again—and the only place I really have to do it is under the title—that I don't believe this is a budget bill. It is everything but the kitchen sink.

If the title of this bill were "everything but the kitchen sink bill; our entire legislative agenda in one fell swoop that we will rush through with unseemly haste and without due consideration", if that were the title of this bill, then I could maybe support it, but with this title, I cannot.

We should have put in an amendment, perhaps.

Mr. Andrew Saxton: How about "everything but the kitchen sink act"?

Ms. Peggy Nash: Yes, we should have put in an amendment.

We do believe in truth in advertising, and Canadians have a right to at least expect that from their government. They're not getting it with these budget implementation acts.

I just want to close with this. If you have the courage of your convictions, whether it comes to the Supreme Court, the environment, labour relations, whatever it is—

An hon. member: The courage?

Ms. Peggy Nash: If you want to gut environmental provisions, undermine first nations' rights, trash labour relations in the public sector, and that is your goal—

The Chair: Sorry, Ms. Nash.

A point of order, Mr. Adler.

Mr. Mark Adler (York Centre, CPC): Shouldn't Ms. Nash be speaking through the chair, and directing her comments at you?

The Chair: Mr. Adler is correct. Ms. Nash should be speaking to the chair.

Mr. Brian Jean: You're not that bad, Mr. Chair.

Ms. Peggy Nash: If the government has the courage of its convictions and wants to undermine first nations' rights and trash environmental provisions, and change measures in public security and labour relations, and change how we appoint people to the Supreme Court of Canada, if that's what the government wants to do, we disagree with it profoundly, but my goodness, have the courage of your convictions, have the confidence to put this in. The government should have—

Mr. Andrew Saxton: Come on, pick on the chair.

Ms. Peggy Nash: Through you, Mr. Chair, I'm talking about the government. Have the courage of your convictions to put this in a separate bill that will have the due consideration, due process, and appropriate time for the study and consideration that gets the absolute best legislation for Canadians.

Through you, Mr. Chair, if the government wants to be cost-efficient—a lot of money goes to our democratic process, to our salaries as parliamentarians, to this House, to all the fine work that the public sector does for us in this place. I think we all respect that very highly. If we want to truly respect the dollars that are spent for the democratic process, then let's utilize the democratic process in the best way possible, and it's not through omnibus budget bills. It is by having the courage of your convictions to present bills and have them debated in the appropriate committee.

That's why we're going to be voting against the title of this bill.

The Chair: Thank you, Ms. Nash.

I have Mr. Brison and then Mr. Saxton and then Mr. Adler.

Mr. Brison.

● (2010)

Hon. Scott Brison: I want to thank Ms. Nash for her intervention, which also sums up, I think, the way we feel on this.

Of all the provisions in Bill C-4, those that really are most farcical are the amendments to the Supreme Court Act and the process for nomination of Supreme Court judges. I can tell you that at some point in this place, members of Parliament of all parties will be, I believe, compelled to consider the importance of committees, the independence of committees, and the appropriateness of legislation considered by committees. It's a question not only of independence of committees but also of respect for Parliament and respect for the committee process and resources.

At some point, perhaps not in this Parliament but maybe in the next, I think as parliamentarians we're going to have to have a discussion about how we can both strengthen the resources and independence of committees and truly engage them. If you go back to the Mulroney government when Don Blenkarn was chairman of finance committee, that committee regularly attained unanimous reports of the committee. It took on the government of the day and it disagreed with the government.

We ought to see committees actually taking on government policy and approaches at some point. This is serious stuff. We have a responsibility whether we're in government or in opposition as individual members of Parliament to hold government to account. We're not doing that. In the recent byelections when we campaigned, we heard people's concerns about this. It's easy to assume that the public doesn't care and to play to that apathy or to assume that apathy, but I actually believe that in the four byelections it's one of the reasons we saw support for our party go up 17% and support for the Conservatives drop 11%. I don't know why the NDP support dropped. That's another issue.

The point is that at some point maybe we should have informal discussions among us across party lines about how we can strengthen our roles as parliamentarians and strengthen the roles of committee. We should look at what is done in other parliaments and even at the U.K. model where committees are much more independent. Otherwise at some point we're going to look back at our time here. We don't want to look back with regret because we did not take seriously the institution to which we were elected and the institution for which we have a responsibility. I think this is really very serious and at some point not doing more as individual members of Parliament to fight this becomes untenable. It's just fundamentally wrong.

As a committee we do not have the expertise or resources to be dealing with a lot of these issues. It's not a joke. This is very serious. I'm not feigning concern about this. I am genuinely concerned not just as a parliamentarian but as a citizen about what's going on here. I implore members of the governing party to understand that this is a grave situation which they are complicit in and contributing to.

● (2015)

It's going to be awfully hard to explain to active, engaged citizens what we're doing here.

The Chair: Thank you, Mr. Brison.

I have Mr. Saxton and then Mr. Adler.

Mr. Andrew Saxton: Thank you, Chair.

Just in conclusion, for budget implementation act two, which is what we've been debating here for the last number of weeks, we've had numerous witnesses and numerous opportunities for debate. This is our plan for jobs, growth, and long-term prosperity. It's a plan that's working. We have the best employment record in the G-7. We have the best financial system in the world, according to the World Economic Forum. We have a growth rate that is the envy of many other developed countries. We have a system that's working. We have a plan, and we've just completed budget implementation act two at the committee stage over the last number of weeks. I want to thank everybody who's been involved in that process. We may not have agreed on everything, but we certainly have had the opportunity to discuss it and to voice the views and opinions of our various parties.

More importantly, today we just spent the last almost five hours working on this here in committee. I'd like to thank the clerks, the translators, and everybody who has assisted us in this process.

Thank you, Chair.

The Chair: Thank you very much, Mr. Saxton.

I have two more speakers, Mr. Adler and then Mr. Caron.

Mr. Mark Adler: Thank you, Chair.

I found the remarks of Mr. Brison referring to the chair an abomination, sir. I felt bad on your behalf. Saying that the former chair of the finance committee was more independent and seemed to be a better chair than you.... I felt very bad on your behalf, sir, and I took great umbrage to the remarks of Mr. Brison.

Let me also say that when Ms. Nash was speaking about omnibus budget bills, I think it's safe to say that because she didn't mention our government specifically, she was referencing the Liberal omnibus budget bills of the late 1990s. I just wanted to make that point.

Thank you, sir.

The Chair: Thank you.

Mr. Caron.

Mr. Guy Caron: I'll start on a positive note. I fully agree with the sentiments of Mr. Saxton in thanking the clerks and the staff who have been helping us with this process. There ends the agreement.

I'd just like to state for the record that despite what Mr. Saxton said, we didn't spend the last number of weeks debating this. We spent the last three days debating this. We started on Monday and we had yesterday and, I think, one meeting last week. We had lots of witnesses in two sessions, plus one session with the officials. That's all we had for a bill of this extent. I have to disagree with Ms. Nash, though. I think the kitchen sink was probably hidden somewhere in this.

I fully agree with the sentiments that have been exposed here. I think we have a responsibility as parliamentarians to actually follow due process, especially for something as important as the budget. If we have to have many elements—and we're not opposed to having many elements in the budget and being able to actually go through it and study it with due diligence—at least let's keep to the main points of the budget itself. There was no mention of the Supreme Court in budget 2013. There was no point to many of the elements that we needed to address.

Then when we're being told that everything we've seen here has a budgetary implication, that means that eventually the government would actually present its whole agenda in one bill, including the budget. To us, this is unacceptable. This is something that makes a joke of what we are really. We're here as parliamentarians. We're here to represent populations—from the minimum population of maybe 30,000 up north to populations of 130,000—who count on us to actually make good laws. A law isn't good because I agree with it. A law is really good if we have examined everything.

This is the fourth budget implementation bill I've studied. All of them have been exhaustive and long. One thing I find really disappointing is that I haven't seen a single amendment yet in those four bills that has been agreed to by the government side. I cannot believe that all the amendments that were proposed were bad. I cannot believe that. I think some of them really made sense and the opposition actually explained why. My point is that I don't think this committee—and I don't think many of the other committees, and I've been on a couple of others—is really working well simply because we're not fulfilling our duty and our function of making sure the government works well. I certainly hope these points will be resolved in the future—if not before the next election, then in the next Parliament for sure.

● (2020)

[*Translation*]

The Chair: Thank you, Mr. Caron.

[*English*]

Mr. Brison, you wanted to make some comments.

Hon. Scott Brison: I certainly want to address Mr. Adler's intervention. I was not being critical of our chair; I have great respect for our chair. I believe that Mr. Blenkarn was chair during a time when there was respect for the independence of parliamentary committees. That is not the fault of our chair, but it is not normal. It has become worse in my time here. I really believe that at some point we need to have a meaningful discussion among parliamentarians of all parties about what a more independent committee system, well resourced, with the capacity to invest more significantly in research and public policy development, could actually mean for good governance and for effectively strengthening the capacity for members of Parliament to do their jobs.

There's talk sometimes about the other place, the future of the other place, and changes. If you look at Senate committees, Senate committees sometimes do exceptional work. If you look at the substantive work done by some of the Senate committees, there is important work being done there. Part of the reason for that has been, in the past at least, that Senate committees were less partisan.

Imagine how farcical it would be if the justice committee were debating budget provisions. Just consider that for a moment. It is equally farcical for the House of Commons finance committee to debate changes to the process by which we appoint Supreme Court judges. This is very serious. I sometimes wonder how the heck our chair actually does this, but he is given what he has to deal with and, as former Prime Minister Mulroney used to say, it's hard to polish a turd. This is a difficult situation.

The Chair: Mr. Keddy.

Mr. Gerald Keddy: No, I'm exhausted.

Ms. Peggy Nash: This isn't easy.

The Chair: Actually, it's my 13th anniversary today.

Some hon. members: Hear, hear!

The Chair: I'm going to editorialize a bit myself since we jumped down this rabbit hole.

I would say respectfully to all of you that this committee operates relatively well. I'd rather spend time on this committee, bluntly, than I would sitting in question period or debates in the House of Commons. As we saw tonight, there have been a lot of good debates back and forth at this committee. It was very respectful, and I want to commend all of you for that. As I said, I would rather spend an hour more in here than I would in the chamber listening to a debate.

I would just say this. In terms of impact, I know that when I heard Mr. Brison speak, I thought he was going to say, “ I knew Don Blenkarn, and you're no Don Blenkarn.”

Some hon. members: Oh, oh!

The Chair: But I will say this, if you look at our reports on charities, tax evasion, and hopefully the one on income inequality, actually those reports have suggestions from all parties and have had real impact on public policy and government policy, so I would actually compliment all parties for that.

In terms of suggestions on how I'd change this place, frankly, I think there are changes that do need to be made from all parties, all parliamentarians. We need to fundamentally look at the debates in the House of Commons, question period, and other such measures because, as much as we may deal with issues here, I think that's where a lot of the challenges emanate from. If anybody wants to have that debate, I'm more than willing to have it.

Mr. Gerald Keddy: Can we vote on the title first, Mr. Chair?

The Chair: We are going to vote on the title. Thank you. That's a signal to stop my editorializing.

Shall the title carry?

Some hon. members: Agreed.

The Chair: Do you want a vote, Ms. Nash?

● (2025)

Ms. Peggy Nash: On division.

The Chair: Shall the bill carry?

Some hon. members: Agreed.

An hon. member: On division.

The Chair: Shall the chair report the bill to the House?

Some hon. members: Agreed.

Ms. Peggy Nash: On division.

The Chair: I just want to echo the comments by Mr. Saxton and others and thank our clerks for the outstanding work they did, and also all the admin support for the committee, the interpreters, who do such an outstanding job, logistics, and everyone. Thank you so much for all your extra work.

The meeting is adjourned.