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(HANSARD)

Tuesday, January 31, 2012

Speaker: The Honourable Andrew Scheer

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HOUSE OF COMMONS

Tuesday, January 31, 2012

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

•(1005)
[English]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Joe Preston (Elgin—Middlesex—London, CPC): Mr. Speaker, pursuant to Standing Orders 104 and 114, I have the honour to present, in both official languages, the 13th report of the Standing Committee on Procedure and House Affairs regarding the membership of the committees of the House. If the House gives its consent, I intend to move concurrence in the 13th report later today.

* * *

LEIF ERIKSON DAY ACT

Mr. Peter Julian (Burnaby—New Westminster, NDP) moved for leave to introduce Bill C-387, An Act to establish Leif Erikson Day.

He said: Mr. Speaker, as is well known, Canada has been greatly enriched by the contributions of Canadians who have come from Scandinavian countries such as Norway, Sweden, Finland, Denmark and Iceland. They have settled across the country and have helped to build the Canada we know today. We celebrate that diversity.

My bill would create a Leif Erikson day on October 9. It would honour the contributions of those hundreds of thousands of Canadians of Scandinavian origin who, from coast to coast to coast, have contributed to the growth and building of this nation.

In other countries of the world, such as the United States, October 9 is already seen as Leif Erikson day, a day to honour the contribution of those of Scandinavian heritage who have settled in those countries. I believe very strongly that the petitions that have been submitted in the House from the thousands of people across the country who support this bill also attest to the importance of that honouring.

I introduce this bill to establish October 9 as Leif Erikson day in Canada. I hope it will receive support from both sides of the House.

(Motions deemed adopted, bill read the first time and printed)

* * *

FINANCIAL SYSTEM REVIEW ACT

Hon. Peter Van Loan (for the Minister of Finance) moved that Bill S-5, An Act to amend the law governing financial institutions and to provide for related and consequential matters, be read the first time.

(Motion deemed adopted and bill read the first time)

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COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Joe Preston (Elgin—Middlesex—London, CPC): Mr. Speaker, if the House gives its consent, I move that the 13th report of the Standing Committee on Procedure and House Affairs presented to the House earlier today be concurred in.

The Speaker: Does the hon. member have the unanimous consent of the House to propose the motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

(Motion agreed to)

* * *

PETITIONS

MULTIPLE SCLEROSIS

Ms. Kirsty Duncan (Etobicoke North, Lib.): Mr. Speaker, I am pleased to present this petition regarding CCSVI. International data suggest that one-third of MS patients significantly improve following the procedure, one-third moderately improve and one-third show no to little improvement. Regardless, no drugs have ever reversed the symptoms of devastating MS. We have studies from Argentina, Britain, the United States, et cetera, that show a significant improvement in quality of life. We have peer reviewed literature, presentations from eight international conferences, as well as reports from returning Canadian MS patients treated outside Canada.

Speaker's Ruling

The petitioners are calling on the Minister of Health to consult experts actively engaged in diagnosis and treatment of CCSVI to undertake phase III clinical trials on an urgent basis in multiple centres across Canada and to require follow-up care.

ELECTRO-MOTIVE DIESEL

Ms. Irene Mathyssen (London—Fanshawe, NDP): Mr. Speaker, I have a petition from the workers and members of the community of London in regard to the lockout at Electro-Motive Diesel in London, Ontario.

This is the 30th day of the strike and the company, Progress Rail, has demanded a reduction of 50% in terms of wages, benefits and pensions. Despite the fact that it made \$1.14 billion in profits, an increase of 60% in just the last quarter, it is demanding that its workers take these crushing reductions.

The workers and their families ask the Parliament of Canada to investigate the conditions of sale of Electro-Motive to Progress Rail, to investigate the bad faith bargaining of Progress Rail in regard to contract negotiations, and to award employment insurance benefits to locked out workers. There is a precedent for this.

I would ask that parliamentarians consider the fate of these workers and the impact it will have on all of the London community.

•(1010)

THE ENVIRONMENT

Hon. Michael Chong (Wellington—Halton Hills, CPC): Mr. Speaker, I present a petition to the House of Commons on the Canadian interfaith call for leadership and action on climate change. It is signed by 150 residents of my riding of Wellington—Halton Hills from communities like Elora, Fergus, Erin, Orton and places like Hillsburgh as well.

The petitioners are calling on the government to do three things: one, to work toward a new international agreement to replace the Kyoto protocol that binds all nations to a new set of carbon reduction targets; two, to establish a national target within Canada that we ourselves can achieve; and three, to play a constructive role internationally to fund climate mitigation efforts around the world.

I note that all three things the petitioners are calling for are consistent with the Government of Canada's goals in this regard.

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, I thank the hon. member for Wellington—Halton Hills for presenting a very important petition relating to the same topic as the petition I am presenting. This petition comes from residents of British Columbia, primarily from Williams Lake, Comox, Victoria, 100 Mile House, Quesnel, and also a number of residents of Red Deer and Medicine Hat, Alberta.

The petition calls on the government to recognize the evidence that has been presented and prepared by the National Round Table on the Environment and the Economy of the fact that not responding to the climate crisis will result in significant costs to the economy of Canada year on year. According to the national round table, the costs of not responding to the climate crisis will be \$5 billion per year by 2020, and between \$21 billion and \$43 billion by 2050 every year. These are costs to the economy, but there are also costs to communities and the environment.

The petitioners therefore petition the Government of Canada, in the interests of Canada's long-term prosperity, to recognize the important role of a stable climate and to agree to a national climate strategy that will set in a transparent way the targets that are required by science. They are specified in the petition as carbon dioxide reductions of 25% below 1990 levels by 2020, followed by an 80% reduction against 1990 levels by 2050.

VISITOR VISAS

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, I am pleased to present a petition on behalf of hundreds of residents of British Columbia including throughout the Lower Mainland, and residents of the Edmonton and Calgary areas of Alberta.

The petitioners ask the government to look at waiving visa requirements for Serbian visitors to Canada. The Serbian community is very strong and has been present in Canada since Confederation. Over 100,000 Canadians of Serb origin make an enormous contribution to Canada. Twenty-nine European states have waived visa requirements for Serbia. There is a very clear movement to provide visa-free travel from Serbia. This would certainly help to facilitate exchanges between Serbia and Canada and would greatly help the Serbian Canadian community.

On behalf of those hundreds of Canadian residents, I table this petition.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

PRIVILEGE

LEGISLATION TO REORGANIZE THE CANADIAN WHEAT BOARD—
SPEAKER'S RULING

The Speaker: I am now prepared to rule on the question of privilege raised on December 8, 2011, by the member for Guelph in relation to proceedings on Bill C-18, An Act to reorganize the Canadian Wheat Board and to make consequential and related amendments to certain Acts.

[*Translation*]

I would like to thank the member for having raised this matter, as well as the Leader of the Government in the House of Commons and the House Leader of the Official Opposition for their interventions.

Government Orders

[English]

In raising his concerns, the member for Guelph argued that the Federal Court finding on the actions of the Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board in relation to Bill C-18 supported his claim that the manner in which the government managed proceedings on the bill violated his privileges as well as those of other members, and rendered the bill and therefore the House's consideration of it, illegal. Given the court's finding, he asked me as Speaker to reconsider the basis for my previous ruling of October 24, 2011 on this same matter, in which I reminded the House that it is the responsibility of the courts and not the Speaker to rule on legal matters.

●(1015)

[Translation]

The Leader of the Government in the House of Commons stated that the decision of the court on this matter in no way limited Parliament's right and ability to legislate, and reminded the House of the undisputed principle that a previous Parliament cannot fetter a future one. Furthermore, he claimed that the House, having already made a decision on this bill, was no longer seized of this matter and, thus, had no jurisdiction to deal with it.

[English]

The member for Guelph argues that the decision rendered by the Federal Court has a bearing on the question of the correctness of our proceedings in relation to Bill C-18. He maintains that, despite the Chair having already answered the question in previous rulings, the court decision somehow creates new circumstances.

It is the view of the Chair that the fundamental issue remains unaltered; namely, that the member for Guelph is essentially still asking the Speaker to rule on a matter of law. This, as I have gone to great lengths to explain previously, is something the Speaker cannot do.

[Translation]

In my ruling of October 24, 2011, on page 2405 of the *House of Commons Debates*, I commented on a long-standing principle that has guided me and my predecessors on the Chair's role in interpreting constitutional and legal matters. I stated:

...it is important to delineate clearly between interpreting legal provisions of statutes—which is not within the purview of the Chair—and ensuring the soundness of the procedures and practices of the House when considering legislation—which, of course, is the role of the Chair.

[English]

At the same time, I reminded the House of Speaker Fraser's ruling of April 9, 1991, at pages 19233 and 19234 of the *Debates*, in which he declared that the Chair must avoid interpreting, even indirectly, the Constitution or a statute.

[Translation]

On April 12, 2005, at page 4953 of the *House of Commons Debates*, Speaker Milliken stated much the same thing when asked to rule on the admissibility of a bill that would have required him to interpret the constitutionality of a clause of proposed legislation. He stated at the time:

[English]

...the Speaker does not make rulings on matters of law; on parliamentary law perhaps, but not on the law of the Constitution or on other laws that affect us. The question of the interpretation of the section of the bill is one that would be determined by a court if the bill in fact becomes law. At the moment, it is a bill before Parliament and Speakers in the past have not ruled on the constitutionality or otherwise of clauses in a bill....Rulings of courts may chuck out some of the clauses that are adopted by this House in a bill, but that happens after the House has passed it and the Senate has passed it and it has received royal assent, because even the courts have no jurisdiction in the matter before.

[Translation]

In the same ruling, Speaker Milliken spelled out for the House the very limited kinds of legal and constitutional matters that Speakers may rule on when he stated:

What they may decide is whether the terms of a bill are in compliance with a prior resolution of this House, a ways and means motion, for example, or a royal recommendation in respect of a money bill, but beyond that, Speakers do not intervene in respect of the constitutionality or otherwise of provisions in the bills introduced in this House.

[English]

That the Federal Court granted a breach declaration regarding the actions of the minister with respect to the bill does not fundamentally change either the nature of the question being raised or the role of the Speaker in answering it. To find that the member was obstructed or interfered with in the performance of his duties because he participated in the legislative proceedings on a bill that was allegedly improperly before the House would require me to rule on the legality of the bill and this is simply outside the bounds of what can be considered by the Speaker.

Instead, just as I did in my ruling of October 24, 2011 on this same matter, I must again confine myself to the procedural aspects of the question. Now, as then, I can find no evidence to substantiate the member's claim that there has been an interference with members' ability to fulfill their parliamentary duties. As such, I cannot find that there is a prima facie question of privilege.

[Translation]

I thank all members for their attention.

GOVERNMENT ORDERS

[English]

POOLED REGISTERED PENSION PLANS ACT

BILL C-25—TIME ALLOCATION MOTION

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

That, in relation to Bill C-25, An Act relating to pooled registered pension plans and making related amendments to other Acts, not more than two further sitting days shall be allotted to the consideration of the second reading stage of the bill; and

That, 15 minutes before the expiry of the time provided for government orders on the second day allotted to the consideration of the second reading stage of the said bill, any proceedings before the House shall be interrupted, if required for the purpose of this order, and, in turn, every question necessary for the disposal of the said stage of the bill shall be put forthwith and successively, without further debate or amendment.

Some hon. members: Shame.

Government Orders

•(1020)

The Speaker: Pursuant to Standing Order 67.1 there will now be a 30 minute question period. If we can keep the questions and the responses close to a minute, we can accommodate many members.

I would like to remind the House that the Chair in the past has treated this period similar to question period, so a preference will be given to opposition members. However, government members will be accommodated a few times in the rotation.

I will open the floor now and I will recognize the hon. member for Hamilton Mountain.

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, I would like to say that I am happy to rise in the House on this occasion, but I have to say this is an absolute disgrace. The bill that we only started to deal with in the House yesterday deals with the most fundamental question that is before Canadians today and that is pension reform.

The House will know that when the Prime Minister was in Davos, Switzerland he raised concerns among every single senior in this country who is now concerned about the future of his or her pension.

We have a bill before us in the House that proposes to amend how we deal with retirement income security for Canadian seniors. After only two NDP members spoke to it in the House, the government House leader rose yesterday and said that was enough debate. He said that he was tabling a motion for time allocation because the government had had enough of this and needed to invoke closure.

Nobody has had an opportunity to be consulted. Canadians deserve to be heard on this important bill. The minister should not be shutting down debate. He should be encouraging Canadians to participate. He should be encouraging people to be heard.

The Conservatives have moved time allocation 13 times since the election, 11 times since the House came back in September. There is absolutely no justification to move closure on a bill after only two speakers from the official opposition have had the opportunity to voice the concerns of their constituents.

The minister should not be shutting down the voices of Canadians. We need debate. I would ask him to reconsider this really ill-conceived motion.

Hon. Peter Van Loan: Madam Speaker, my friend has said that we need to give an opportunity to consult Canadians on this issue. I do not know where she was during the last election because that is in fact exactly what happened. This was an issue in the last election.

Ms. Chris Charlton: You did not mention it in the pension platform.

Hon. Peter Van Loan: Madam Speaker, I hear the member saying that we did not mention it in the last election. I will correct that. I will actually read from the platform of the Conservative Party in the last election. That platform says that a re-elected Conservative government “will work with our provincial and territorial partners to implement the pooled retirement pension plan as soon as possible in our next term of office.”

So, not only is it something that we put forward to Canadians, not only is it something that Canadians had a chance to debate

thoroughly in the last election, not only is it something on which Canadians then gave us a majority mandate to move on, it is something we committed to implement as soon as possible.

The pooled registered pension plan is a vehicle that will create new alternatives for Canadians, new ways of saving for their retirement, especially those who are employed in small businesses or are self-employed, people who do not have the option right now of private pensions that larger employers have often offered in the past. We are creating new opportunities for people to save for their retirement.

Yet the opposition, notwithstanding Canadians having endorsed that in the last election, seems to think that is a bad idea and does not even want to make a decision on it. Those members just want the debate to go on perpetually. The debate took place in the last election. Canadians passed judgment. They elected us and gave us a mandate to implement it as soon as possible. That is what we are doing today.

Mr. Marc Garneau (Westmount—Ville-Marie, Lib.): Madam Speaker, if we listen very carefully to what the House leader just said, he said that because the Conservatives were elected last May, that is in fact a clear mandate for them to do anything they want without any debate whatsoever. That is the argument that the Conservatives brought forth last fall, throwing in the fact that they said they had to do things in a hurry.

We are not sure why this particular bill fits into that category. However, the fundamental point is that the House leader is telling us as long as they were elected and they talked about it in the election campaign, then they can go ahead and do this; that there does not have to be any debate. Is that the tone he is setting for this 41st Parliament? Is that the shot across the bow that is telling us that is the way we are going to do things for the next three and a half years?

•(1025)

Hon. Peter Van Loan: Madam Speaker, the Liberal House leader has a very odd interpretation of what I said. In fact what I said is quite to the contrary. It is that having heard Canadians, having made commitments to them about what we would do, having received their endorsement that we should do that, we believe that we are not just permitted to but also, in a democracy, duty bound to carry out our commitments. I know that is a novel approach for Liberals who may say one thing during an election and do something very different afterwards.

Our belief is that when we make commitments to Canadians, when we tell them what we are going to do, we have to deliver on those commitments. We have to do what we told Canadians we would do. We will continue to do that in this government.

[Translation]

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, this is a sad day in the House of Commons, because it is the 14th time that the government has invoked closure. Fourteen times. As a result, the voices of ordinary people from across Canada are not being heard in the House of Commons. As we know, the government even invoked closure after 14 minutes of debate in one instance. It is unbelievable that the government is refusing to listen to the people who speak for Canadians and thwarting the democratic process in the House of Commons.

Government Orders

The government has to deal with another problem. Seniors across the country have reacted strongly to its hidden agenda. The government wants to cut old age security, and it does not want to provide the support that our public pension system needs. The government wants to cut short the debate to prevent people from hearing more extensive debate on the future of seniors' pensions.

My question is, why is the government so scared of seniors that it wants to shut down debate on pensions here in the House of Commons?

[*English*]

Hon. Peter Van Loan: Madam Speaker, there were so many inaccuracies in what the hon. member just said that I think I could take up the rest of the question period responding to them all.

First, he does not seem to understand parliamentary procedure. We have not invoked closure here. We are using a device called time allocation that allows for certainty in the debate process. It allows for debate to continue, but it ensures that we will actually make decisions.

I know their way is to delay interminably and prevent decisions from ever being made. That is why they kept moving motions to prevent previous bills from even going to second reading. We want to be able to make decisions. We think everyone in this House is entitled to vote.

Second, on the issue of what represents democracy, apparently he does not think an election where Canadians pass judgment represents democracy. We think that represents the highest level of democracy. Canadians have endorsed us and asked us to deliver on pooled registered pension plans, and to do so as soon as possible. We feel that is an important commitment to carry out, including the provision made to Canadians that we will do it as soon as possible. For that reason, I have to reject what he said.

Finally, in terms of what we are delivering here to Canadians, this is another option for saving for one's retirement. How the NDP could be opposed to creating vehicles for people to receive pensions, I do not comprehend, especially those who are self-employed or employed in smaller businesses and therefore cannot participate in larger pension plans.

Why is it that the New Democratic Party seems to think that is not fair, that it only thinks that those who are employed in big institutions should be entitled to pensions? We do not agree with that. We think there should be more options for people.

Hon. Judy Sgro (York West, Lib.): Madam Speaker, I have to try to keep calm. The House leader said that the Conservatives were elected. We were also elected. Our job here is democracy. We brag around the world that Canada is the background of democracy. The member has the audacity to suggest that a couple of hours of debate on something that is as important as the retirement plans of Canadians be subject to closure motion and time allocation.

It is a slap in the face to every Canadian. It is a slap in the face to all those people who look at Canada as a model of democracy. This is the 13th time since September that Conservatives have introduced time allocation or closure. It is absolutely a disgrace and an embarrassment to all of us as parliamentarians. On an issue as important as retirement, and when we all have ideas to make it better,

the PRPP is only one option. There are many. Let us work together and not bring in closure so quickly.

• (1030)

The Deputy Speaker: I would ask hon. members to keep their questions and comments to one minute so that all members get a chance to raise their points.

The hon. government House leader.

Hon. Peter Van Loan: Madam Speaker, it is important to understand that what we are discussing in the bill before us is the pooled registered pension plan. There may be many other issues surrounding retirement that are worthy of discussion. Our government is interested in discussing some of those to make sure that we have a sustainable system for the long term that supports people in their retirement.

However, the issue before us is the pooled registered pension plan. We think that there is a real obligation on a political party that makes a commitment to Canadians to deliver on something to actually do that when that party is elected. We were elected to do that and we are carrying through on that commitment.

Why is it that Canadians endorse the concept of the pooled registered pension plan? Because it creates new options for people to save for their retirement. People who previously have been denied the opportunity, who perhaps do not have large employers or access to private pension plans, would now like to be able to do this.

We have often heard about problems with portability, being able to move pensions when people move from employer to employer. The pooled registered pension plan creates that portability. Even if someone goes from being self-employed to being with a small employer, there are all kinds of options. That is why this is such a tremendous vehicle for workers.

Ms. Jinny Jogindera Sims (Newton—North Delta, NDP): Madam Speaker, I am really disappointed. The hon. member across the way said democracy was elections. Elections are absolutely a part of a democratic process, but he forgot to mention that the other part of parliamentary democracy is for Parliament to debate. That does not mean that the governing side gets to decide on time allocation over and over again.

This is a fundamental issue that deserves a fulsome debate. Once again, the Conservatives are using bullying tactics to silence the voice of the opposition. They are using bullying tactics to silence debate in the House once again.

What are they afraid of? They have a majority and they can pass this legislation. My appeal to my colleague across the way is let the debate continue.

Government Orders

Hon. Peter Van Loan: Madam Speaker, we are almost halfway through this question period. I have answered a number of questions already. We are dealing with the question of the pooled registered pension plan. We are hearing about the importance of the debate. Yet not one speaker from the opposition has raised one issue, one question or referred in any substantial way to what pooled registered pension plans are and what they will do for Canadians.

The only person who is doing that right now is me. Why is it important for us to deal with this bill now? Because Canadians need those retirement options. They want them. They asked us to deliver them in the last election as soon as possible. We made that commitment to them. This is a vehicle that offers tremendous opportunities, as I said, for people who are looking to save for their retirement.

There are several different pillars. There is the Canada pension plan. There is old age security. There is the GIS. There are private pensions. The problem is that fewer and fewer Canadians have access to private pensions. That is why we need to create more opportunities for them. That is why we want to see this bill become law.

• (1035)

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Madam Speaker, I have news for the government House leader. The reason we are not dealing with the issues of the bill itself is that the government has chosen to once again bring in time allocation, preventing members in the House to participate in the debate and ask questions relevant to this particular bill. We are witnessing a government that uses closure through time allocation to prevent legitimate, healthy debate on important issues that are facing Canadians today. That includes dealing with the issue of pensions, which affects every Canadian across this land.

When will the government House leader do his job and start negotiating with the opposition and third party House leaders so we can have a better approach to dealing with legislation that is supposed to be debated as opposed to being rammed down the throats of Canadians?

Hon. Peter Van Loan: Madam Speaker, we talked about this in the last election. We talked about it with all Canadians. We had a debate. Canadians had an opportunity to hear what the different parties had to say and they decided to endorse the Conservative government with a majority mandate to work with our provincial and territorial partners to implement the pooled retirement pension plan as soon as possible in our next term of office. That is exactly what we are doing.

There is great support from the public, not just for the concept but for moving quickly. I can read comments by Dan Kelly with the Canadian Federation of Independent Business. What did he say about the pooled registered pension plans? He said, "This can't come soon enough from our perspective. We think this has great potential". Why does the Canadian Federation of Independent Business think that? Because it represents small businesses, businesses that would love to be able to provide pensions for their employees but, due to the difficulties of large private pensions, cannot do it. This would provide them the opportunity to finally give their workers the opportunity for private pensions.

Mr. Joe Comartin (Windsor—Tecumseh, NDP): Madam Speaker, it is ironic to listen to the House leader on the government side stand in the chamber and accuse one of my colleagues of not understanding procedure. This debate is about time allocation and closure. It is not about Bill C-25. He should understand that.

With regard to that, he also stands in the House and repeatedly says that this is what Canadians voted for. The Conservatives promised repeatedly, in every single election since they have been both a minority government and in the run up to this majority government, that they would clean up the democratic process in the House. What have we seen? Fourteen times now they have invoked either closure or time allocation. What about those promises? Are they going to honour those or are they going to break those promises to the Canadian people to clean up the democracy in the House?

Hon. Peter Van Loan: Madam Speaker, it takes a highly academic approach to say that debating the process for dealing with the bill has nothing at all to do with the bill, that we should not talk about the bill or worry about the substance of it. Actually, the substance of the bill is the reason we need to move forward with it.

The fact is that we made a commitment to deliver. I do not understand why the New Democratic Party says, as the House leader says, that we should deny for every day possible the opportunity of this vehicle to Canadians. Why would it want to delay giving Canadians, self-employed and small businesses, the opportunity for their own private pension plan options? What benefit is there to Canadians in delaying that one day further? I do not understand the benefit of delaying that device for Canadians and yet this is exactly what the opposition is seeking to do.

He says that Canadians might understand it better. Apparently, he has contempt for what Canadians do when they decide how to vote in an election. We have a high regard for the intellect of Canadians. We think that when they made choices in the last election, they did so in an informed and intelligent fashion and we are delivering on the commitments we made to them.

[*Translation*]

Mr. André Bellavance (Richmond—Arthabaska, BQ): Madam Speaker, the thing that surprises me today is not the fact that the Leader of the Government in the House of Commons and his government are moving closure in this Parliament for the 14th time. That does not surprise me because they have already made such a mockery of democracy here in this House. I am surprised that the Conservative government has not decided to shut down Parliament. The government House leader keeps saying they were given a mandate in the last election. They did indeed win that election, but does that give the Conservative government a blank cheque? Get real.

Government Orders

Roughly 38% of the people voted for the Conservative Party, but many others did not. We are meant to have discussions in Parliament. We are meant to have discussions and hold debates in committees. We represent the entire population, those who voted and those who did not, and those who were not in Canada during the election. Regardless of what they did, whether they voted for the Conservatives or not, we owe it to the public to hold debates on important matters here in Parliament. I wonder where the government House leader gets the idea that they were given a blank cheque during the last election. He is misleading the House and the public when he says that.

● (1040)

[*English*]

Hon. Peter Van Loan: Madam Speaker, it is not a blank cheque that Canadians gave us. They gave us a mandate to deliver on the commitments we made to them and to do what we said we would do.

There is enthusiastic support for it in the case of this pooled registered pension plan. For example, this is what the Canadian Chamber of Commerce said about pooled registered pension plans:

The Canadian Chamber of Commerce believes PRPPs...will give many businesses the flexibility and tools they need to help their employees save for retirement. PRPPs will also provide individuals and the self-employed with additional retirement savings options.

The opposition is making the case right now that we should delay them having those options. It is saying that we should not allow those pooled registered pension plans to be put in place and that we need to put that decision off for another day even further. I am saying that we should decide on that in principle this Wednesday with a vote.

I would like to know from the opposition what the case is for delaying pooled registered pension plans. Why is the opposition so determined to keep Canadians from having that option?

[*Translation*]

Mr. Jean Rousseau (Compton—Stanstead, NDP): Madam Speaker, I would like to remind the Leader of the Government in the House of Commons that this debate is about adjournment and time allocation. We could certainly discuss the bill, but it does not even require the employer to contribute to this pooled plan.

People are calling my office to tell me that they do not have a pension plan where they work. They are wondering what they will end up with if the employer does not contribute and who they will guarantee them a viable pension fund when they retire. Once again, the companies will grab the profits and go elsewhere. We never ensure that our workers receive what they are owed after working all their lives.

I would like to pose the following question to the Leader of the Government in the House of Commons: what is the point of democracy if we are unable to talk to the people who elected us as their representatives in the House?

[*English*]

Hon. Peter Van Loan: Madam Speaker, while my friend says that employers might pocket the proceeds, under the pooled registered pensions plans, that is not a possibility. It simply cannot happen. That is the nature of a pooled registered pension plan. It is important

that we provide this vehicle for those who are in small businesses or who are self-employed so they will be able to have access to it.

I do not hear any compelling argument from the members opposite for why this must be delayed. Why do we need to delay offering this option to Canadians? What we hear from a broad sector, the business sector, small businesses and even from provinces is that this is a good vehicle that they want us to get in place.

Why would we want to delay it any further? What is the benefit of delay and of not making a decision? This is something I have not yet heard articulated.

Mr. Joe Preston (Elgin—Middlesex—London, CPC): Madam Speaker, as a small businessman before I came here and knowing many back home who are still small businessmen, the pooled registered pension plan allows small business to do something it might otherwise not be able to do, which is provide a pension vehicle for employees and employers in small businesses.

The expertise in small business is incredible in Canada but not all small business owners are experts as far as pension planning goes. Many of them are very busy being the director of operations, the director of marketing, the snow shoveller or the trainer of their employees. This would allow those small businessmen and women to, through an expert administrator, put together a pension plan for employees who might otherwise not have one.

What I am being asked by small businessmen and employees in small businesses back home is why do we not get this done.

Hon. Peter Van Loan: Madam Speaker, the member for Elgin—Middlesex—London is quite right in that the ability to create a pension plan right now depends on a tremendous amount of resources. That is why only those who have worked for very large corporations and businesses in the past have had the opportunity to enjoy private pensions.

We are trying to create a device where, by pooling or putting resources together, small businesses or self-employed individuals will be able to establish the same opportunities to save for their retirement and enjoy a private pension. It is a very reasonable thing.

When we look at how our economy has changed, we see that more and more people are self-employed today than in the past. Again, more and more people are employed in smaller businesses and fewer are employed in those larger businesses. That is how the economy has changed.

We need to create devices that respond to those changes so that people have options to save for their retirement, those who are self-employed and those who are employed in small businesses. What is more, we want to do it in a way that they can also respond to the other change, that people often change employers many times. With portability, there is that option with the pooled registered pension plans.

● (1045)

Hon. Wayne Easter (Malpeque, Lib.): Madam Speaker, one thing that is for certain under this particular regime, the House of Commons is becoming the house of closure, no question about it.

Government Orders

What is the real compelling reason that the House leader is invoking closure or time allocation? This chamber is always public but the track record of the government in committee is that when bills get to committee they are put in camera and the government tries to prevent a number of witnesses coming forward from the opposition members. Is that part of the reason, to take the debate out of the public arena and shove it to committee? Just in case that might be the case, would the House leader answer whether he would allow all the hearings in committee to be in public?

Hon. Peter Van Loan: Madam Speaker, we love this issue being debated in public. We love the proposal from the government of pooled registered pension plans being in public. We loved it so much that we made it part of the last election. We liked the idea so much that we put it in our platform and told Canadians that a re-elected Conservative government would work with our provincial and territorial partners to implement the pooled retirement pension plan as soon as possible in our next term of office. That is what we are doing.

We are delivering on our commitment and we did it after our debate in public, not with 12 members of Parliament. We did it after a debate with over 33 million Canadians and asked them what they had to say. They said that we should do that, that we should give them that pooled retirement pension plan. They gave us a majority mandate and asked us to deliver on our commitment. They asked us to do what we said we would do and that is exactly what we are doing.

[Translation]

Mrs. Carol Hughes (Algoma—Manitoulin—Kapuskasing, NDP): Madam Speaker, I have had enough of this government, and I am sure you have as well.

This government is ignorant, arrogant and lacking in transparency. Moving time allocation 14 times does not make sense. It does not give us the time required to debate a bill. Furthermore, during the time allocation debate, he said that we have nothing to say about this bill. We have much to say, but the Conservatives do not want Canadians to know about the problems with their bill. This bill will only help big business make profits. What will happen if there is a market downturn? People will find themselves without a pension.

I would like my colleague to answer this question: can the government protect these pensions for Canadians who invest in them? Will this government guarantee the return of every dime invested by Canadians?

[English]

Hon. Peter Van Loan: Madam Speaker, the problem the hon. member raises is not a problem of the bill. It is a problem of today in that there are too many working people who do not have pension opportunities, options to save. That is why we are creating another such option through the pooled retired pension plan.

It was Stewart Kennedy, president of the Ontario Medical Association, who said:

Ontario's doctors have been leading advocates in calling for pension reform and we believe that this legislation is a positive step forward.

If there are people from such diverse ranges of places saying that it is a positive step forward, if Canadians said that it was a great idea

in the last election and if people are saying that it cannot happen soon enough, why does the NDP want to delay it? Why do the NDP members want to deny Canadians more opportunities to save for their retirement? Why put this off to another day? That is a question that I have not heard answered by them.

● (1050)

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Madam Speaker, I will try to answer the government House leader's question as to why it alarms so many people on this side of the House when time allocation is brought forward in a motion by the government benches for the 14th time in this session.

The reason is not that we are trying to delay. We are trying to have a full discussion that will explore the benefits and, potentially, ways to improve the government's legislation. It is called democracy. It is not about delay. It is about having a full hearing. We are all elected here as members of Parliament and, in the theory of Westminster parliamentary democracy, we are equals, but we feel as though we are the ground over which the government bulldozes and we really do not think that it is appropriate.

Hon. Peter Van Loan: Madam Speaker, the approach of our government is very simple. We make commitments to Canadians and we seek to deliver on them. Our priority is jobs and economic growth and the long-term economic security of Canadians. We are working to deliver on that. We want to present legislation and we do. We present it in election, allow for a full debate and then we present it in the House and allow for debate here.

We think that debate is important and that it has something to offer but we also insist that we need to come to a point where we make decisions. People in this House should have the right to vote and in about half an hour we will ask the members of this House if they want the opportunity to vote on this bill. Are they prepared to allow two more days of debate and then to have a vote on the bill? It is a reasonable proposal, a reasonable approach. Let us avoid the political paralysis of Europe and the United States.

The Deputy Speaker: Order, please. It is my duty to interrupt the proceedings at this time and put forthwith the question on the motion now before the House.

The question is on the main motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And five or more members having risen:

The Deputy Speaker: Call in the members.

Before the taking of the vote:

● (1125)

The Speaker: I would just reference page 571 of *House of Commons Procedure and Practice*.

On occasion, a vote has been taken although one of the Whips had not appeared after the bells rang for the maximum prescribed length of time.

● (1135)

[Translation]

(The House divided on the motion, which was agreed to on the following division:)

(Division No. 105)

YEAS

Members

Ablonczy	Adams
Adler	Aglukkaq
Albas	Albrecht
Alexander	Allen (Tobique—Mactaquac)
Allison	Ambler
Anders	Anderson
Armstrong	Ashfield
Aspin	Bateman
Benoit	Bernier
Bezan	Blaney
Block	Boughen
Braid	Breitkreuz
Brown (Leeds—Grenville)	Brown (Newmarket—Aurora)
Brown (Barrie)	Bruinooge
Butt	Calandra
Calkins	Cannan
Carmichael	Carrie
Chisu	Chong
Clarke	Clement
Daniel	Davidson
Dechert	Del Mastro
Devolin	Dreeshen
Duncan (Vancouver Island North)	Dykstra
Fantino	Findlay (Delta—Richmond East)
Finley (Haldimand—Norfolk)	Galipeau
Gallant	Gill
Glover	Goguen
Goldring	Goodyear
Gosal	Gourde
Grewal	Harper
Harris (Cariboo—Prince George)	Hawn
Hayes	Hiebert
Hillyer	Hoback
Hoepfner	Holder
James	Jean
Kamp (Pitt Meadows—Maple Ridge—Mission)	Keddy (South Shore—St. Margaret's)
Kent	Kerr
Komarnicki	Kramp (Prince Edward—Hastings)
Lake	Lauzon
Lebel	Leef
Lemieux	Leung
Lizon	Lobb
Lukiwski	Lunney
MacKay (Central Nova)	MacKenzie
Mayes	McColeman
McLeod	Menegakis
Menzies	Merrifield
Miller	Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)	Nicholson
Norlock	O'Connor
Obhrai	Oda
Opitz	Paradis
Payne	Penashue
Poilievre	Preston
Raitt	Rajotte
Rathgeber	Reid
Rempel	Richards
Richardson	Rickford
Ritz	Saxton
Schellenberger	Shea
Shipley	Shory

Smith
Stanton
Sweet
Toet
Trost
Truppe
Uppal
Van Kesteren
Vellacott
Warawa
Watson
Sky Country)
Weston (Saint John)
Williamson
Woodworth
Young (Oakville)
Zimmer — 153

Government Orders

Sorenson
Strahl
Tilson
Toews
Trottier
Tweed
Valcourt
Van Loan
Wallace
Warkentin
Weston (West Vancouver—Sunshine Coast—Sea to
Wilks
Wong
Yelich
Young (Vancouver South)

NAYS

Members

Allen (Welland)	Andrews
Angus	Aubin
Ayala	Bélanger
Bellavance	Bennett
Benskin	Bevington
Blanchette	Blanchette-Lamothe
Boivin	Borg
Boulerice	Boutin-Sweet
Brahmi	Brisson
Brosseau	Caron
Casey	Cash
Charlton	Chicoine
Chisholm	Choquette
Chow	Christopherson
Cleary	Coderre
Comartin	Côté
Crowder	Cuzner
Davies (Vancouver Kingsway)	Davies (Vancouver East)
Day	Dionne Labelle
Donnelly	Doré Lefebvre
Dubé	Duncan (Etobicoke North)
Duncan (Edmonton—Strathcona)	Dusseau
Easter	Eyking
Foote	Fortin
Freeman	Fry
Gameau	Garrison
Genest	Genest-Jourdain
Giguère	Godin
Goodale	Gravelle
Grogulé	Harris (Scarborough Southwest)
Harris (St. John's East)	Hassainia
Hsu	Hughes
Hyer	Jacob
Julian	Kellway
Lamoureux	Lapointe
Latendresse	Laverdière
LeBlanc (Beauséjour)	LeBlanc (LaSalle—Énard)
Leslie	Liu
MacAulay	Mai
Marston	Martin
Masse	Mathysen
May	McCallum
McGuinty	McKay (Scarborough—Guildwood)
Michaud	Moore (Abitibi—Témiscamingue)
Morin (Chicoutimi—Le Fjord)	Morin (Notre-Dame-de-Grâce—Lachine)
Morin (Laurentides—Labelle)	Murray
Nantel	Nicholls
Nunez-Melo	Papillon
Patry	Péclét
Perreault	Pilon
Plamondon	Quach
Rae	Ravignat
Raynault	Regan
Rousseau	Sandhu
Savoie	Scarpaleggia
Sellah	Sgro
Simms (Bonavista—Gander—Grand Falls—Windsor)	
Sims (Newton—North Delta)	
Sitsabaiesan	St-Denis
Stewart	Stoffer
Sullivan	Thibeault
Toone	Tremblay

Government Orders

Trudeau
Valeriote — 125

Turmel

PAIRED

Nil

The Speaker: I declare the motion carried.

[*English*]

I wish to inform the House that because of the proceedings on the time allocation motion, government orders will be extended by 30 minutes.

SECOND READING

The House resumed from January 30 consideration of the motion that Bill C-25, An Act relating to pooled registered pension plans and making related amendments to other Acts, be read the second time and referred to a committee.

Ms. Irene Mathysen (London—Fanshawe, NDP): Mr. Speaker, I am pleased to have the chance to speak to Bill C-25, an act regarding the pooled registered pension plan. Certainly there will not be many more of us who have this opportunity.

As members may have already noted, the plan would fail to adequately address the current needs of Canada's aging population. Seniors represent one of the fastest-growing populations in Canada today. The number of seniors in Canada is projected to increase from 4.2 million in 2005 to 9.8 million by 2036. With so many seniors retiring in the years to come, we need to have the social safety net in place now to avoid dramatic increases in the rate of poverty in the future. We need real pension reform, not a savings scheme that is dependent upon the ups and downs of the stock market. Canadians know all too well how ineffective and expensive that kind of savings plan is. Too many saw their savings crumble away as the markets took a nosedive. This is most definitely not how savings for retirement should be organized.

The CPP, when it was established in 1966, was set up with the assumption that individuals would also have workplace pensions and individual savings to complete their CPP benefits. For the average Canadian, real wages have failed to increase, making savings for retirement a virtual impossibility. More and more, workplaces have cut pension programs, leaving only about 25% of workers with a private pension plan.

This savings scheme that we have seen proposed by the federal Conservatives purports to address the pension savings shortfall, but fails to address the problems at the heart of the retirement savings problem in Canada.

For employees, a PRPP is like a defined contribution, or group RRSP. It is a savings vehicle, limited by RRSP limits and regulations, purported to allow workers to save for retirement, but it would not guarantee retirement security. PRPPs would be managed by the financial industry, the same crew receiving huge corporate tax breaks from the Conservatives. The PRPP is not a defined benefit plan. It would not provide a secure retirement income with a set replacement rate of pre-retirement income. It would not be fully transferable. It would not be indexed to inflation and would not increase with the increasing cost of living.

It is noteworthy that employers, not employees, would decide contribution levels and it would not be mandatory for employers to

contribute or match workers' contributions to these PRPPs. Without employers contributing, it would not really be a pension plan. In fact, employers who do not help their employees save for retirement could end up with a competitive advantage over employers who do. This would have a huge limitation on the effectiveness of PRPPs as a means to increase retirement security at all.

The proposed PRPPs do not guarantee low management fees, nor prevent the large management fees that eat up such a large portion of retirement savings now. In fact, there is only a promise that PRPPs will result in large pools of capital and that they might lower fees, with no guarantees or legislative results. Nothing in the PRPP proposals sets management expenses at levels equal to or lower than those of the Canada pension plan. As a result, CPP is still a better deal than PRPPs, not only because CPP is guaranteed and indexed but because it has much lower management fees.

The pooled registered pension plan would not help those who are struggling the most, the poor. The government's own advisory group, the National Seniors Council, in 2009 reported that, generally, most people did not experience dramatic declines in income when they turn 65, rather low income as for seniors is the result of the inability to accumulate assets over time. The council also argues that given their greater longevity, women are far more likely to be unattached in later life and at greater risk of experiencing low incomes. Indeed, women represented about three-quarters of the 179,000 unattached low-income seniors in 2006.

• (1140)

The National Seniors Council also points out that Canada's retirement income system, the OAS, CPP and private pension savings and investments, has helped reduced the incidence of low income among seniors and helped increase overall living standards. The OAS and GIS programs play a critical role in ensuring that seniors have a modest base of income. Still, a core group of seniors remain vulnerable: the unattached, recent immigrants, those with fewer than 10 years in the labour force and aboriginal seniors. The council points out that low income seniors spend most of their money on housing, food, transportation and health-related costs.

I have met with Canadian seniors and seniors organizations representing people from across the country. I have taken the time to listen to what they had to say and they are very concerned about access to health care, medicine, being forced from their homes and losing their autonomy. All of these things hinge on one simple thing, financial security. This current scheme, the one we have before us, does not provide security and without financial security, our seniors are left vulnerable to abuse and poverty.

Government Orders

Fixing our pension problem is not the only step we can take. We should provide education and financial literacy so Canadians can be better informed about planning for their retirement. To underscore that point is the 2005 report from the National Council on Aging. It found in a review of under-subscription to the OAS program and Canada pension plan that large numbers of eligible seniors had not applied for these programs. About 55,000 eligible people did not apply for their retirement pension. In 2004 alone, about 1,000 people made a late application for their CPP.

The council recommends that the federal government work to reduce the failure rate among people who are eligible for old age security and CPP benefits. It should also make public the number of eligible seniors who have not applied for the various benefit programs.

This is important because of the negative impact it has. Women are three times more likely to be late applying for CPP. Late applicants are also noticeably more numerous in Quebec, Yukon and the Northwest Territories, regions where there are more seniors living under the poverty line.

The fact is that late applications for CPP benefits causes serious consequences. Currently, a person who is late applying for his or her pension under the CPP is only entitled to 11 months of retroactive benefits, whereas the QPP provides up to 5 years of back benefits. The federal retroactive period for CPP is clearly insufficient and unfair because this program is based on employee-employer contributions. The money has been contributed and it should be available to the retiree.

The council therefore recommends that the federal government allow fully retroactive benefits, plus interest, when someone applies late under the Canada pension plan because it is a contribution-based program.

I will also say a few words about RRSPs, as they are much touted as a safe and valuable retirement savings plan. The National Council on Aging argues that people with low incomes actually derive no advantage from investing in RRSPs, an investment program that allows contributors to delay paying income tax until the invested amounts are cashed in. However, people with low income pay little or no income tax during their working lives anyway. If they are entitled to the GIS upon retirement, they will actually be penalized when they cash in their RRSPs, since these amounts will inevitably lead to a reduction in GIS benefits.

For example, a person receiving the GIS who cashes in a \$1,000 RRSP could see his or her GIS benefit reduced by \$527. Furthermore, those GIS recipients, who are among the 50% who pay income tax, will see a further reduction of \$250. Finally, other benefits such as provincial-territorial income supplements or subsidized housing may be lost or reduced as well. The clawbacks discourage low income earners from making the already difficult effort to save.

• (1145)

Among people aged 55 to 64, 21% have no retirement assets and 32% have assets of less than \$100,000. Seniors with no retirement income will receive maximum benefits from the government. However, those who have saved a little, about \$23,000 in RRSPs,

will have a significant portion of their assets confiscated by provincial and federal governments because both of these governments will recover the money through income tax and through reduced benefits paid out of their income tested programs.

This reality points to another, better way to assist low income seniors in gaining economic security. We must end the clawbacks. This would be a smarter investment and first step in eliminating poverty for seniors in Canada.

I would like to talk numbers now. The CCPA outlines the cost savings in investing in pensions. I think the House will find these numbers very interesting.

The federal government estimates that the net cost to the government of tax assistance to RRSPs, the third tier of retirement income, was \$9.3 billion in 2005. This was projected to rise to \$12.1 billion by 2010. The net cost of tax subsidies to registered pension plans in 2005 was \$13.3 billion, projected to increase to \$16.8 billion by 2010. Net cost is the cost in lost tax revenue by government for RRSP contributions. It is significant that the net cost in lost tax revenues of tax subsidies to registered pension plans and RRSPs in 2010, at \$28.9 billion, is greater than the total cost of OAS benefits, estimated at \$27.6 billion for 2009-10.

The CCPA, using data from Statistics Canada, points out that only 38% of employed Canadians have a workplace pension. It is also important to note that most Canadians who are entitled to contribute to an RRSP fail to do so. In many cases it would appear many of those eligible to contribute cannot afford to do that. Statistics Canada reports that 88% of tax filers were eligible to contribute to an RRSP in 2006, but only 31% actually made contributions. They used only 7% of the total contribution room available to them. In other words, there is now more than \$500 billion in unused RRSP contribution room being carried forward.

Pension reform should reconsider the high cost of taxpayer subsidies to RRSPs and private pensions. A reduction of the tax subsidies to the third tier of the retirement income system would free up funds to improve benefits for CPP. A secure retirement for all Canadians would be ensured with \$28.9 billion.

There are many among us who have concerns for the future and those concerns are entirely justified.

As I mentioned earlier, only 25% of Canadian workers have workplace pensions and nearly one-third have no retirement savings at all. More than 3.5 million Canadians are not saving enough in their RRSPs for what used to be called their golden years and 75% of workers are not even participating in a registered pension plan. Clearly the notion that retirement savings can be adequately accounted for through purchases of RRSPs does not work. Urgent government action is needed.

Government Orders

It should further be noted that private retirement savings are concentrated in a small percentage of Canadian families. According to Statistics Canada, 25% of Canadian families hold 84% of current retirement assets, while three out of ten families have no private pensions at all.

Seniors have worked hard all of their lives. They have played by the rules and now they simply want access to the programs and services that their hard-earned tax dollars helped to make possible. Every senior in Canada has the absolute right to income security.

In a series of polls conducted by the Canadian Labour Congress in 2004, 73% of Canadians polled said that they worried about not having enough income to live after retirement. The number of people who worried about income security had increased by almost 20% from two years before.

Canadians are worried about the solvency of their private pensions, the adequate nature of CPP and public income support and their ability to cope with what Statistics Canada confirms is a higher rate of inflation for seniors than average Canadians. We know life is getting more expensive. Those fears are well-founded. Right now, more than one-quarter of a million seniors live below the poverty line. Since the mid-1990s, the income of seniors has reached a ceiling and the gap between the income of seniors and that of other Canadians is now increasing.

• (1150)

According to the government's own National Advisory Council on Aging, between 1997 and 2003 the mean income of senior households increased by \$4,100 while the average income of other Canadian households increased by \$9,000. The situation is even more pronounced for seniors living alone. A life of poverty is most prevalent among women, those widowed, separated or divorced, recent immigrants, tenants, those without private pension coverage, and not surprisingly, those with low wages.

Senior women face harsh realities upon retirement. The poverty rate for senior women is almost double the poverty rate for senior men. In particular, unattached senior women remain very vulnerable. They make up 60% of seniors living below the poverty line. In 2003, according to a Government of Canada report, 154,000 unattached senior women lived in poverty. Poverty is a real issue for seniors. Income insecurity makes them vulnerable to abuse. Financial security equals autonomy.

New Democrats have concrete solutions to solving the pensions problem that faces Canadians. We would work with the provinces to bring about increases to the Canada and Quebec pension plan benefits with the eventual goal to double the benefits received. We would work with the provinces to build in the flexibility for employees and employers to make voluntary contributions to individual public pension accounts. We would amend federal bankruptcy legislation to move pensions and long-term disability recipients to the front of the line of creditors when their employers enter court protection or declare bankruptcy.

As government, we would increase the annual guaranteed income supplement to a sufficient level in our first budget to lift every senior in Canada out of poverty. Seniors are important to our party, so much so that our first opposition day in the House after the 2011 election

was dedicated to asking the government to invest in seniors and raise the GIS sufficiently to eliminate seniors poverty in Canada. We did our homework and discovered that in combination with increases to the GIS set out in the June 2011 budget, the cost to taxpayers would be significantly less than \$700 million. This is an intelligent, practical and affordable investment that would make a positive difference in the everyday lives of seniors currently living in poverty.

The argument that we as a country cannot afford to lift seniors out of poverty is preposterous. The most recent round of corporate tax cuts will cost the Government of Canada \$13.5 billion over the next three years. A tiny fraction of this money would be enough to lift every senior in this country out of poverty. Canada is a rich and privileged country. Our wealth and prosperity are in no small measure the result of the lifetime of work done by Canadians who are or will be seniors. We absolutely must support these people because it is the ethical thing to do and, in practical terms, because they in turn support our economy and their communities and families. They contribute a great deal.

New Democrats are proposing an easy, affordable, targeted solution to a very real problem. As politicians, we have an obligation to make this happen. It is time that we abandoned partisan rhetoric and acted as one to stand up for seniors.

While I am very pleased that in June the NDP motion passed unanimously in the House and that all parties supported that initiative, the budget implementation bill and this Conservative pension scheme failed to take the NDP motion into account, despite its passing unanimously. The Conservatives seem to have conveniently forgotten their duty to the people they have pledged to serve. It seems that the government is only willing to pay lip service to democracy, as witnessed today, and to seniors struggling to make ends meet.

Canada does not need yet another voluntary, tax-assisted retirement savings program. It needs public pensions that provide all Canadians with a basic guarantee of adequate income that would protect their standard of living in retirement. Expanding the Canada pension plan would meet this objective. Improving the replacement rate of CPP retirement benefits would provide better retirement pensions to virtually all Canadians. A relatively modest increase in rates would achieve this.

The CPP covers all workers, including those who are self-employed. Its benefits would be guaranteed in relation to earnings and years of service. They would be indexed for inflation and fully portable from one job to another. This is the real solution, not the Conservatives' bogus pooled registered pension plan.

• (1155)

Mr. Pierre Poilievre (Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities and for the Federal Economic Development Agency for Southern Ontario, CPC): Mr. Speaker, the hon. member talked simultaneously about two contradictory policy objectives. One, she said that we should bolster public pensions. Two, she said that we should raise business taxes. What does one have to do with the other?

Government Orders

The reality is that every public or private pension program in this entire country is deeply invested in the Canadian stock market. For example, Canada Post workers have a pension plan that has billions of dollars invested in banks and oil companies. In fact, the top five holdings of the Canada Post pension fund are all banks, insurance companies or oil companies. As of the spring, that fund had \$200 million invested in TD Bank.

The benefits paid by these corporations to these pension funds are done entirely on an after-tax basis. That means every time business taxes are raised, the dividends paid to pension funds go down. Roughly half of the Canada pension plan is invested in equities of this kind. Again, only after-tax profits can be paid to the CPP on those equity holdings.

Why would the member want to raise taxes on the pension holdings of millions of unionized workers and Canadians who are invested in the CPP?

● (1200)

Ms. Irene Mathysen: Mr. Speaker, it is very interesting and in fact I find it absolutely fascinating that the member would have the nerve to talk about the pension plans of postal workers when last June the government sought to gut those pension benefits.

If it is so secure, if this is such a good idea, why did the government take the pension benefits out from under the CUPW workers and legislate them back to work from a lockout, robbing them of their pensions, wages and dignity? I find it fascinating that he would have the nerve to even talk about this.

When we say increase contributions to the CPP, it is gradual and it is over time in terms of incremental and will not be felt.

The member talked about this being bad for business. I would say that a whole generation of impoverished seniors who cannot participate in the economy is likewise bad for business.

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, yesterday our critic in the Liberal Party, the member for York West, did a wonderful job in terms of explaining our party's position.

To give a bit of a history, the Liberal Party, through prime ministers like King and Laurier, is the one that implemented the pension programs that we have today. I believe the Liberal Party is just as strong today as it ever was in terms of wanting to ensure that these critically important programs are going to be there and will be healthy going into the future.

When we talk about OAS, GIS or CPP, we are very much concerned with respect to recent announcements by the Conservatives and the impact on these important programs. We are going to fight for the integrity of these programs.

I ask the member, if provinces such as Quebec and others are asking for programs such as the one in this bill, which we would suggest needs major changes to make it better legislation, would the NDP have any problems with it going to committee?

Ms. Irene Mathysen: Mr. Speaker, obviously this legislation should and must go to committee once it has passed second reading.

The only problem is that committees have been so limited. They have been hamstrung by the government. The government

consistently refuses committees to sit in public. It is very selective in terms of to whom the government wishes to listen. This creates problems.

I have to confess I do not have a great deal of confidence in the democratic nature of what would happen to this bill in committee. I do not think we would be heard anymore than we are going to be heard in this House. A closure motion has just been moved by the government. The government quite clearly is capable of undermining just about everything.

[*Translation*]

Mrs. Sadia Groguhé (Saint-Lambert, NDP): Mr. Speaker, I would like to thank the hon. member for her speech and ask her to explain to Canadians and this House why this bill does not in any way secure our retirement pensions.

[*English*]

Ms. Irene Mathysen: Mr. Speaker, it has none of the attributes that the government insists it has.

It is voluntary for the employer to contribute. The employee may very well decide to make a contribution that the employer decides upon. The employer sets the amount of that contribution and the employer himself or herself may simply refuse to contribute. In addition, it is placed in the stock market. We know that in the last few years seniors have taken a beating in the stock market. Their retirement security has been much diminished. There is no indexing. There is no guarantee. There are management fees.

This is just another group RRSP. It has none of the benefits of the Canada pension plan.

● (1205)

Mr. Pierre Poilievre: Mr. Speaker, the Canada pension plan, which the hon. member seems to love so much, has \$18 billion invested in Canadian equities. That means it holds large, profitable Canadian companies, the same kind of companies on which the NDP would raise taxes.

Will the hon. member explain how the CPP would make up the loss of money it would suffer if it raised taxes on the very businesses the CPP holds in its portfolio to the tune of \$18 billion?

Ms. Irene Mathysen: Mr. Speaker, it is interesting that we are back to tax fairness. If the government had any sense of propriety and tax fairness, it would not have given away \$60 billion to the most profitable corporations between 2006 and 2011. It would not be giving an additional \$13.5 billion in tax benefits to the same profitable corporations over the next three years, all the while telling Canadians, "Sorry, but you have to pay up. There have to be cuts. We are going to reduce your services. We are going to reduce the departments that provide you with services".

Government Orders

According to the Prime Minister, the government is going to reduce the security of the seniors of the future. We have heard musings about ending or reducing the OAS and GIS. The point is that Canadians across the country who have contributed all of their working lives are counting on those benefits. They have made that benefit possible and now they are being told, "Sorry. Too bad. It's going away".

If the government were really interested in the seniors of the present and the future, it would reform our pension system and make the CPP the centre stone by allowing increases to its benefits to cover the cost of living so that no senior would live in poverty.

Mr. Jean Rousseau (Compton—Stanstead, NDP): Mr. Speaker, according to the Conference Board of Canada, 1.6 million senior citizens live in poverty in Canada. Right now 12 million Canadians do not have any type of pension plan for their retirement.

I ask my colleague, why is it important to have a reliable and safe pension plan for all Canadians, as well as health and social programs? Why is it important to make sure that money is put in the right places?

Ms. Irene Mathysen: Mr. Speaker, it is essential that seniors be secure in their retirement. They are great contributors to the economy. All of their lives they have contributed to the well-being of Canadians. They absolutely deserve pension security. It makes economic and ethical sense.

A country is judged by how it treats its most vulnerable. We will be sorely judged if we do not ensure that our seniors are protected.

Mr. Peter Braid (Kitchener—Waterloo, CPC): Mr. Speaker, I am very pleased to speak today in support of Bill C-25, the pooled registered pension plans act. I will be sharing my time this afternoon with the esteemed member for Crowfoot. Our government understands the importance of a secure and dignified retirement for people who have spent their lives building a better and more prosperous Canada.

I would like to begin by congratulating my colleague, the Minister of State for Finance, for his hard work and his dedication to improving the retirement system in Canada. Over the past two years, he has travelled to communities across this land to consult directly with Canadians. He has met with business and labour groups to discuss key considerations with them. In addition, he has received valuable input from some of the most respected experts in the retirement income field. He has also engaged the opposition parties in constructive dialogue and given serious consideration to their ideas and suggestions. He has worked closely with his provincial and territorial counterparts to ensure their collaboration going forward.

I am happy to say that we have made real progress as a result of these efforts. Last November, our government introduced Bill C-25, the pooled registered pension plans act. This legislation would implement the federal portion of the PRPP framework and change Canada's pension system to make saving for retirement easier for millions of Canadians. PRPPs would fill a gap in the current pension landscape where more than 60% of Canadians do not have a workplace pension plan. This includes small business owners and entrepreneurs and their employees, who often do not have access to company pension plans.

In my riding of Kitchener—Waterloo, this would have a tremendous impact. We are proud to be a centre of innovation where start-ups and small high-tech companies flourish. According to a recent report by Communitech, an organization that supports local technology companies in our area, 300 new companies were established last year in Waterloo region alone, creating 450 jobs. Over the past three years, 531 new companies employing over 1,400 people have been added to our local economy.

The importance of small businesses to Canada's prosperity cannot be overstated. They are the drivers of economic growth and job creation. They foster and reward creativity and innovation, ensuring that Canada will continue to lead in the knowledge economy of the 21st century. That is why our government has taken a number of steps to support small businesses in Canada and the introduction of the PRPPs is one more way that we can help address their needs.

PRPPs would offer a new low-cost pension option that would be especially important for the self-employed, and small businesses and their employees. For the first time, they would have access to a large-scale, low-cost pension plan with professional administrators working to ensure that funds are invested in the best interests of plan members. Since these plans would involve large pooled funds, plan members would benefit from the lower investment management costs associated with the scale of these funds. Essentially, they would be buying in bulk. These features would remove barriers that might have kept some employers in the past from offering pension plans to their employees, and prevented employees and self-employed individuals from participating in large-scale pension plans.

● (1210)

I am very pleased to see that this new initiative has been widely praised in the small business community. For example, the Canadian Federation of Independent Business released a statement last November supporting this legislation. Its senior vice-president, Dan Kelly, said:

A new voluntary, low-cost and administratively simple retirement savings mechanism will allow more employers, employees, and the self-employed to participate in a pension plan. CFIB is particularly pleased that firms will be given a choice as to whether to register for or contribute to a PRPP.

He added:

We believe that, if properly implemented by provinces, PRPPs have the potential to expand the retirement savings options for thousands of Canadian small businesses and their employees.

The support from small business leaders is also echoed in my riding. The president of the Greater Kitchener-Waterloo Chamber of Commerce, Ian McLean, believes that his members will benefit from the introduction of PRPPs. He said:

An increasing number of Canadians are employed by small and medium sized enterprises. If governments want to assist Canadians in saving more for retirement, our Chamber believes that the best option would be to make it easier for these businesses to offer workplace plans for their employees.

Government Orders

The pooled registered pension plans announced by Minister Menzies last November are an important measure for meeting this national public policy priority and we fully support their implementation. The plans will provide Canadians with a simple, efficient and cost-effective opportunity to save for retirement.

The introduction of the pooled registered pension plan option will also contribute to the ability of small businesses to attract and retain employees. In the Waterloo region, with our concentration of high-tech start-up companies, this will be especially valuable.

According to recent estimates, currently there are approximately 1,300 tech job vacancies in the region, and I have heard first-hand of the difficulties some companies are having in filling these positions. The ability to offer prospective employees access to a retirement savings plan will help small, innovative enterprises to compete with larger companies in attracting the top quality, specialized talent that will allow them to grow and thrive.

There are many solid reasons to support this legislation, which represents a vital improvement to Canada's retirement system and a significant step in advancing our pension agenda. PRPPs will complement and support the Government of Canada's overarching objective of creating jobs, leveraging business investment and securing our economic recovery through sustainable private sector-driven growth.

Bill C-25 is the result of careful consideration and consultation with provinces and territories, key stakeholders and experts and Canadians themselves. I would also like to point out that over the course of our deliberations we took a serious look at other retirement income system proposals put forward by the opposition and other interested parties. We were concerned because many of them would have entailed significantly raised costs for both employers and employees. Introducing them would have been unacceptable during a very tentative economic recovery.

Dan Kelly of the CFIB, whom I quoted earlier, warns against the proposal to hike CPP premiums, and cites data showing that even modest CPP increases would be detrimental to the economy, employment and wages. PRPPs, on the other hand, would be efficiently managed, privately administered pension arrangements that would provide greater choice to employers and individuals, thereby promoting pension coverage and retirement saving.

With the introduction of the PRPP act, our government has taken an important step to expand retirement options for Canadians and we have devoted considerable effort to the retirement security issue in order to get it right. I encourage all members to support this legislation.

• (1215)

In addition to our passing Bill C-25, the provinces and territories will also need to introduce their own enabling legislation to ensure that this new initiative can be introduced and implemented in their jurisdictions. Working together, I am confident that we can get these new retirement vehicles up and running for Canadians as quickly as possible.

Mr. Mike Sullivan (York South—Weston, NDP): Mr. Speaker, I listened to my colleague's speech, but we still have the same problem, in that many Canadians cannot afford any kind of voluntary system to which employers do not contribute. There is no requirement within this pooled retirement savings plan to cause

employers to contribute. Therefore, employees who are making minimum wage will never be able to contribute to it. I have negotiated a number of times with employers whose employees were down near the bottom of the food chain as it were, and there was no way they could contribute anything extra to any form of pension plan.

What will the government do for those kinds of individuals who have no opportunity and will not gain an opportunity by the introduction of yet another saving scheme?

• (1220)

Mr. Peter Braid: Mr. Speaker, the pooled registered pension plan system and the pension plan act will fill a very important gap. As I indicated in my remarks, 60% of Canadians do not have a workplace pension plan. This important government initiative will help to fill that policy gap. It will provide small business owners, small business employees, entrepreneurs and the self-employed with access to a retirement savings vehicle, an option they do not have today.

This is part of our government's overall concern not only for a strong and sustainable retirement income system here in Canada, but a strong and stable economic recovery as well.

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Mr. Speaker, I appreciate the advice and points of view of the hon. member of the government who is proposing this particular piece of legislation.

I want to ask a very specific question. While the member has lauded certain advantages that could be accrued from this investment initiative, are there some downsides?

Since the hon. member has indicated that he has a deep and intimate knowledge of the program his government is proposing, I would ask him if there would be any financial consequence in terms of eligibility for the guaranteed income supplement for an individual who contributes and then draws down his or her pension? Will contributions to this particular investment vehicle when paid out in the form of a pension later in life during a person's pensionable senior years be considered income? Normally, income results in a consequence in the means test for someone's eligibility for the guaranteed income supplement.

Will there be that means test? Will drawing down from that particular pension affect a person's GIS eligibility? If so, does the hon. member actually believe there is an incentive then to contribute?

Mr. Peter Braid: Mr. Speaker, in fact I do strongly believe there is significant incentive for small businesses to participate in this new pooled registered pension plan regime. There will be significant incentive for employees of those small businesses to contribute, participate in and encourage their employers to participate in this new option.

Government Orders

Of course, this is part of a suite of income security and retirement plans that we want to make sure is available to Canadians, in addition to group RRSPs, the RRSP vehicle, and the CPP that we are very proud of in this country, as well as the GIS and OAS. It is one more option, in this case for Canadian small business owners and employees, to take advantage of and that is not available to them today.

Mr. Kevin Sorenson (Crowfoot, CPC): Mr. Speaker, it is a pleasure to rise in the House and represent the constituency of Crowfoot in Alberta and speak to our Conservative government's efforts to help Canadians save for their retirement through the pooled registered pension plan. This is a modern effort to assist Canadians who are self-employed or who work for small firms or businesses. Our intent is to help Canadians who work where there is no company pension plan to have another avenue to invest into a company-style pension plan.

In my riding of Crowfoot, a large number of my constituents are not employed by large corporate firms or businesses or even small companies with a pension plan. I believe this is true in most rural areas of Canada.

In 2010, Canada's finance ministers agreed on a framework for a defined contribution pooled registered pension plan. When I talk about Canada's finance ministers I speak of the provinces and territories coming together with our federal finance minister and recognizing a need for this type of pension plan. It has already been noted that a number of ministers, such as the member for Macleod, and others travelled across the country and heard this from Canadians as well. Unity among the finance ministers is something that can be applauded, but certainly when they recognized the significant need for this type of pension plan. Our Conservative government's finance minister and those ministers from the provinces and territories agreed to work together to come up with a savings vehicle that would help them meet their retirement objectives.

Everyone agrees that this new option to save for retirement should be low-cost, efficiently managed, portable and accessible. We do not want to burden Canadians who are willing to set a little aside every paycheque to save for their retirement. We want the new pooled registered saving system to be well managed. It needs to be able to serve the many needs of Canadian workers using it and still must remain easy to access. We want Canadian workers to take their pooled pension plan from job to job to job.

Over the Christmas break I had the opportunity to be in Japan for eight days. During those eight days, we talked a lot about trade, beef and all those important things for our country to be able to access the Japanese markets. One of the things I learned when I was there was that the average citizen in Japan who begins with a company early out of university or college will stick with that company through his or her lifetime. As a result, there are those in Japan who have worked for the same company for 40 or 50 years. It is our experience here in Canada that many people go from job to job. They go from one opportunity to another opportunity. We want to be certain that this pension plan will allow those Canadians to take it with them and maintain that same plan as they go from one job to another. That is what we are trying to accomplish in the House today.

We are going to construct this system, get it up and running and help hard-working Canadians create a retirement fund for themselves. The pension plan will be called the pooled registered pension plan, or PRPP. PRPP members will pool their pensions through administrators to keep the cost of managing this new system down. By providing this low-cost retirement savings opportunity for employees, as well as the self-employed, PRPPs will play a key role in improving the range of retirement savings options available to Canadians.

I remind the House that this is especially important for the millions of small business owners and their employees who would have access to a private pension plan for the very first time.

● (1225)

Before I came into politics 11 years ago, I owned a farm and was a farmer but I also owned a small business. I guess that would be two small businesses. The farm was a business but I also owned an auction company. Although we had more contract workers than full-time employees throughout the entire year, I was never able to afford to offer such a pension plan to the workers. There were other businesses that had a number of employees and this incentive could never be offered to the employees. They continued to get their wages, maybe excellent ones and sometimes not quite so excellent, but one thing that was always a frustration for many of the workers was that they did not have a pension plan because their companies were too small to provide it. By providing this type of retirement savings opportunity, the PRPP would play a key role in improving the range of retirement savings options available to Canadians.

This could be one of the best things that the federal government could do for the farmers and agricultural workers in my riding, and not just the farmers themselves. With this type of plan, many small companies in my riding, such as grain, fertilizer, hardware, the bumper-to-bumper types of businesses, could have a formal pension system. They do not even have a way to save for their retirements now through a company other than their own RRSPs. However, with the PRPPs they will and we will see that they will use this type of pension plan.

Husbands and wives, fathers, sons and grandparents pitch in on the farm and get to the job at hand. They try to get the crops and money in as quickly as they can. When they do this, they sometimes find that there are moneys left over at the end of the year so they may put it into a farm account as they know the farm may need it the next year. This plan would help them to identify something that has been missing for a lot of them, which is that there will be a need in their retirement years to supplement the CPP or whatever they have coming in at that point in time.

We have the option now of using RRSPs. I have heard the comment that we already have that option, as well as the TFSA that we brought forward. Now we have another option. This is not a stand-alone retirement plan. This is another option that we can be involved in and excited about.

Government Orders

There are numerous obstacles to seniors trying to retire in rural Canada. A pooled retirement pension plan would not only help but, in some cases, it would be the single thing that would allow a farmer to retire. Currently, farmers understand that their land is their retirement plan. They pay off their ranches or farms and know that when it comes time to retire they will be able to sell their land. These people may be in a vulnerable position depending on the real estate market when they try to sell. The PRPP is another tool that they could use to hold off on selling their land until market conditions improve. It would provide them with the opportunity to gear down without having to sell off their family farms.

One of the frustrations that all those in agriculture have is that we feel that we have missed a generation of young farmers starting out. I think this would afford many people the ability to dip into those savings without selling off their land and perhaps being able to use their land as an incentive for the next generation, their sons or daughters, to begin farming. This is worthy of debate today and I am excited about the new plans being proposed.

• (1230)

As a businessman, I wish this had been available many years ago. The sooner we can proceed with this the better. We recognize that, although we may be in a global downturn, Canadians can put themselves into a vulnerable position if they are not looking forward to their retirement years. This is just another one of those ways of helping Canadians to be prepared as they retire.

Mrs. Carol Hughes (Algoma—Manitoulin—Kapusksing, NDP) Mr. Speaker, members on that side of the House do not want healthy debate to look at the pitfalls of any legislation they may put forward. We have debate in the House to ensure that, if there are any pitfalls or problematic areas, we can look at fixing those.

This registered pension plan is another tool but, at the end of the day, is it really what we need? Do we not need a pension that would be indexed to inflation with which we would be extremely sure that at the end of the day people would be able to retire?

One of the pitfalls in this bill is that there is no cap on administration fees or costs and merely assumes that lowers costs will emerge through competition in the marketplace.

Would the member tell those people who would look at investing in the pooled registered plan whether they would be at the mercy of the market? A lot of our constituents and Canadians across Canada could lose their money at the end of the day because investing in the market is not a secure thing to do.

• (1235)

Mr. Kevin Sorenson: Mr. Speaker, I will just back up a little bit. The status quo is not good enough. Currently, 60% of people in the workforce in Canada have no pension plan. They have nothing. Would they be at the mercy of the market? Jobs are at the mercy of the market. Everyone, in some respect, is at the mercy of someone or something. This is another one of those things that takes the risk out of the market.

The member is nodding her head, but a job is dependent on being able to sell the product that is being made. Certainly, when we try to diminish risk, we want to be able to set things aside in a secure way. That is why all provinces are stepping up to this and saying that we

need to work together on this. In NDP provinces, Liberal provinces and Conservative provinces, finance ministers are working together and saying that we need to build something here that will help the 60% of employees who have nothing.

That is what we are intending to do, working in unity with everyone. Unfortunately, it does not look like we are working with the NDP members but we want them to come along and work with us.

Mr. Sean Casey (Charlottetown, Lib.): Mr. Speaker, I listened to my colleague from Crowfoot talk about support from the finance ministers across the country. I talked to one of the finance ministers in this country this morning. What the member for Crowfoot did not say was that this option was not the first choice of the majority of finance ministers and their support for this option was conditional on the enhancement to the Canada pension plan or to some other scheme.

My question is for the member for Crowfoot who attempted to leave the impression with the House that there was unanimous and unqualified support from the finance ministers. What other pension reforms will be brought in to meet the consensus, to meet the demands and to win the acceptance of the provincial finance ministers?

Mr. Kevin Sorenson: Mr. Speaker, I know the new member understands that when all finance ministers come together, there is always negotiation. They do not just sit down at the table, with everyone initially accepting everything exactly as it is laid out.

Everyone recognizes the need for this type of option. Everyone recognizes the need to work together. That is commitment the government has given to other provincial governments, that we are willing to sit down and work together with them.

Right now we have a very good avenue called the RRSP. It has been there for many years. Back in 1991, 41% of the workforce bought into the idea of RRSPs. We still know how important it is to have the RRSPs, but we recognize that it will not solve all the problems. In 2007 the average of buy-in to RRSPs was about 39% of Canadians, yet we know from the demographic of our country that we have an aging population. We need to be aware and have that right in our face, that we all need to be saving for our future. We need to be saving for those retirement years.

CPP is strong in our country. However, when we see this changing demographic, we need to understand that there will be problems 10 years down the road. There has to be problems 15 years down the road. This government has the foresight to look ahead and say that we need to fix it now before it is completely broken, that we need to put in a remedy to maintain what we have now, so that in 10, 15 years, when we really see the pitch, we are not all left here scratching our heads saying, "would of, could of, should of".

• (1240)

[*Translation*]

Ms. Manon Perreault (Montcalm, NDP): Mr. Speaker, I will share my time with the member for Newton—North Delta.

Government Orders

Today, we are talking about a bill that provides a legal framework for the establishment and administration of pooled registered pension plans that will be accessible to employees and self-employed persons and that will pool the funds in members' accounts to achieve lower costs in relation to investment management and plan administration.

In short, we are talking about a new savings tool and not a plan that would secure retirement pensions. In fact, rather than addressing pension security, the government is proposing a new savings tool that will depend on the state of the stock market. This is another way the Conservatives have found to gamble with our retirement funds. The government recognized that there is a pensions crisis when it adopted the NDP opposition's motion. Members will no doubt recall that the motion outlined the need for a national pension insurance plan to protect workers' deferred wages or pension plans in the event of employer bankruptcy. At the same time, we initiated a discussion regarding the gradual increase of Canada pension plan contributions in order to increase benefits. Yet, although the government recognized that there is a problem, it is turning its back on seniors who are simply seeking to secure their futures.

Let us talk a little about what these pooled registered pension plans would do.

The measures proposed in Bill C-25 do not even guarantee a pension. This is more of a savings vehicle than a stable, reliable pension plan. While this savings plan would pool funds from participants to reduce the costs associated with managing the plan and investments, this bill does not cap the fees charged by the fund managers. Experiences in other countries show that these costs often chip away at pension savings to the point that the rate of growth in savings does not even match inflation. This bill is supposed to help self-employed workers and employees of small and medium-sized businesses, which often do not have the means to offer a private sector pension plan. A similar system was set up in Australia 12 years ago and has not yet proven worthwhile. Because of high fees and costs, returns on investment have not been much higher than inflation.

There is another big problem with pooled registered pension plans: they do not seem to offer anything new. They look just like a regular RRSP. This option would be just another defined contribution pension plan. Employees would deposit a portion of their salary in the retirement fund, and that money would be invested in stocks, bonds and mutual funds. Well-intentioned companies that care about their employees' well-being can match contributions, but they are not required to do so. However, considering the current climate in the business world, I think that companies will try to cut costs wherever they can.

Even more worrisome, this defined contribution plan in no way guarantees the amount of money that would be available upon retirement. The money employees set aside while working hard their entire lives would not be protected from the risks associated with fluctuating markets. As is the case with registered retirement savings plans, the individual or employee in question would completely and exclusively assume all market risks. Regulated financial institutions like banks, insurance companies and trust companies would manage the PRPPs for a fee. Canadians also need to consider the fact that PRPP benefits would not be indexed to inflation, unlike Canada pension plan benefits. The provinces and territories would determine

whether the employers or employees of businesses of a certain size will be required to contribute to a PRPP.

Pooled registered pension plans, as they are defined in Bill C-25, do not provide any retirement security because they encourage families to invest even more of their retirement savings in a declining stock market. When the stock market is rising, savings increase of course, but conversely, savings take a nosedive when the market declines.

● (1245)

Anyone whose RRSPs took a hit last year knows very well how risky it is to invest one's savings in any products linked to the stock market.

By encouraging families to invest in the same system that is already failing them, the Conservatives are showing just how out of touch they are with the reality facing Canadians and Quebecers.

Over the past three years, the NDP has suggested a number of proposals to ensure retirement income security. As we have indicated, the NDP first proposed increasing Canada pension plan benefits for a given period. Benefits would increase to \$1,920 a month. Of all the possible solutions for pension reform, increasing Canada pension plan benefits is quite simply the most effective and affordable solution.

The NDP believes that retirement income security for seniors cannot be built on just one plan or one option. We believe that pensions need to be discussed in a more general way. We think that Canadians want us to examine all pensions as a whole. Our goal is not to reduce them, but rather to ensure their continued existence in order to protect our seniors for many years to come.

Our plans for retirement security were laid out in our election platform. The New Democrats were clear in last May's election campaign: we want a substantial increase in the guaranteed income supplement to help seniors who qualify for these benefits escape poverty. This measure targets 250,000 Canadians, most of them women.

As for the Conservatives, there was no indication in their election platform that, once elected, they would change the eligibility criteria for old age security and raise the eligibility age from 65 to 67. However, that has been the talk recently.

In recent weeks, in my riding of Montcalm, I have spoken to people who are worried about their future and their retirement. Someone wrote to me this week and told me that he had worked until he was 69 and was forced to get food aid at the age of 70. I find this unacceptable.

A couple from Saint-Roch-de-l'Achigan told me that the population is aging and no one deserves to lose their life savings, especially after working hard all their life.

Government Orders

Michel Janyk, from Mascouche, is also worried about Bill C-25. He believes that we should guarantee and protect our retirement funds.

My constituents are not the only ones who are worried. Jason Heath, a certified financial planner at E.E.S. Financial Services Ltd., has said that pooled registered pension plans are, generally speaking, no different from RRSPs. Contributions are tax deductible and allow tax-deferred growth. Taxes are paid after retirement and the contributions are often invested in mutual funds. According to a 2006 report entitled “Mutual Funds Fees Around the World”, mutual fund fees are higher in Canada than anywhere else. It is not surprising that investment and insurance companies are applauding the arrival of pooled registered pension plans.

You can see how Bill C-25 to establish pooled registered pension plans does nothing to make the pensions of thousands of Canadians more secure.

The Conservatives' pooled registered pension plan does nothing to help the families who are being crushed under debt, and it is bound to fail since it is a voluntary plan—I repeat, “voluntary”—a defined contribution plan administered by wealthy financial institutions that sometimes invest in collapsing markets.

This uncertainty and volatility leave families with no guarantee that their savings will still be there when it comes time to retire.

At a time when the economy is so precarious, families do not need additional risks. They need the stability of the CPP or the Quebec pension plan. Economists and provincial leaders have been saying that for years, but this government, disconnected as it is from reality, is once again turning its back on families.

• (1250)

[*English*]

Ms. Jinny Jogindera Sims (Newton—North Delta, NDP): Mr. Speaker, what kind of actions could the government take to ensure that Canadians in their retirement would have the necessary income to live a life of dignity?

[*Translation*]

Ms. Manon Perreault: Mr. Speaker, it is very easy to understand. Canada's pooled registered pension plan is simply one of many retirement products, including RRSPs, group RRSPs, pension plans and TFSA's, which may be good options for those who are already able to contribute. The new plan, therefore, is a good option for those who already have money to invest in RRSPs. However, the NDP will not support this savings plan because the Conservatives want to offer this system instead of taking concrete measures to protect existing pensions and enhance the retirement security of those who do not have a workplace pension plan.

[*English*]

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, I am sure the member is aware that yesterday the government stated its intention to bring in time allocation. Today it moved the motion and then, with its majority government, passed the motion which is not going to allow for a healthy debate inside the House of Commons.

I have found that Canadians are very much concerned about the pension issue, about the fact that the Prime Minister and his

government want to increase the retirement age from 65 to 67, and about the government's commitment to the CPP and the guaranteed income supplement.

I wonder if the member might comment on how she feels about the government's decision to force this legislation through without allowing for adequate debate.

[*Translation*]

Ms. Manon Perreault: Mr. Speaker, I would like to thank the hon. member. It is true that Canadians are very concerned about this issue. That is what I heard people talking about the most when I was in my riding of Montcalm recently. It is important to note that, at present, 12 million Canadians do not have a workplace pension plan. Bill C-25 will not help meet that objective. Canadians do not need a new, private, voluntary savings plan. They need concrete measures that will allow them to retire in dignity.

I hope that I am answering the hon. member's question. Why give workers a new, less reliable savings plan—the PRPP—when we could simply improve the reliable pension plan that is already in place, the Canada pension plan or the Quebec pension plan? CPP or QPP contributions are mandatory. It thus stands to reason that improvements to this plan would help more workers than the plan proposed in Bill C-25. This would be a way of ensuring that workers have a decent retirement.

[*English*]

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, I heard in my hon. colleague's speech reference to registered retirement savings plans as an existing option. Yet, if we look at the history of RRSPs we find that a minority of Canadians participate and by far the largest number of those who have any substantial savings in RRSPs tend to be higher income Canadians.

Does she not agree that expanding the Canada pension plan would be far more likely to provide coverage for those who currently are not covered by any pension plan and who do not contribute to RRSPs?

[*Translation*]

Ms. Manon Perreault: Mr. Speaker, I would like to thank the hon. member. I did indeed say that people who have money to invest in RRSPs will have money to invest in the PRPP. But, will people who do not have money to invest in RRSPs have money to invest in a pooled registered pension plan? We need to look at this logically. By improving the QPP and the CPP, we would ensure that workers have a pension plan and a decent standard of living during their retirement.

• (1255)

[*English*]

Ms. Jinny Jogindera Sims (Newton—North Delta, NDP): Mr. Speaker, I was delighted a few minutes ago when a colleague of mine across the aisle said that it is time for us to have a fulsome debate. Unfortunately, a motion that was passed this morning does exactly the opposite. We have limited time to discuss something that will have a fundamental impact on Canadians as they look forward to their retirement.

Government Orders

When I look at the title of the bill, the pooled registered pension plans act, I cannot see too many elements in it that look like a pension. It reminds me of the visa system that used to exist. We now have super visas. In many ways, this is more like a super RRSP. I would argue that once someone puts money into this pooled idea, that individual will lose the kind of control that he or she has over investments in a personal RRSP that can be managed through a banking institution.

The government is being reckless. There is nothing in the bill that requires an employer to make any guaranteed contributions. That would be optional. With many small businesses struggling, I cannot see employers making voluntary contributions to a pension plan for their employees. That is a major flaw in this legislation.

There is another major flaw in the bill. We seem to have turned a blind eye to what we have experienced over the last few years. We just need to look south of the border and hear the heart-rending stories of people who lost their pension plans totally as a result of the market going down. People who thought they were about to retire suddenly found themselves having to work longer. Even then, they will not make up the money they lost. Here in Canada, those of us who invested in mutual funds held in RRSPs also watched our savings disappear.

This pooled plan is only a defined contribution plan. Savings can disappear at the whim of the stock market. The situation in Europe and around the world is very volatile. If I had a limited income, would I choose to put my money into this plan? Would I gamble with my hard-earned money and put it into a pooled fund?

This is an open chequebook for banks. There is nothing in this legislation that says a cap will be set on management fees. This would really be a lose-lose situation for the person who puts money into this pooled fund. For those people who could afford to put money aside, they would be worse off putting money into this fund than if they put it into their own RRSPs.

I come from the riding of Newton—North Delta. I have had the privilege over the last month of meeting hundreds of my constituents. Most of them told me that they have to work two or three jobs to make ends meet. Many of them do not have a pension plan and they do not have money to put into RRSPs.

The Canadian Centre for Policy Alternatives released a study that says that over \$500 billion in RRSP contributions was not utilized by Canadians. All of the people who could have had this great tax break did not make use of it. I would argue that some of them were scared because they saw what happened to the market and they saw their RRSPs shrinking. The vast majority of them do not have the wherewithal to put money into this pooled fund.

• (1300)

If the government wants to address the pension issue, this is a critical time for us to be taking a look at old age security. Senior after senior came to my office and I visited them in the seniors' centres. They told me the same story over and over again. They are having to go to food banks. They are hand stitching their torn clothes. They are telling me that the old age security pension is not enough. I actually had an 83-year-old who told me that she applied at Wendy's and

three other locations to get a part-time job, but nobody would hire her.

Is this the life of dignity we talk about for our seniors? Is this the reward given to the people who built this country while we enjoy the fruits of their labour?

I have had the privilege of visiting a lot of high schools and elementary schools in my district. I was so touched by the concern of so many students for those living in poverty, especially seniors.

When I spoke at North Delta Secondary School, students asked me, "What do you do? Who comes to see you in your MP office?" I told them the story of three people who had been to see me that morning. I told them of a senior who came to see me who lives in a garage that he rents for \$300 a month. He only cooks twice a week because that saves on energy costs. He has to time when he can have his heat on. He only has one outlet in that garage, so he can either have the computer or the lights on. He showed me the state of his clothing. He told me how embarrassing it was for him to have to go to the food bank. This is one of the veterans we purport to treat with such dignity and respect.

When I told that story to the grade 10, 11 and 12 assembly, the vast majority of those young people had tears in their eyes. Over and over again, they said that they did not realize that in Canada our seniors, who are like their grandparents, are having to live in such poverty.

If the Conservative government brought a bill forward that would lift our seniors out of poverty immediately, I and every NDP member would stand up and speak for it. Let us not come up with a bill that does nothing to address the poverty our seniors live in, that puts into jeopardy Canadians' hard-earned money as it lures them with a false pension scheme. That is what it is.

I will read from an editorial in the *Calgary Herald*, which is located in a very progressive city. It states:

The CPP already covers almost all Canadian workers and thus spreads the risk and management fees. It is fully portable, offers guaranteed income to all retirees, and is the only risk-free investment broadly available to workers. Private RRSPs and employer pension plans have proven much riskier than initially billed. Those who are in company pension plans are likely in a defined contribution scheme, where the amount that goes in is predetermined, but the payout is based on how well the fund is invested and ultimately performs. Nortel workers know only too well how that worked.

I plead with my colleagues across the aisle not to gamble with our citizens' hard-earned money in a scheme that is so volatile and has no protection. Let us not do that.

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•(1305)

Mr. Pierre Poilievre (Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities and for the Federal Economic Development Agency for Southern Ontario, CPC): Mr. Speaker, once again, we have a member of the NDP saying that we cannot trust the caprice of the stock market with the savings of the Canadian people who would use it for their retirement. Instead, those members argue that we should increase the CPP. Unfortunately for the NDP, there is an inconvenient fact that \$18 billion worth of the CPP's holdings are invested in the Canadian stock market. About half of the entire portfolio is invested in equities both in Canada and around the world. Therefore, when the member disparages the stock market, she is disparaging the CPP.

I should also point out that those Canadian companies owned by the Canada pension plan can only pay returns to the Canada pension plan after tax. When the NDP proposes to raise taxes on Canadian businesses, it would reduce the after-tax payout that those businesses could pay into the CPP and other pension plans that hold them. For example, the CPP owns an oil sands company, Canadian Natural Resources; a bank, the TD Bank; Devon Energy, another oil sands company; Cameco, a uranium company, which the NDP would shut down.

How can the NDP support the CPP when it wants to shut down the industries on that index and raise taxes on the businesses that pay dividends to the Canada pension plan?

Ms. Jinny Jogindera Sims: Mr. Speaker, once again, what my colleague fails to comment on is that there is a huge difference between defined contributions and a defined benefits plan.

The CPP, during some of our most volatile periods in the stock market, lost ground by 1%, whereas the stock market outside of the CPP lost ground by 11%. There is a buffer in the CPP that does not exist when money is put into a pooled plan, which is just another RRSP.

Once again, I would urge my colleague to do his homework and study the difference between a defined contribution plan and a defined benefits plan. The CPP is a defined benefits plan that actually is indexed for inflation as well.

Mr. Sean Casey (Charlottetown, Lib.): Mr. Speaker, I appreciated my colleague's comments and the passion with which she spoke about people in poverty.

During this debate, we have heard members opposite say that 60% of Canadians have no plan. The day after this bill is passed, what is in it that will make it more affordable for employees or employers to save for their retirement? If we start from the basis that there are so many people without a plan that they cannot afford, what is in the bill that will make it more affordable for employers or employees?

Ms. Jinny Jogindera Sims: Mr. Speaker, absolutely nothing. When we look at it, it is like saying to people who are working two or three jobs, still living on the edges of poverty or in poverty that tomorrow they can go shopping. If they go shopping, they will get a bit of a tax break on it. Folks would need to have money in their hands first to go shopping before they could earn the tax break.

A young woman phoned me this week and said that she had been duped by the government. I asked what she meant. She said that

there was a tax credit she could get if her children were registered in sports and things. She said that she had three kids who she had registered in sports, and now she was being told it was a tax credit. She will not get anything because she does not make enough money. However, she does want her children to participate.

In many ways, this is something similar. There is nothing in the bill that improves salaries or incomes to families that are struggling. When there is \$500 billion worth of contributions that are not being utilized, and those are tax breaks, that should send a strong message to my colleagues across the way. Let us address poverty for seniors today instead of trying to pretend we are doing something.

•(1310)

Mrs. Cathy McLeod (Parliamentary Secretary to the Minister of National Revenue, CPC): Mr. Speaker, it is certainly my pleasure to rise in the House today to speak to Bill C-25, Pooled Registered Pension Plans Act. This legislation is the result of some three years of careful preparation and consultation on the part of our government in partnership with the provinces, territories and other stakeholders. As a result, we are now in a position to pass legislation that will help millions of Canadians, who do not have access to a pension plan, to prepare for their retirement.

I would like to begin by taking a moment to reflect on why the legislation is so important and what prompted its creation.

First, governments have known for a number of years that a demographic shift is taking place in Canada. In spite of immigration and the growth of certain sectors of the Canadian population such as among first nations, the overall demographic trend is toward the growing number of Canadians reaching retirement age. This is due not only to the retirement of the baby boomer generation, but also to the fact that more Canadian seniors are living longer.

The challenge this creates for us as the government and for Canada as a society is how we can contribute to a basic quality of life for our aging population in the face of increased strain on our retirement income system. This challenge is made all the more poignant by the immense contributions that our retirees have made to the growth and prosperity of our country. Our seniors deserve dignified retirement. That is why in recent years our government has taken action through a range of measures to support elements of our retirement income system that have a proven record of success.

For example, we built on the framework for federally regulated registered pension plans and took steps to ensure that employers fully funded benefits if the pension plan was terminated. Working with the provinces, we also modernized the CPP making it more flexible for those transitioning out of the workforce.

Government Orders

In budget 2011 we introduced a new guaranteed supplement top-up benefit for Canada's most vulnerable seniors. I would like to note that the opposition voted against that important increase in GIS for seniors. As a result, more than 680,000 low-income seniors now receive additional benefits of up to \$600 for a single and \$680 for a couple. In addition, we have provided some \$2.3 billion in additional annual targeted tax relief to seniors and pensioners through measures such as pension income splitting, increases in the age credit amount and the doubling of the maximum amount of income eligible for the pension income credit.

Although all of these measures are intended to provide greater flexibility and security to our retirement income system, additional measures are required to safeguard Canadians as they reach retirement age. That is why in May 2009, as the world reacted to the global financial crisis, the federal-provincial-territorial finance ministers met and agreed to form the working group on retirement income adequacy.

After months of consultation, the working group concluded that while our Canadian retirement system was on the whole performing well, some Canadian households were at risk of not saving enough for retirement. A gap identified by the working group was the large number of Canadians, 60% in fact, who had no access to a workplace pension plan.

In December 2010 the finance ministers from across the country agreed that a defined contribution pension plan could be made available to 60% of Canadians and they agreed to pursue a framework for pooled registered pension plans.

Members of the opposition have repeatedly stood in this place during the debate on the bill and have argued against the position of our finance ministers from across the country. They suggest that the key to retirement security is simply to expand Canada pension plan benefits. We know that changes to the CPP would require the agreement of at least two-thirds of the provinces with at least two-thirds of the population. The federal-provincial-territorial ministers of finance have discussed this very notion of a CPP expansion, but there has been no agreement.

• (1315)

Beyond that, if the CPP were to be expanded, Canadians could count on increases to their CPP contributions as a result. Surely a fragile economic recovery is not the right time to increase the amount Canadians have to pay on their CPP contributions.

That being said, moving forward on a PRPP does not preclude some future change to the CPP. The opposition needs to understand that this government is not closing the door on CPP. Rather we are opening the door to a new low-cost and accessible option that will help Canadians meet their retirement goals.

This is especially important for those working for small businesses and the self-employed. Currently, owners of small businesses who might want to create a pension plan for their employees but lack the resources and expertise to do so, or for those in companies that do not have pension plans or are self-employed and want to have access, they are not able to under our current system.

PRPPs would be administered by a financially regulated institution thereby decreasing the cost and complexity for small business owners in setting up such a plan. PRPPs would be accessible to those without an employer-employee relationship, allowing the self-employed to benefit from the advantages of PRPPs, including the lower costs that would result from the pooled funds.

Currently some Canadians may be failing to take advantage of the saving opportunities offered to them through individual structures like RRSPs. In fact, on average, each Canadian has over \$18,000 in unused RSP room. Even among those who do make a concerted effort to maximize their retirement income through voluntary contribution structures, a PRPP could provide avid stability.

For example, I will touch on a story of one self-employed Canadian's retirement savings experience. This gentleman worked as a self-employed stone mason prior to retirement and his main form of retirement savings was through RRSPs. Particularly in the last years of his career, he increasingly worked toward maximizing his RRSP contributions and ensured that they were invested reasonably securely, but nevertheless provided some return on investment. Today he is able to live on the retirement income he was able to provide for himself, but only after a lot of hard work on his part to educate himself on RRSPs and investment. In his own words: "It takes years to develop a way of investing that is wise".

While it is a stated goal of our government to improve financial literacy, we are also aware that many Canadians may not have the time, opportunity or the desire to study investing and not everyone has access to a broker or financial adviser. This is where PRPPs would provide a great benefit because the responsibility for implementing the pension plan would be taken on by the third-party administrator.

The administrator will be responsible for the management of the pension fund and the day-to-day administration of the pension plan. This will include ensuring that the money being contributed into the plan is being managed prudently, that appropriate investments and options are offered and that plan members are informed with up-to-date plan information. Additionally, because PRPP investments are pooled, it is expected that members will be able to benefit from greater economies of scale and lower costs compared to RRSPs.

Another major benefit of the PRPP is its universality and portability. In my own riding of Kamloops—Thompson—Cariboo many people rely on seasonal work for employment, which is a fact of life for many rural Canadians across the country.

For example, let us say that a constituent of mine named John works at the ski resort of Sun Peaks during the winter, but during the summer must find work at a local ranch. Under our current system, John would be left to his own initiative to invest in RRSPs or contribute to his tax-free savings account. Now, thanks to the portability of the PRPP, John can contribute to the same pension plan, regardless of which employer he happens to be working for.

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Providing a new, accessible, straightforward and administratively low-cost retirement saving option will allow more Canadians to benefit from secure retirement savings. I am therefore proud to support the government's move to implement PRPPs and hope, with the support of the provinces and territories, that we may speedily implement this important reform for our retirement system.

• (1320)

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, the member has made reference to the fact that the provinces are onside, and I am encouraged to hear that. Could she give any kind of clear indication of the commitment she has received from the provinces in terms of implementation? Are we to anticipate that more than half of Canada's provinces would be bringing in provincial legislation over the next 12 months? Does the government have any indication of that whatsoever? I think it would be helpful to know that before the bill actually goes to committee.

It is also important to ask the member why her government has made the decision to limit debate in the House of Commons on this very important issue. Does she not see the valuable role that the House of Commons plays in this? The government has sat for eight-plus months on this idea, brings it to the House and then expects the House to pass it in four days.

Could the member address those two issues?

Mrs. Cathy McLeod: Mr. Speaker, I would note that with regard to CPP there was not agreement with the provinces and the finance ministers from across the country. However, there was great agreement to move forward with PRPPs. We have had this out for a number of months. We talked about it with people during the election. I actually discussed this at round tables recently when we were looking at the budget. I can say that it was enthusiastically greeted as an additional tool in terms of a retirement savings program.

Again we need to recognize that there are many pillars to our program and this creates another great tool. I know that constituents are looking forward to having this option. It is important to move it forward quickly so the committee has the opportunity to look at the details.

[*Translation*]

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Mr. Speaker, I listened carefully to my colleague's speech, and the member for Kamloops—Thompson—Cariboo repeated something that I had heard in previous speeches. I have already asked this question, but I have not yet received an answer, so I will try again.

The member mentioned in her speech that the economies of scale offered by pooled registered pension plans will lower management costs, but I have yet to see proof of that.

Can the member tell me where she got her numbers, given that the largest private sector mutual funds in Canada, which have many, many contributors, still have management costs on the order of 2% to 2.5%, which is much higher than the CPP's management costs at 0.5%? Instead of just telling us that the management costs are expected to be lower, can the member point to any studies clearly showing that such costs for this program will really be lower?

[*English*]

Mrs. Cathy McLeod: Mr. Speaker, we know that when we create economies of scale and people pool their retirement programs together, there is an opportunity. This would be a large-scale competitive environment and certainly very different than the RRSP option. It is a great opportunity for a lower fee option.

The other important thing is that many employers have told me that they would actually use this, especially the ones having difficulty with recruitment. Having an opportunity to offer this as a benefit to their employees they see as a real positive and a benefit that will not be a headache for small business owners. I think of the Canadian Federation of Independent Business which very solidly supported us moving forward. It is a great additional option for employers and employees.

• (1325)

Mr. Pierre Poilievre (Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities and for the Federal Economic Development Agency for Southern Ontario, CPC): Mr. Speaker, I am looking over the Canada Pension Plan Investment Board. The NDP has risen again and again to claim support of CPP. I am looking at the holdings within CPP and I find that the CPP Investment Board has invested the savings of Canadians in the company TransCanada Pipelines. That is the same company that was going to build the Keystone pipeline that the NDP opposes. It is just one more example of how the NDP's attack on business is actually an attack on the CPP, which holds so many of these businesses in its portfolio.

I wonder if the hon. member would be prepared to comment on that.

Mrs. Cathy McLeod: Mr. Speaker, that is a very important part on which I need to expand. Not only is it the CPP but it is the many pension plans across this country. Whether it is the teachers' pension plan or the municipal pension plans, they all rely on investments in the banks, oil companies and companies that generate profit and pay dividends. Having a low tax plan actually adds to the profits companies make, the dividends they pay out and the retirement security of all our seniors.

[*Translation*]

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Mr. Speaker, I am pleased to rise in the House today to debate Bill C-25, which, as we know, is about setting up a pooled registered pension plan. This is an important issue today for the future economic security of retirees. Many members have talked about the 12 million Canadians who do not have a workplace pension plan. We have to deal with this issue.

However, the NDP—myself included—believes that the government's proposed solution is a very bad idea. It will distract us from good solutions, and we will end up with a program that does not meet its stated objectives. Let me explain why.

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So far, many members have talked about how the economic crisis highlighted the weakness and vulnerability of private pension plans. I am well aware of this because, in my previous life, before becoming an MP, I dealt with very sensitive situations where pensions were at stake, such as the AbitibiBowater employees' pension. Now other companies, such as White Birch, are having problems. In those workplaces, pensions are typically defined benefit plans, not defined contribution plans. These are real pensions that provide economic security, but the present economic climate is undermining that security.

That is what is happening to the Canada pension plan, a defined benefit plan that provides people with economic security because they know how much they will get once they stop working. With defined contribution plans, people do not know how much they will get. That is up to market fluctuations, and it is one of the weaknesses of the government's proposal.

The government often says things to suggest that it accepts the argument that the public pension plans are solid and secure programs; these include the Canada pension plan, old age security and the guaranteed income supplement. It is essential to provide Canadians and Quebecers with economic security, but the pooled registered pension plan proposed by the government does not do that.

Before getting into the major shortcomings of the proposed pooled pension plan, I would like to address one of the arguments that has been raised many times since the beginning of the debate: that we have no choice but to move in this direction because the provinces have refused—the necessary consent was not given by two-thirds of the provinces. That argument is a fallacy.

I followed the issue when I was in my previous position and I also followed the Kananaskis meeting where this was discussed. I would like my colleagues to refer to an article from the *Globe and Mail* that was written on the eve of the Kananaskis meeting. I will read it in English because the article is in English.

[English]

Provinces are planning to fight for enhancements to the Canada Pension Plan at a key meeting on Monday, setting up a showdown with the [federal] government over how Canadians will fund their retirements.

Just days before federal and provincial finance ministers meet in Kananaskis, Ottawa made a surprise move to reject CPP enhancements for now in favour of a new privately run savings vehicle.

● (1330)

[Translation]

Ontario's finance minister, who is quoted in this *Globe and Mail* article, said he did not think the provinces would oppose it. In the same article, the only province to oppose improving the Canada pension plan was Alberta. It was possible to get approval from nine provinces at that time. Since the government announced that the option of improving the Canada pension plan was not on the table, the provinces wanted to try to make the meeting worthwhile by proposing any option that might seem like progress. That is what is being proposed right now. To say that we have no choice but to take this direction because the provinces have said no is a fallacy. It is not true. It is baloney.

The Canada pension plan has several major flaws. Now we are talking about another voluntary plan. It will be introduced in a workplace and it will be optional. People will be able to opt out if they want. In other words, it will be a voluntary program. Tons of voluntary programs already exist, including group RRSPs and the more recent TFSAs. Both of these plans offer tax incentives to encourage Canadians to invest. Yet only 30% of Canadians invest in RRSPs, despite the significant financial incentives. It costs the federal government a fortune in tax expenditures. So why do only 30% of Canadians invest in RRSPs? Why do 70% of Canadians not invest? Because they do not have enough disposable income to do so.

I can also talk about TFSAs. Some 40% of Canadians invested in TFSAs last year. Half of that 40% earn \$100,000 or more a year. For them, this program is another tax loophole. In the end, over 60% of Canadians are not investing in TFSAs, despite the advantages of the program, because they do not have the disposable income needed to invest. So, there is a good chance that low-income employees will not have enough incentive to participate in the proposed program because they need all of their income to meet their basic needs. Many of the employees who have the program available to them will opt out for that reason. The reason many voluntary programs do not work, despite tax incentives, is because people need to have enough money to invest.

We compared the management fees of the program proposed by the government to those of the Canada pension plan. Management fees associated with the CPP are less than 0.5%. Private plans, such as mutual funds, are also a form of pooled investment, since everyone has a share of the overall envelope in a mutual fund. The largest mutual funds do not benefit from any economy of scale. Management fees range from 2% to 2.5%. This may not seem like much but when a mutual fund generates a return of 3% to 3.5%, the 2% to 2.5% in management fees must be deducted from it. If the Canada pension plan delivers the same return as a mutual fund, only 0.5% must be deducted. Thus, the Canada pension plan already provides a return that is 2% greater than private plans like the one the Conservative government wants to implement.

As a side note, the Canada pension plan delivered a return of 15% in 2010 and 12% in 2011. On average, private plans in Canada delivered a return of 10.5% in 2010—from which 2% to 2.5% must be deducted—and 0.5% in 2011. We are talking about a total cumulative return of 27% over the past two years for the Canada pension plan and a return of only 11% for private plans. If there are any doubts about the effectiveness of the Canada pension plan as compared to private plans in the past two years, a time of economic uncertainty, this fact should dispel them.

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• (1335)

With respect to economies of scale and management fees, Australia has a super fund very similar to what the government is proposing. About 10 years after setting up the super fund, Australians discovered that there were no economies of scale and that management fees were the same as for private funds, such as mutual funds.

I have already briefly addressed the third element, defined contributions.

Fourth, this distracts us from the real solution that the NDP has proposed: enhancing the Canada pension plan. Gradual premium increases would make it possible to double benefits, thereby ensuring a secure retirement for Canadians. That would be a true financial security program.

I do not have enough time to point out all the advantages of this solution. I hope that someone will ask me a question about that in the next five minutes. This is the right solution. This solution would also provide economic stability because beneficiaries would spend their bigger pension cheques. After all, they no longer need to save. The money would be reinvested in the economy to play a major role in battling economic uncertainty and fuelling the economy.

That makes our solution far better than the vague one the Conservatives have proposed.

[*English*]

Ms. Kirsty Duncan (Etobicoke North, Lib.): Mr. Speaker, I would like to thank the member for his speech. It was nice to hear his history and his expertise.

PRPPs are all about pensions, so I would like to talk about the broader issue.

Thomas Klassen is a York University political scientist and a leading Canadian on pension reform. He says that the OAS will not cause the federal budget to crash.

Ed Whitehouse, who researches pension policy for the World Bank and who was asked by Ottawa to study and report on how Canada stacks up, said:

—Canada does not face major challenges of financial sustainability with its public pension schemes...there is no pressing financial or fiscal need to increase pension ages in the foreseeable future.

Does the hon. member think that people should be able to expect the rules under which they made their retirement plans will still be in place when they retire?

[*Translation*]

Mr. Guy Caron: Mr. Speaker, I thank my colleague for the very pertinent question.

The examples she has provided are pertinent and corroborated by the findings of the Chief Actuary of Canada. There is no public pension crisis in Canada: the Canada pension plan, old age security and the guaranteed income supplement are not in jeopardy. In fact, if there is a crisis, it is that old age security, in particular the guaranteed income supplement, does not meet the needs of our seniors who are currently having trouble making ends meet.

My colleague is right to say that there is no crisis. The examples she has provided in this regard are all factual. When we talk about old age pensions, as mentioned by the Prime Minister in Davos, we are talking about an increase equivalent to 1.7% to 2.4% of gross domestic product at the height of the demographic crisis that is looming. Consequently, no change is needed and the Chief Actuary of Canada is in agreement. If we must review these programs, we should do so not as a budget exercise to reduce the deficit built up by this government, but in order to help the most disadvantaged retirees.

Ms. Rosane Doré Lefebvre (Alfred-Pellan, NDP): Mr. Speaker, I thank my hon. colleague for his magnificent speech. It was very interesting.

He ended his speech by talking about some of the advantages of the Canada pension plan and the Quebec pension plan, and the benefits of investing in such plans. He did not have time to speak further about this. I would like to hear more about this matter. It seems very interesting.

Mr. Guy Caron: Mr. Speaker, I want to thank the hon. member for giving me the opportunity to speak to this issue.

The NDP plan is quite simple. It aims to double Canada pension plan benefits with minimal increases to the contributions. We are generally talking about an increase of 0.43% in employer contributions and 0.43% in employee contributions over seven years. A former chief actuary of the Canada pension plan said that from an actuarial point of view, it was a good solution and it could double the benefits with minimum impact on the private sector and employees.

I have heard the arguments that the Canadian Federation of Independent Business has made repeatedly. The arguments are quite interesting, but not very logical. We are talking about an increase for the employee of 9 cents an hour a year for seven years. That is not a lot. That amounts to a \$3.47 increase a week for seven years. Even for a small business, that is not a lot.

The Canadian Federation of Independent Business fails to mention the economic spinoffs of this measure. If Canada pension plan and Quebec pension plan benefits were doubled, the money would be reinvested in the economy. The little money the businesses would pay to improve the benefits would be reinvested in those same businesses. There could be economic growth that would strengthen the businesses, including small and medium-sized businesses. In that sense, it is the best solution for the economy and for retirees.

• (1340)

[*English*]

Mr. Mike Wallace (Burlington, CPC): Mr. Speaker, it is my honour to speak to Bill C-25. I welcome everyone back in the new year and I welcome those who are watching at home. It is hard to believe that people do watch the debates at home but I have two grandmothers who actually watch so I want to say hello to my grandmothers and wish them a happy new year if they happen to be watching today.

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I want to talk a bit about how we got here today and why Bill C-25, the pooled registered pension plan, is important. I had the opportunity, as a Conservative member on the finance committee over the last five years in the previous Parliaments, to be part of finance and we did an extensive study on pensions. It took a number of months and, out of that study, came a number of issues, one of which was a pooled registered pension plan. Business, labour and individual business owners were coming to our committee and asking us to look at the possibility of being part of that group of those who were eligible for pensions. As has been previously mentioned, about 60% of people do not have access to pensions. They were looking for an opportunity to have access to a pension plan.

Out of that, we recognized the issue that pensions play, not just currently but in the future. The Prime Minister had the foresight to take the parliamentary secretary at the time and make him a Minister of State for Finance with a focus on pensions. We are the only government in Canada's history that has a focused ministry on that particular item. We care about our seniors, our future seniors and where this country is going in terms of the demographic. We need to be on top of the pension plans and retirement issues that are facing this country, which is why the Prime Minister has dedicated a ministry to that effect. So that is how we got here today.

Who asked for it? Members have heard over and over again from my colleagues on this side of the House about the small business organizations that have come to see us to talk about why they need access to a pension plan. One reason is that it is good for their employees. There is no doubt that having access to a pension plan and having some planning in terms of eventual retirement are important. However, as the Parliamentary Secretary to the Minister of National Revenue previously said, it is also important for retention and attraction of employees. It is very difficult for small and medium size businesses to compete with large businesses that have pension plans and other benefit programs to attract high-quality employees. One of the things small business representatives told us at committee was that they needed a pension plan that would help them, not only retain their great employees but to help them attract new employees to their industry or business. A pooled registered pension plan would allow that to happen.

I want to remind members of the House and those watching that we are at second reading. What we are trying to do today is move this from the House to committee. With the three days that we have allocated for second reading, we have 42 speakers in 42 time slots. The bill then goes to committee so we can discuss the individual issues. We can have witnesses come to talk to us about what components are working, what needs to be changed and what can be improved. That is what we are doing today.

However, let us look at the components. One is the low cost. I have heard my colleagues across the way ask how we can guarantee it would be low cost. I am a member of OMERS as I used to be a municipal employee. OMERS now has the ability to allow me to have my own independent investments through RRSP managed by it. Why does it tell me it is a good idea? First, it is a good investor. It has a good group of people managing it as a third party and they are smarter than me on the investment piece.

Second, because of the numbers OMERS has, there are lower costs than for me to invest individually in RRSPs. It is a pooled system that OMERS is offering to members for other investments that it will manage at a lower cost. This is exactly what the pooled registered pension plans would do. It is large pools of revenue that it is able to invest at a lower cost because it has a larger pool to deal from. It knows that is coming.

• (1345)

Another piece that is vitally important here and that people seem to be missing the point on is this. They are saying that it is just another RRSP. However, people voluntarily put money into an RRSP, whereas if a company has a pooled retirement pension plan, people are automatically enrolled in it. They would have to withdraw from that plan. It is just like the CPP, in which people are automatically enrolled. Someone has to make a personal investment decision as an individual employee to withdraw, otherwise that person is in the plan.

Frankly, I think it is a better way to go to have people automatically enrolled in the program. Then they at least have to look at their investment plan and make a decision on their own. For lots of people, my neighbours and I included, making investment plans and decisions can be difficult. It is often much more practical, efficient and appropriate to leave it to a third party to do. People will be enrolled in this plan and will be saving for their retirement. Someone would have to decide not to save for their retirement to get out of a pooled retirement pension plan. That is a fundamental difference with an RRSP, which we have heard lots about.

Portability is another important issue I want to talk about. In a pooled retirement pension plan, if someone leaves a company to go to another one, that person can continue to have those retirement benefits in the pooled plan.

Let us be honest, if they leave one company to go another and do not contribute to the plan as a new employee, the company will lose that employee's contribution. That is true, and that is a choice people will make when they change jobs. They will have to look at the benefits they are going to get, including the opportunity for retirement, all of which will be part of that pension plan decision and the reasons they might move. At least it is portable and people will not lose those benefits, as they can move from one company to another.

The final thing I want to talk about is that it would effectively be available to everyone. Right now large corporations have some sort of contribution plan. Some have a defined pension plan, which I know is becoming increasingly rare. However, larger firms seem to be able to have contribution plans, as they can afford the management costs and they have HR departments to look after those types of things.

Government Orders

The largest employer in my riding of Burlington employs 600 people. The vast majority of the thousands of people who work in my riding work in small- and medium-sized businesses or sole proprietorships. All three will now have the ability to join a pooled registered pension plan, an option not available now.

Finally, I want to say this. We have heard lots about the government not boosting the CPP. The parliamentary secretary who spoke before me talked about it. Let us deal with the facts: the facts are that we need the agreement of two-thirds of the provinces, with two-thirds of the population, to actually make a change. We cannot disrespect the provinces and premiers. If they do not want to move on the CPP issue, we do not have the right or legislative ability to override their decision.

However, we do have agreement to move forward with a pooled registered pension plan program. All the provinces, at different levels, will have to have their own legislation. We have been clear about that. We will have to have legislation here, and the provinces will have to have legislation. We have commitments for that to happen. That is why we are moving forward.

We can talk about CPP, as we have as a government with our counterparts at the provincial level, until we are blue in the face, and I do not mean Tory blue, but mean regular blue. However, it will not happen without the provinces' agreement. We will continue those discussions because CPP is an important pillar, an important tool, for the retirement of everyone who is working.

Nonetheless, we need to find other tools. This is one that we have agreement on, and this is one that the business community is interested in. I even had 50 people at my house on Friday night discussing pooled retirement pension plans. These people were asking if they would qualify.

• (1350)

This is something we need to do. We have 42 time slots for discussion. Let us get the bill to committee. If members have problems with this legislation, they can bring their issues forward there. Let us move forward and do something for Canadians, as our NDP friends claim they like to do but never do. We are doing it.

Mr. Mike Sullivan (York South—Weston, NDP): Mr. Speaker, having 50 people talking about pooled registered retirement savings plans seems strange for that party.

Has the member opposite been listening to the debate and the comments of the Parliamentary Secretary to the Minister of Transport, who said several times that reducing tax cuts to already profitable corporations will hurt already profitable businesses by reducing their profits? Yet the Minister of Finance has told us that these tax cuts for already profitable corporations were to create jobs. The government cannot have it both ways. The money cannot be used to create jobs and to raise profits. Which one is it? Why are we harping on this?

Mr. Mike Wallace: Mr. Speaker, I have been listening to the Parliamentary Secretary to the Minister of Transport here and in my office.

My colleague is absolutely right. We do not understand why the NDP does not understand that pensions, including the CPP, are funded by investments in the marketplace. In fact there is a board

that looks after the public service retirement plan and invests in the marketplace.

If we hurt businesses trying to do well in the marketplace by adding to their tax burden, they will be less profitable, less able to contribute, and it will hurt pensioners.

I do not know why those members are afraid to understand that the marketplace will help create value in pensions, which will eventually be returned to those who collect those pensions.

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Mr. Speaker, there is one thing I do not understand about this plan. If a company has excess resources to offer its employees via a pension plan to which it would contribute, why would it not just call in a company like London Life and have it create a group plan?

Mr. Pierre Poilievre: That is what this does.

Hon. Ted Menzies: At 3%.

Mr. Francis Scarpaleggia: It can already be done, Mr. Speaker. Therefore, my second question is about the following.

If an individual has some money to invest for retirement, he or she can go to the bank and buy a mutual fund and the risk in that mutual fund will be spread out over thousands of people in the market. The individual can choose a very low risk mutual fund or a GIC.

I just do not understand why this proposal is so special.

• (1355)

Mr. Mike Wallace: Mr. Speaker, the plan is special for one particular reason, which those members seem to miss. If a business belongs to a pooled registered plan, employees are required to opt out if they do not want to be part of the plan. I do not want to use the word “force”, but it requires them to participate. An employee has to opt out.

First, individuals who have not been thinking about their retirement may not go to a bank and invest in an RRSP. Second, the RRSP system is very expensive. Canada has one of the highest cost RRSP systems of any nation in the world. However, with a large pooled system, the costs can be lowered, which will add to the pension amounts people will be able to collect after they retire. That is why having a pooled system is better than individuals doing it on their own.

The Acting Speaker (Mr. Bruce Stanton): Before I recognize the hon. member for Vancouver Centre for resuming debate, I will let her know that I will need to interrupt her speech at about 2 o'clock for the commencement of members' statements.

Resuming debate. The hon. member for Vancouver Centre.

Hon. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, I am really glad to stand in the House and speak about Bill C-25 and its pooled pension plan. I know everyone has had various emotional and other responses to it, but first and foremost, I have to be cynical. I suggest that the government is playing games with Canadians' financial security when they retire.

Statements by Members

It is playing games because we know that its own consultant, who has been working with the OECD and the World Bank on pensions, has said very clearly that there is no crisis with the OAS at the moment, that in fact we do not need to raise the retirement age at the moment and that we are one of a few OECD countries with the lowest investment in public pensions. Accordingly, there is room for us to look at how we would invest in a public vehicle to help Canadians who cannot afford to retire.

A game is going on here. In the last election we know that the Prime Minister promised the government would not cut transfers to health, education and to individuals. However, it is obvious what a difference a few months and a majority government will make to promises made and promises broken. Slashing health transfers, attacking old age security and raising the retirement age to 67, I can only name as a few of those broken pre-election promises.

I listened yesterday to members on the other side talking about how we must respect the provinces, that we must listen to the provinces and not tell them what to do. I suggest that perhaps the government should heed its own advice to us when the provinces ask it to hold a premiers' conference on health and it does not listen to them. When the provinces tell the government it cannot unilaterally decide without consultation to cut transfers, the government is not listening to them. It is the same when the government forces the provinces to pay for the cost of its omnibus crime bill as well. One cannot speak out of both sides of one's mouth, but the government manages to do it quite well.

When government first announced it was looking at Canadians' retirement security in January 2009, it agreed it would look at expanding the public vehicle, the Canada pension plan, as the way to go, and that it would seek agreement from the provinces. That was not impossible. In the mid-1990s, when the Liberal government looked at the CPP and all provinces were getting very worried about retirement pensions, the Liberal government talked to the provinces. We built trust and listened and looked at securing the CPP for 75 years. The CPP was secured for 75 years, and that was done with the provinces. It is a very secure vehicle that we can now look at as we try to help Canadians to retire with some dignity and some comfort, instead of looking at a private pension scheme as the first tool in the toolbox.

• (1400)

The Acting Speaker (Mr. Bruce Stanton): When we next resume debate on this matter, the member for Vancouver Centre will have six and a half minutes remaining for her speech and five minutes for questions and comments.

STATEMENTS BY MEMBERS

[English]

UNIVERSITIES AND COLLEGES

Mr. Rod Bruinooge (Winnipeg South, CPC): Mr. Speaker, I am pleased to rise in the House today in recognition of an important day for parliamentarians. Today many of us have been, and will be, visited by university and college presidents from across Canada. They are joined on Parliament Hill by the Association of Universities

and Colleges Canada in celebration of university partnerships that drive Canada's innovation.

As a \$30 billion enterprise in direct expenditures alone, universities are significant drivers of economic prosperity in communities across Canada. In 2010, 272,000 people were directly employed by universities, and thousands more worked both on and off campus to supply services to students, faculty and institutions.

As chair of the government's post-secondary education caucus, I ask members to join me in welcoming university and college presidents to Parliament Hill today and thanking them for the important work they do to better our communities and the lives of so many students.

* * *

PENSIONS

Mrs. Carol Hughes (Algoma—Manitoulin—Kapusking, NDP): Mr. Speaker, New Democrats have been stating loud and clear that we need to lift more seniors out of poverty. In last spring's election we presented to Canadians specific proposals to do just that, but it is becoming apparent that the Conservatives hid their plan to attack pensions.

It is easy to understand why the Prime Minister had to go offshore to make his latest statement in the Conservatives' war on pensions. I can guarantee he would not have received a good reception for his message in places like Elliot Lake, Hearst, Manitouwadge, or anywhere in Canada.

Raising Canada's retirement age will unfairly punish those Canadians who want to retire at age 65 but need some help from OAS to make that possible. It amounts to punishing the vulnerable in our society and is anything but fair.

If the Prime Minister is looking to save money, he should cast his gaze at the billions in corporate tax giveaways that his government so carelessly hands out despite the evidence that shows they do nothing to create jobs in Canada.

New Democrats will continue to work with seniors and the organizations that represent them to fight these mean-spirited changes. We want to strengthen pensions, not weaken them.

* * *

ALZHEIMER'S AWARENESS MONTH

Mr. Ron Cannan (Kelowna—Lake Country, CPC): Mr. Speaker, it was an honour this past weekend to cut the ribbon to officially start the annual Alzheimer Society of B.C. Walk for Memories in my riding of Kelowna—Lake Country. The walk raises funds, awareness and support for those 500,000-plus Canadians, 70,000 in B.C., suffering from Alzheimer's and other forms of dementia.

Almost 20% of our population in the Okanagan is 65 years of age or older, and the sad reality is that after the age of 65 the odds of developing Alzheimer's doubles every five years.

Statements by Members

Many thanks to walk chair, Laura Cochrane, and her dedicated team of volunteers, the Old Time Fiddlers, the Lions Club, and the many sponsors who made this event a success. A very special thanks to Jennifer Hamilton, our support and education coordinator in Kelowna, who cares for the caregivers so that they may provide compassionate support to their loved ones suffering from Alzheimer's and dementia.

With everyone working together, there is hope for a cure. We should remember to live each day to its fullest and to cherish our memories.

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ALZHEIMER'S AWARENESS MONTH

Hon. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, January is Alzheimer's Awareness Month. Five hundred thousand Canadians live with this progressive degenerative disease that destroys brain cells. The number of Canadians suffering from Alzheimer's is expected to double in the next 20 years.

Groundbreaking research is being done by organizations like Baycrest in Toronto in an attempt to understand the underlying causes of Alzheimer's and how to delay its onset.

It is important to recognize the early signs of Alzheimer's, including personality change, mood change, disorientation of time and place, and difficulty performing familiar tasks. Early identification of Alzheimer's is critical to delay its onset.

Alzheimer's puts enormous emotional stress on millions of Canadian families. It costs our health care system billions of dollars a year. If we could delay the onset for as little as two years we could save the system \$219 billion over 30 years.

Investing in research and prevention would not only give us savings, but it would improve the quality of lives for many individuals and families in Canada.

* * *

● (1405)

SKIN CANCER

Mr. James Bezan (Selkirk—Interlake, CPC): Mr. Speaker, this Saturday is World Cancer Day.

Fifty-five hundred Canadians are diagnosed with melanoma every year and 950 will die from it. An additional 74,000 cases of non-melanoma skin cancers are expected annually, of which 270 Canadians will die.

To escape the winter, many Canadians are heading south to sunny destinations. I urge them to protect their skin, their body's biggest organ. They should stay in the shade when outdoors, cover up, and use sunscreen.

Many Canadians will also crawl into tanning beds to get their base tans. I cannot stress enough how harmful this equipment is. The World Health Organization has moved tanning beds to the highest cancer risk category, carcinogenic to humans.

I recently tabled a private member's bill to tackle the health risks caused by tanning salons. Among other restrictions, my bill would

prohibit anyone under the age of 18 years from using tanning beds. Studies have shown that using tanning beds at a young age increases the risk of skin cancer by over 75%.

I encourage all members to support my bill to restrict the use of tanning beds and increase public awareness about skin cancer prevention.

* * *

[Translation]

SEARCH AND RESCUE

Mr. Jonathan Tremblay (Montmorency—Charlevoix—Haute-Côte-Nord, NDP): Mr. Speaker, the closure of the search and rescue centre in Quebec City is unacceptable for the Quebec City area and for the people in my riding.

The centre opened 30 years ago for two main reasons: first, to put in place staff who know the local region, which is crucial in deploying appropriate resources and guiding them effectively on the ground, and second, to provide efficient service in French.

As mentioned by a Coast Guard officer, hostile conditions make it very difficult for shipwrecked individuals to clearly express the details of the dangers they face.

Damaged equipment, shouting and violent winds require staff to be fully fluent in French.

The St. Lawrence is considered to be one of the most complex waterways in the world. Losing this expertise is unthinkable.

All Quebeckers from eastern Quebec to Trois-Rivières are worried. This was a budgetary decision that will put many lives in danger on both shores of the St. Lawrence.

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[English]

LAW ENFORCEMENT OFFICERS

Mr. Blaine Calkins (Wetaskiwin, CPC): Mr. Speaker, I rise today in the House to remind Canadians of the courageous men and women who serve as law enforcement officers across our great country. This was brought to mind in my riding of Wetaskiwin on December 4, 2011, when two members of the RCMP emergency response team were wounded after exchanging gunfire in a standoff at a remote rural house near Breton, Alberta. This is just another example of the risks that law enforcement officers face on the front lines every day.

Peace officers of all jurisdictions from across the country provide an invaluable service to all Canadians. These officers have dedicated their lives to uphold the law and protect those who are threatened by criminals, and every day their families wait anxiously for the safe return of their loved ones once work is done.

Our government is committed to ensuring criminals are held fully accountable for their actions and that the safety and security of law-abiding citizens and victims come first in Canada's justice system, but it is our law enforcement officers who are on the front line, standing courageously between law-abiding citizens and those who would pose a danger. It takes a special kind of person to do that.

Statements by Members

I know all members in the House today will join me in thanking these brave officers who were wounded, Corporal Peter King and Staff Sergeant Patrick McIsaac, and wish them a speedy and full recovery.

* * *

DON BLENKARN

Mrs. Stella Ambler (Mississauga South, CPC): Mr. Speaker, with profound sadness, I learned this morning of the passing of Don Blenkarn, who served for 16 years as the Conservative member of Parliament in Mississauga from 1972 to 1974 and 1979 to 1993.

Don was a friend and mentor to me in my political efforts and I have cherished his advice on how to be a good MP for the people of Mississauga South. He advised me to work hard, knock on lots of doors and never forget the people we serve. Not known for his subtlety, Don was known for his laugh, his caring big heart, sense of fun, and his somewhat controversial statements.

My thoughts and prayers are with Don's wife, Marguerite, and his family. Don's life was filled with the love of a devoted family, the camaraderie of many friends, and the gratitude of the thousands of people he served.

Donald Alex Blenkarn, Q.C., was a true community leader, a true parliamentarian and a true friend. May he rest in peace.

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THE ROMEOs

Ms. Irene Mathysen (London—Fanshawe, NDP): Mr. Speaker, I want to share with you a wonderful example of community in my riding. There is a group of retired veterans who call themselves the ROMEOs, retired old men eating out. They meet every Wednesday morning at the Scotian Isle and are graciously hosted by Pat, John and Joseph McDonald.

The ROMEOs served together in the Canadian Forces in the 1950s. This is how they keep in touch, how they look out for one another, and keep up the friendships they established while serving Canada. I meet with the ROMEOs whenever possible. The conversation is always enlightening and the men, as everyone may have expected, are profoundly charming. I get to hear their stories, their struggles and their triumphs. I come away from these breakfasts with a sense of how important community is to our veterans and our seniors. It is community that enriches our lives and gives us security when we need it most.

Thanks to the ROMEOs and thanks to the Scotian Isle.

* * *

• (1410)

[*Translation*]

QUEBEC WINTER CARNIVAL

Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC): Mr. Speaker, I would like you to come and meet one of the greatest ambassadors for Quebecers' joie de vivre. He is the symbol of a festival he has represented since 1955. Many members will have guessed that I am speaking about the Quebec winter carnival's Bonhomme Carnaval.

I invite my colleagues to attend the 58th Quebec winter carnival. Activities are already under way, and you will not want to miss the night parades on February 4 and 11, for which our oldest Quebec carnival is renowned.

This spectacular event includes floats, dance troops and bands, among other things.

Young and old festival goers can choose from no fewer than 250 activities and events.

I would like to take this opportunity to congratulate the president and his entire team.

I invite everyone to enjoy this outdoor festival by participating in some of the activities that will be held until February 12.

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JEAN BOSCO CENTRE IN MANIWAKI

Mr. Mathieu Ravnat (Pontiac, NDP): Mr. Speaker, clearly the Conservatives do not care about the ridings that did not vote for them. This heartless government abandoned a very important project in the Pontiac riding. The Jean Bosco centre in Maniwaki, a social and occupational integration centre for people with disabilities, was promised assistance prior to the 2011 election, only to be punished when the riding did not vote for the right party. The centre has been rebuffed by this arrogant government.

The Jean Bosco centre meets all the criteria. The community raised over a million dollars and invested a great deal of time in the project. Since five projects have been selected—none of which are in Quebec and three of which are in Conservative ridings—and there are still program funds remaining, I am asking the Minister of Human Resources and Skills Development, who has been completely ignoring our letters and questions, to rise above partisanship and agree to this request. We are talking about people with disabilities and a centre that serves more than 18 municipalities in the Vallée-de-la-Gatineau.

Frankly, the minister and this government should be ashamed of themselves.

* * *

[*English*]

IRAN

Mr. Costas Menegakis (Richmond Hill, CPC): Mr. Speaker, today our government announced expanded sanctions against Iran in an effort to further apply pressure to a regime that both undermines regional and global security and regularly turns a blind eye to its international human rights obligations.

We are deeply concerned by reports of an increase in arrests and death sentences in Iran, including that of Iranian citizen Saeed Malekpour, who now faces imminent execution on the sham charges of spreading corruption. Sadly, Saeed's case is but one example of the regime's utter disregard for human rights and its failure to meet internationally recognized norms of due process and transparency.

Canada will hold Iran accountable for Mr. Malekpour's treatment. We have been actively speaking out and raising his case with the Iranian authorities.

We call on Iran to reverse its current course, meet its international human rights obligations and release prisoners such as Saeed Malekpour and others who have failed to receive fair and transparent legal treatment.

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CHILDREN'S BREAKFAST CLUB

Ms. Kirsty Duncan (Etobicoke North, Lib.): Mr. Speaker, tomorrow is the beginning of Black History Month, recognizing the innumerable achievements and contributions of black Canadians who have helped build our country.

To mark this occasion, some 50 awesome children from the Children's Breakfast Club, which serves 4,000 meals a week in Toronto, are visiting Parliament Hill. The club was formed to ensure that children leave for school feeling good about themselves and enable them to be successful at school.

The group is accompanied by prominent members from the community who have made valuable contributions to Toronto, Ontario and Canada, including our former colleague, the Hon. Jean Augustine, Ontario's Fairness Commissioner, and Richard Gosling, the president and founder of the Children's Breakfast Club.

I ask my colleagues to join us for a reception with these terrific children, our future, at the Government Conference Centre, at 3:15 p.m., and celebrate our culture, heroes and history.

* * *

• (1415)

AFGHANISTAN

Mrs. Shelly Glover (Saint Boniface, CPC): Mr. Speaker, recently there have been reports that a young woman in Afghanistan was murdered by her own family simply for giving birth to a baby girl.

All too often, the women in Afghanistan pay a severe price simply for being women. Their most basic rights are overlooked, neglected and abused.

[Translation]

That is why Canada supports a range of projects in Afghanistan. We want to strengthen the rights of women and girls, make it easier for them to access education and health care, encourage their political involvement and enhance the economic opportunities available to them.

On behalf of all Canadians, this government is maintaining our commitment to make a difference in the lives of women and girls in Afghanistan.

* * *

THE CONSERVATIVE GOVERNMENT

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Mr. Speaker, Parliament just resumed yesterday and already the Conservatives' bad political choices have emerged: closure motions, massive cuts to public services, a complete lack of transparency and threats to seniors who now fear losing their entire life savings.

Oral Questions

For six years now, the Conservatives have been promising that they will change how things are done in Ottawa, but instead Canadians are treated to ministers who waste taxpayers' money as though it were Monopoly money and ministers who sell out to oil lobbyists and call anyone who dares to speak out a radical.

Canadians deserve better. They want a government that listens, a government that stops rewarding large corporations that do not create jobs here in Canada. They want a government that takes action on climate change, a government that protects pension plans and works with the provinces to improve health care.

Canadians and Quebecers have put their trust in the NDP to force the Conservatives to be accountable. The economic situation remains fragile. It is high time this government pulled its head out of the sand and protected people who lose their job.

* * *

[English]

PENSIONS

Ms. Wai Young (Vancouver South, CPC): Mr. Speaker, while the member for Burnaby—New Westminster is criticizing government, I must remind the House that even he, the NDP's temporary finance critic, acknowledged pressures on the viability of OAS. Events around the world and our aging population make it clear that governments need to make responsible decisions to ensure social programs remain sustainable.

Our government is reviewing measures to protect Canadian pensions in the long term. We will implement any changes fairly, allowing lots of time for notice and time to adjust.

We have made it clear to Canadians that people currently receiving OAS will not lose one penny. In fact, the *National Post* gets it with its front page headline today, "Tories on the right side of pension reform".

The real trouble lies with the NDP and the Liberal plans for reckless spending and higher taxes. Their plans will kill jobs and threaten Canadians' future retirement pensions.

ORAL QUESTIONS

[English]

ABORIGINAL AFFAIRS

Mrs. Nycole Turmel (Leader of the Opposition, NDP): Mr. Speaker, I just met with National Chief Shawn Atleo as a follow-up to the crown-first nations gathering held exactly one week ago.

Could the Prime Minister inform the House of the specific steps his government will take to honour commitments made to first nations last week? Would he provide us a timeline for implementation of those commitments? Also, will there be action in the upcoming budget for first nations?

Oral Questions

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, first, I thought the crown-first nations gathering, which was historic, was a very successful gathering. I certainly congratulate the national chief for his vision which brought that gathering about.

At the same time, coming out of that gathering was a statement put out by the government and by the Assembly of First Nations on an action plan regarding economic development, education and a number of other matters. I would draw the attention of the leader of the NDP to that action plan.

In the meantime, in all budgets, we have done things for aboriginal peoples. This time I would hope the NDP would actually vote for them instead of against them.

* * *

PENSIONS

Mrs. Nycole Turmel (Leader of the Opposition, NDP): Mr. Speaker, seniors are worried about their future, but they are also worried about the future of their children and their grandchildren. Yes, they will not retire for a long time. We know that. However, today seniors know too well how difficult it can be to make ends meet. Our seniors have worked hard to give a better life for future generations.

Why is the Prime Minister going to make it harder for them by cutting the OAS?

• (1420)

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, once again, the government has been repeatedly clear when it comes to retirement income like as old age security. We have no intention of changing any benefits. In fact, seniors will continue to receive everything that they are receiving and expecting.

At the same time, younger generations expect us to ensure the system is viable for them. That is a responsibility this government takes very seriously.

[*Translation*]

Mrs. Nycole Turmel (Leader of the Opposition, NDP): Mr. Speaker, the Prime Minister surprised everyone, including government experts, by targeting the old age security benefit. A report commissioned by this government shows that Canada is not facing a crisis related to the funding of public pension plans. I am referring to the Whitehouse report. I would advise the Prime Minister to read it.

Why does the Prime Minister want to reduce the deficit at the expense of the retirees of today and tomorrow?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, demographic changes are putting pressure on our retirement income system and on many other programs. This has been clearly documented by a number of experts. This government will act to ensure that our programs are viable for all generations to come.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, the Conservatives are attacking the \$540 that seniors are able to receive each month through old age security. This is a bad decision. The Prime Minister appointed 47 senators to the upper house, each of whom will receive a generous retirement pension. That money represents old age security benefits for an additional 14,000 seniors.

During the last election, the Conservatives said that they would not touch any money intended for seniors. Why the betrayal? Why is the government demonstrating such a lack of respect for seniors? Why is it breaking its promise?

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, we promised Canadians that we would maintain their old age security benefits, and that is exactly what we are going to do. Everyone who is currently receiving benefits will continue to do so. However, we have to consider future generations, and that is what we are going to do.

[*English*]

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, the future is by forcing seniors to work to age 67 and that will take \$30,000 away from low-income seniors.

The government has a choice. A single F-35 costs \$450 million. That would pay OAS benefits for 70,000 Canadian seniors. Its prison plan costs \$19 billion. That would pay annual benefits for 2.9 million Canadian seniors. The Conservatives say costly prisons and fighter jets are their priority. We say seniors are more important.

Why are the Conservatives cutting future benefits for seniors? If they keep down this road, it is good-bye Charlie Brown.

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, if the NDP members are really so concerned about seniors, then they should have voted for the pension income splitting. They should have voted for increasing the age credit for seniors not once but twice. They should have voted for the biggest increase in the guaranteed income supplement that we made last spring, which helps our poorest seniors. Their actions speak a whole lot louder than their words.

Hon. Bob Rae (Toronto Centre, Lib.): Mr. Speaker, at the time of the last election, the Prime Minister's party put out an election platform that said, "we will not cut transfer payments to individuals or to the provinces for essential things like health care, education, and pensions".

I wonder if the Prime Minister can tell us this. He talked in Davos about a demographic crisis and he talked about it again today. Many experts disagree with the Prime Minister, many experts whose studies were commissioned by his own government. Was the Prime Minister aware of this so-called demographic crisis at the time that he and his party made the election promise they made just a few short months ago?

• (1425)

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, once again, this government has made it very clear that we will protect the programs of the provinces and individuals in terms of what we are doing. We have been very clear about this. Seniors will continue to receive everything that they are expecting. We are absolutely clear about that.

Oral Questions

At the same time, we do have a responsibility to future generations. The leader of the Liberal Party can pretend there is no problem in the future. This government has the responsibility of ensuring that we take care of seniors today and also take care of future generations, and that is what we will do.

Hon. Bob Rae (Toronto Centre, Lib.): Mr. Speaker, the Prime Minister and I have a rather different definition of the words, “taking care of”. For those who were born in 1951, or 1955, or 1956 or 1957, there is not a soul out there who knows exactly how they are going to be taken care of by the Conservative government. The odd definition of taking care means it is deep-sixing benefits for people who thought they were going to get them and who were told by the Prime Minister—

The Speaker: The right hon. Prime Minister.

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, when it comes to taking care of people, we have two examples. One is how this government is taking care of people during this recession and how the Ontario government under his leadership took care of people during that recession.

[*Translation*]

Hon. Bob Rae (Toronto Centre, Lib.): Mr. Speaker, I have a simple question for the Prime Minister.

Can the Prime Minister tell us whether he was aware of the demographic problem and whether he knew that, in the future, he was going to cut pensions and raise the retirement age? If he was aware of these things, why did he not reveal his entire plan to Canadians? Why did he decide to hide what he wanted to do and what he intends to do now?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, this government has made it clear that we will protect our seniors' income. This is a clear commitment that we made to the people of Canada, and we intend to keep it. At the same time, we have a responsibility to future generations and we are going to take action to secure their future.

[*English*]

I have a question for the leader of the Liberal Party at the same time. Why, if the Liberals care so much about seniors and pensions, do they vote against every improvement we make for seniors and pensions in our country, including today. Even today they are trying to block the pooled registered pension plan that is supported by every province in the country. Why are they always voting against things for seniors?

* * *

[*Translation*]

THE ENVIRONMENT

Ms. Megan Leslie (Halifax, NDP): Mr. Speaker, if the Minister of Natural Resources were not pretending to still be living in the 19th century—

Some hon. members: Oh,oh!

[*English*]

The Speaker: Order, please. The hon. member for Halifax has the floor.

[*Translation*]

Ms. Megan Leslie: Mr. Speaker, if the Minister of Natural Resources were not pretending to still be living in the 19th century, he would understand the importance of sustainable development for future generations.

He would also see that people are worried about the Conservatives' lack of action on the environment.

The minister can choose to continue to cater to the oil lobby and climate change deniers or he can listen to Canadians who are worried about their communities.

What will he choose?

[*English*]

Hon. Joe Oliver (Minister of Natural Resources, CPC): Mr. Speaker, a while ago the member opposite insulted Canadian seniors. Now, she is insulting our ancestors. When will it stop? Sir John A. Macdonald knew what a nation-building project would do. Today, this government knows that it will produce jobs, economic growth and revenue for governments to support social programs like health, education and—

Some hon. members: Oh, oh!

• (1430)

The Speaker: Order, please. It is only the second day back. I am going to ask members for a bit of co-operation. I am having an increasingly difficult time. Order, please.

The hon. member for Halifax.

Ms. Megan Leslie (Halifax, NDP): Mr. Speaker, I was looking for an answer from the minister but I guess today that is too much to ask. Let us try a different route.

Yesterday, the minister said that radical groups oppose the development of hydrocarbons but surely the minister must—

An hon. member: Go with the multiple choice.

The Speaker: Order, please. The member for Cape Breton—Canso has to let the member for Halifax put the question.

Ms. Megan Leslie: I do appreciate his encouragement, Mr. Speaker.

Surely the minister knows the basics of his file. He must know that hydrocarbons are a leading cause of climate change. Can the minister tell us if he agrees with the scientific link between hydrocarbons and climate change, yes or no?

Hon. Joe Oliver (Minister of Natural Resources, CPC): Mr. Speaker, what I said yesterday is the government's policy. We will only approve projects that are safe for Canadians and for the environment. We are in favour of projects which will create jobs and economic activity and which will be nation builders for Canadians right across this country, from coast to coast to coast.

Ms. Megan Leslie (Halifax, NDP): Mr. Speaker, I did not hear an answer. Maybe that is because the minister does not understand the question. Hydrocarbons are these tiny little compounds that form a gas called methane. Methane is a greenhouse gas that causes climate change. This is not theology; this is science.

Oral Questions

I will ask again. Does the minister understand and agree that hydrocarbons cause climate change, yes or no?

Hon. Joe Oliver (Minister of Natural Resources, CPC): Mr. Speaker, the government has invested over \$10 billion in reducing greenhouse gas emissions, creating energy efficiency programs. The oil sands, which represent one one-thousandth of global emissions, have had their emissions reduced by over 30% in the last 12 years. The gap between oil sands oil and conventional oil is narrow, about 5% to 10%, and it is narrowing even further. We favour technological innovation which will improve the performance of the oil sands.

Ms. Megan Leslie (Halifax, NDP): Mr. Speaker, the minister cannot answer this question. Let us back up a bit. He is right in the sense that there is a radical—

Some hon. members: Oh, oh!

The Speaker: Order, please.

The hon. member for Halifax.

Ms. Megan Leslie: Mr. Speaker, everybody is so excited by my questions.

The Speaker: The Minister of Canadian Heritage and Official Languages may be asked a question but I will ask him to wait until she has put the question.

The hon. member for Halifax.

Ms. Megan Leslie: Mr. Speaker, there is one thing the minister and I agree on. There is a radical fringe group that is trying to block Canada's movement forward and the movement of our economy forward. Its members believe in elaborate scientific conspiracy theories and they are backed by big foreign groups. They are called climate change deniers.

I would like the minister to clarify, does he believe in the science of climate change or is he a denier?

Hon. Joe Oliver (Minister of Natural Resources, CPC): Mr. Speaker, the member opposite continues to talk about the radicals.

Let us remember what some people believe. There are some radicals who oppose all hydrocarbon development. There are some who think that one one-thousandth of one per cent addition to global warming will somehow destroy the planet. These are people who are not backed by science.

We are going to continue to support job-creating projects that are important to build this country.

* * *

[Translation]

NATURAL RESOURCES

Mr. Claude Gravelle (Nickel Belt, NDP): Mr. Speaker, to doubt the existence of climate change is just as ridiculous as denying that our winters are cold. Heating our homes is expensive. Thousands of Canadians have taken advantage of the eco-energy program, investing in the local economy and protecting the environment. But this government has again cut this assistance for Canadians.

Canadians are doing their part to protect the environment and the economy. Why does the minister not do the same?

• (1435)

[English]

Hon. Joe Oliver (Minister of Natural Resources, CPC): Mr. Speaker, the eco-energy retrofit program reached its goal of 250,000 registered homeowners.

Participating homeowners will see significant savings on their energy bills. The program also provides jobs right across this country. With this program fully subscribed, we expect to approach our budget limit of \$400 million.

While the opposition voted against this important initiative, our government remains proud of its success.

Mr. Claude Gravelle (Nickel Belt, NDP): Mr. Speaker, this is not a capping. This is a knee-capping of our homeowners and our construction industry. It dismisses a commitment to energy-efficient building.

Energy retrofits save families money and create local jobs. They reduce energy consumption and pollution.

However, like last year, the Conservatives have suddenly pulled the plug, breaking their promise. Why will the government not support this popular, cost-effective and environmentally friendly program?

[Translation]

Hon. Joe Oliver (Minister of Natural Resources, CPC): Mr. Speaker, our government is proud to support energy efficiency. The eco-energy program will allow Canadians to save on their heating bills while creating jobs and economic activity throughout the country.

On Sunday, we reiterated our commitment to energy efficiency with an additional \$117 million in funding for these initiatives.

* * *

HOUSING

Ms. Marjolaine Boutin-Sweet (Hochelaga, NDP): Mr. Speaker, the affordable housing situation in this country is in full crisis mode, and it is not just the NDP that has been saying so for years now. A new study released today by the Federation of Canadian Municipalities supports what we are calling for. The construction of affordable housing would boost the country's economy and provide jobs for Canadians.

In these tough economic times, too many families are having trouble finding affordable housing. When will this government realize the extent of this crisis and invest in building affordable housing?

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, no government has invested as much as ours has in affordable housing. With our economic action plan, we created more than 14,000 projects for improving, renovating and building affordable housing. Unfortunately, the NDP voted against all those initiatives.

Oral Questions

[English]

Mr. Andrew Cash (Davenport, NDP): Mr. Speaker, the minister should read the FCM report. Renters make up a third of the housing market. However, in the last 15 years, according to the report, only 10% of new housing starts have been for rentals. Because of the utter failure of this and previous governments to actually deal with the situation, Canadian renters have been left out in the cold.

What is the government saying to Canadians who are struggling to find an affordable, decent place to rent? It is saying, “Sorry, if you are a renter, we do not care about you”.

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, the hypocrisy of the NDP is growing by leaps and bounds from minute to minute. Through our economic action plan and beyond that, we have invested more than any other previous government in affordable housing. We have also supported CMHC, the only provider of mortgage securitization insurance for rental housing.

Fortunately, we have a market right now where interest rates are low. People are buying houses. They are investing in their future because they can finally afford to do it. As with all of the other initiatives including affordable housing, the NDP voted against all of our moves to support Canadians.

* * *

INFRASTRUCTURE

Ms. Olivia Chow (Trinity—Spadina, NDP): Mr. Speaker, the Conservatives' failure on affordable housing is leaving people out in the cold and shortchanging cities. Across Canada bridges are crumbling, public transit is stalling and water systems are aging. The NDP's practical solution is up for a vote tomorrow.

Taking one cent from the existing gas tax would help cities, stimulate the economy and create jobs. Surely the government will help us move forward with this plan, give cities the support they need and put Canadians back to work.

• (1440)

Hon. Denis Lebel (Minister of Transport, Infrastructure and Communities and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC): Mr. Speaker, I was a mayor before coming here. No government in history before this government invested in infrastructure like this one. We made the gas tax refund permanent and now it is the law. We continue to support all cities across this country.

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PENSIONS

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, the Prime Minister made it clear in Davos that he will tackle the deficit his government created by gouging seniors' pensions. We know where the Prime Minister stands, but where do Conservative members stand? Does anyone over there have the backbone to say no to the Prime Minister?

My question is for the regional minister for P.E.I. Over 40,000 island baby boomers, as well as the island economy, will be seriously affected by this attack on pensions. Is the regional minister willing to

stand up, defend islanders and just say no to the Prime Minister on his attack—

The Speaker: The hon. Minister of Human Resources.

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, the hon. member has it all wrong again. We are protecting Canadians' pensions. Those who are receiving OAS and CPP right now will continue to receive every single penny. We are also protecting the pensions of our future generations. We will continue to make sure that Canadians get every penny that they expect.

Hon. Judy Sgro (York West, Lib.): Mr. Speaker, after squandering a billion dollars on gazebos and glow sticks, the man responsible for cost-cutting has now taken aim at the pensioners of tomorrow. But the President of the Treasury Board has another job: political responsibility for over 3.4 million baby boomers in Ontario, the same people soon to turn age 65.

The government has caviar tastes when it comes to jets and jails, but a baloney budget when it comes to seniors. Which side is the minister on? Will he fight to protect pensions or is he going to lead the charge in slashing the budgets of senior citizens in Canada? Tell us which—

The Speaker: The hon. Minister of Human Resources.

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, we are going to protect the pensions. The CPP is on solid footing. It is actuarially viable for years to come. The OAS is not. We want to make sure that today's seniors, tomorrow's seniors and those in the future will have access to their old age security. We are going to make some changes to make sure that happens. That is a priority for us. We stand united in going forward to deliver on that.

[Translation]

Hon. Denis Coderre (Bourassa, Lib.): Mr. Speaker, in Davos, the Prime Minister was probably stuck in his bubble, so he forgot that we have to look after our seniors. In Quebec, the Fédération de l'âge d'or du Québec has 265,000 members, some of whom reside in Mégantic—L'Érable, the riding represented by the Conservative government's Quebec lieutenant.

My question is simple: does he think that retirement age should be raised from 65 to 67, or does he agree with Rita Poulin, one of the presidents of the Saint-Méthode seniors association, that it is not even worth considering?

Whose side is he on: the Prime Minister's or his constituents'?

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, we stand united in ensuring that seniors get the benefits they are supposed to get. We will also ensure that future generations receive old age benefits too.

*Oral Questions***NATIONAL DEFENCE**

Ms. Christine Moore (Abitibi—Témiscamingue, NDP): Mr. Speaker, the F-35 program is in free fall. We have learned that a defect in the pilots' parachutes is grounding some of the aircraft and delaying test flights once again. Moreover, the F-35s are having trouble achieving the transonic acceleration objectives. This file is in need of a qualified pilot, and Canadians do not have a parachute.

Will the government admit that, unless we make an emergency landing, the F-35 program is going to crash and burn?

[*English*]

Hon. Julian Fantino (Associate Minister of National Defence, CPC): Mr. Speaker, that is sheer nonsense. A problem was detected in the way the parachutes were packed. The problem is being fixed. I am told that this will not affect the program in the least.

It is fear-mongering. It is more of the same. It is rhetoric.

• (1445)

[*Translation*]

Ms. Christine Moore (Abitibi—Témiscamingue, NDP): Mr. Speaker, would you get on a plane whose pilot cannot figure out that he is flying through major turbulence? I would not. However, an associate minister who has no idea what he is doing is still in the pilot's seat. The program is struggling because of numerous technical problems with the F-35s even as orders fail to materialize.

What is the government's plan B for dealing with this program in free fall?

[*English*]

Hon. Julian Fantino (Associate Minister of National Defence, CPC): Mr. Speaker, when deciding on a replacement for the CF-18s, our government had a decision to make. We could have purchased an existing aircraft based on 1970, 1980 technology. Instead, we chose to work with our allies to develop the next generation of aircraft technology.

There are now F-35s flying. They are being tested. They are being developed. This will be the plane of the future for our men and women who deserve no less.

Mr. Matthew Kellway (Beaches—East York, NDP): Mr. Speaker, the refurbishment of our CF-18s was meant to keep them airborne until 2020, no later. As the air force chief told our national defence committee, "I think we have pretty much done what we can with that airplane".

Facing similar circumstances and timetables, Israel, Australia, the U.K. and the U.S. all have backup plans in place.

Why is the government content to monitor the situation while our allies in the F-35 program are taking action and implementing backup plans?

Hon. Julian Fantino (Associate Minister of National Defence, CPC): Mr. Speaker, I really welcome the question from the member opposite because yesterday the member opposite told this House that the U.S. was cancelling 179 F-35s, which never happened. He also told this House that Australia has downsized its order, which also never happened.

What is true is that our allies, including Japan just last month, are choosing F-35s over other less capable aircraft.

What the opposition should tell this House and Canadians is that it does not support our military, does not support the Canadian aerospace industry, and most certainly—

The Speaker: Order, please. The hon. member for Beaches—East York.

Mr. Matthew Kellway (Beaches—East York, NDP): Mr. Speaker, while the minister stands idly by repeating tired speaking points, his allied counterparts are taking action. They all have backup plans.

As the odds grow longer on the F-35, our allies are hedging their bets in the interests of national security and fiscal prudence. Why is the minister and the government the only ones standing pat?

When will the minister show some courage and leadership as befitting a minister of the Crown and do something?

Hon. Julian Fantino (Associate Minister of National Defence, CPC): Mr. Speaker, I would rather take my advice from those who actually know the business, who are practising the trade and who know plenty about creating jobs, providing our men and women with the proper tools to do their job in the military and, moreover, creating an industry that has been languishing for many years.

Were it left to the NDP, we would have no assets in our military at all.

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GOVERNMENT PROGRAMS

Mr. Leon Benoit (Vegreville—Wainwright, CPC): Mr. Speaker, the eco-energy retrofit homes program is creating jobs across Canada and helping homeowners save an average of 19% on home energy use through grants of up to \$5,000. This is saving Canadians money on their home energy bill while reducing greenhouse gas emissions across Canada. We expect this program will trigger more than \$7 billion in economic activity.

Could the Minister of Natural Resources please update the House on this program?

Hon. Joe Oliver (Minister of Natural Resources, CPC): Mr. Speaker, the eco-energy program has been enormously popular with Canadians and should approach the \$400 million level announced in the budget ahead of schedule. The program will provide a quarter of a million Canadian families with up to \$5,000 to make their homes more efficient. This program is expected to generate up to \$4 billion in economic activity across the country, creating and protecting jobs for—

The Speaker: The hon. member for Gatineau.

Oral Questions

[Translation]

FIREARMS REGISTRY

Ms. Françoise Boivin (Gatineau, NDP): Mr. Speaker, it is difficult to keep track of all the government's flip-flopping when it comes to gun control.

First, the government claimed that it would continue to monitor long guns after the register is abolished, but the RCMP says that is false. Now, the RCMP and the minister's office cannot seem to agree on the date they received an important report from the Commissioner of Firearms that demonstrates the efficacy of the registry.

We are simply asking the minister why that information was not disclosed to the members here, to the provinces and to the Standing Committee on Justice and Human Rights.

• (1450)

[English]

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, I understand that the report was provided by the RCMP to the Department of Public Safety on December 16. It was then forwarded by the Department of Public Safety to my office on December 20 and we tabled it on the first available tabling date, as I understand it.

Mr. Jack Harris (St. John's East, NDP): Mr. Speaker, the government at least gets high marks for consistency here. It is the second year in a row it has tried to hide a report that shows the public safety value of the long gun registry.

It is not enough that the government is destroying a tool that police use 14,000 times a day and destroying the data that the police and the provinces need to keep our communities safe, but it is also holding back crucial information from the committee that is studying the bill.

Why is the government consistently hiding information from Canadians?

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, I will overlook the patently false statements made by the member and state that the only embarrassing thing is that the long gun registry, with the support of the NDP, continues to needlessly target law-abiding hunters, farmers and sports shooters rather than criminals.

Canadians have given us a strong mandate to end the wasteful and ineffective long gun registry once and for all, and that is exactly what we are doing.

* * *

ROYAL CANADIAN MOUNTED POLICE

Mr. Jasbir Sandhu (Surrey North, NDP): Mr. Speaker, Canadians are also hearing contradictions from the government on the issue of the RCMP. We deserve to know.

Is the new RCMP commissioner able to meet with whomever he wants? Canadians want to know. Is the RCMP free to communicate about important issues without approval from the minister's office? Canadians want to know.

I hope the government will clarify whether it is interfering with the RCMP?

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, the protocol has not changed since the days of Anne McLellan. The protocol is an appropriate balance between the independence of the RCMP on law enforcement matters and its accountability to me as minister responsible for the RCMP. This is sensible and practical. Senator Kenny, who wanted the meeting, even acknowledged that the protocol was in fact sensible. However, he said that he would be held back his fellow parliamentarians who lacked his knowledge in policing matters. I tried to stand up for the member of the NDP and say that he should have the same access to the commissioner that the senator wanted.

[Translation]

Mr. Sylvain Chicoine (Châteauguay—Saint-Constant, NDP): Mr. Speaker, the Conservatives' answers make no sense. Can the RCMP commissioner speak to whomever he likes, yes or no? Did this policy, meant to control the RCMP, come down from the Prime Minister's Office?

As usual, a lot of questions are being raised by Canadians and they are getting no answers from this government. Since the minister is so sure that these directives will not jeopardize the independence of the RCMP, will he rise in this House and table the new RCMP communications protocols?

[English]

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, the protocol has not changed since the days of Anne McLellan. The commissioner of the RCMP meets with whomever he chooses when he chooses. The protocol, as I have indicated, is an appropriate balance between the independence of the RCMP on law enforcement matters and its accountability to me as the minister responsible for the RCMP in the House. This is sensible and practical. Even the senator who wanted access to the RCMP indicated that the protocol was a very sensible one but he did not think that his colleagues were up—

The Speaker: The hon. member for St. Paul's.

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ABORIGINAL AFFAIRS

Hon. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, last week, while the government was talking about strengthening the relationship with first nations, government documents revealed that it actually viewed them as adversaries with respect to oil sands and pipelines.

Will the Prime Minister apologize for this shameful position and affirm today that first nations have constitutional rights that must be recognized and respected when it comes to the development of anything on or affecting their traditional lands?

• (1455)

Hon. John Duncan (Minister of Aboriginal Affairs and Northern Development, CPC): Mr. Speaker, we are committed to working in partnership with our first nations. We had a successful Crown-first nations gathering last week. We continue to work with our first nations partners.

We have made many announcements that have certainly led to better economic opportunities and jobs for our first nations people.

*Oral Questions***HEALTH**

Hon. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, in the 2004 health accord, federal and provincial governments agreed that funding alone would not save medicare and that they had to work together across jurisdictions to make changes.

When the Prime Minister refused to talk to the premiers and unilaterally imposed a new funding formula, he broke that agreement leaving the premiers to deliver health care as 13 separate programs. Some provinces will need to cut services and Canadians will not have access to the health care they need.

Why has the Prime Minister violated the Canada Health Act? Why has he abandoned the agreements in the health accord?

Hon. Leona Aglukkaq (Minister of Health and Minister of the Canadian Northern Economic Development Agency, CPC): Mr. Speaker, we have announced long-term stable funding arrangements for the provinces and the territories that will see transfers reach historic levels of \$40 billion at the end of the decade.

Even the former advisor to the interim leader of the Liberal Party, the NDP strategist, agrees that this is the best offer the provinces and territories could get from the federal government. I will read a quote, "I think it's an extraordinary generous offer. It's more generous than the provinces had any right to expect. If I worked for the provinces, I would stop griping and take the money and get to work reforming the system".

That is exactly what we are doing.

* * *

ABORIGINAL AFFAIRS

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, for the second time, the Minister of the Environment's strategy to recover threatened Alberta woodland caribou is ignoring the impact on treaty rights.

The Federal Court set aside the original decision by the minister and ordered him to reconsider. The court said that the minister erred in law in failing to take into account first nations' treaty rights and the honour of the Crown.

Why will the minister not respect the Federal Court directive?

Hon. Peter Kent (Minister of the Environment, CPC): Mr. Speaker, my colleague is quite correct. Last July, the court asked me to reconsider my original decision. I have reconsidered that decision and find that, on a national basis, the woodland caribou is not at risk.

At the same time, my colleague should remember that in August I presented a national recovery plan with particular focus on those herds in Alberta and Saskatchewan. We are now in the final consultation period and waiting to make a decision on that proposal.

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, in fact, the recovery plan posted on the minister's website gives short shrift to the Alberta herd.

The reality is that the minister is obligated to consider the rights of first nations, including the right to harvest on the lands in question.

The constitutionally entrenched treaty rights of the applicants in the Federal Court case are at stake in how the minister handles this

matter. This includes the treaty rights of the Athabasca Chipewyan First Nation, the Beaver Lake Cree Nation and the Enoch Cree Nation.

How can the Crown claim that it is resetting its relationship with first nations when it is so blatantly ignoring these clear treaty rights?

Hon. Peter Kent (Minister of the Environment, CPC): Mr. Speaker, our government does take the honour of the Crown and the duty to consult very seriously. We have and we are. The plan is very detailed, particularly with the herds across Alberta and in the area of the oil sands, Fort Chipewyan.

As I said earlier, we are consulting with the Province of Alberta, which has the responsibility to implement this recovery plan, and we are continuing our dialogue with first nations.

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PUBLIC SAFETY

Mr. Rick Norlock (Northumberland—Quinte West, CPC): Mr. Speaker, Canadians gave our government a strong mandate to keep our streets and communities safe. However, the opposition has opposed us at every turn. These critics incorrectly say our tough sentences for gun crimes would add 4,000 offenders to prisons and would cost a quarter of a billion dollars. The former Liberal public safety critic, Mark Holland, said that new prisoners from these bills would cost tens of billions of dollars.

Could the Minister of Public Safety update the House as to whether these estimated increases are correct?

● (1500)

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, our legislation focuses on serious repeat or violent offenders. Rather than creating new criminals, we are simply reducing victimization by keeping criminals behind bars for an appropriate amount of time.

The opposition's so-called experts consistently said that our legislation would drastically expand our prison system. They were wrong. In fact, we are 75% below the increase forecasted by departmental officials and many times less than the NDP or Liberal guesses.

We will not hire a single guard or build a single cell, not—

The Speaker: The hon. member for Scarborough—Guildwood.

NATIONAL DEFENCE

Hon. John McKay (Scarborough—Guildwood, Lib.): Mr. Speaker, India just held an open and transparent competition for its next generation of fighter jets. Here is what a country gets when it holds an open and transparent competition: one, it gets a state-of-the-art jet to meet its own mission needs; two, it gets the best possible jet at the best possible price; and three, it gets a huge boost to a brand new aerospace industry.

Why is the government so afraid of an open and transparent competition?

Hon. Julian Fantino (Associate Minister of National Defence, CPC): Mr. Speaker, there was a very significant competition. However, the rhetoric from the member opposite is irrefutable evidence of his party's hypocrisy.

The Liberals initiated Canada's involvement in the Joint Strike Fighter program in 1997 and in so doing committed \$100 million to get it started. Now they have cold feet and want to turn their backs on our men and women in the military and abandon a tool that is critically necessary to the Canadian military.

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[Translation]

L'INFRASTRUCTURE

Mr. François Pilon (Laval—Les Îles, NDP): Mr. Speaker, this government is making excuses to go back on its promise to help fund a new arena in Laval. It knew full well in 2009, when it signed that agreement, that the 7,000 seat arena might accommodate a professional hockey team. Now the government is claiming that the project goes against its principles.

Are its principles less solid than the Champlain Bridge? Can the minister explain this about-face?

Hon. Denis Lebel (Minister of Transport, Infrastructure and Communities and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC): Mr. Speaker, this project was submitted by the Province of Quebec in 2009 and accepted on the basis that the work was to begin on January 1, 2010, and end on December 31, 2011. It is now 2012 and not a single shovel has hit the ground. And we are the ones who are backing out? Commitments have to be kept, including the one to build the arena by December 31, 2011. Quebec will have to resubmit a request for change. For the same project, costs have increased by 30% and the number of seats has increased from 7,000 to 10,000. Let us be serious.

* * *

[English]

FOREIGN AFFAIRS

Mr. John Weston (West Vancouver—Sunshine Coast—Sea to Sky Country, CPC): Mr. Speaker, as you know, and as our Prime Minister and Minister of Foreign Affairs have said on many occasions, Iran presents the greatest threat to global peace and security today.

Members of this government regularly acknowledge the significant contributions to Canada by people of Persian or Iranian

Oral Questions

background, but Iran's current leaders regularly turn a blind eye to their human rights obligations and hide their nuclear activities by blocking international attempts to verify the country's claims.

Could the Minister of National Defence please update the House on the actions taken by our government today?

Hon. Peter MacKay (Minister of National Defence, CPC): Mr. Speaker, I thank the hon. member for his work on this file.

Canada is increasingly concerned by the actions taken by the Iranian authorities and will increase sanctions immediately.

[Translation]

Canada is extending existing sanctions against five entities and three individuals in Iran.

[English]

Canada has taken aggressive action and has been among the toughest with sanctions against Iran in the world. In fact, Canada has sanctions that cover the known leadership, the Iranian revolutionary guard. It blocked virtually all financial transactions with Iran, including those with the central bank.

Canada will continue to work with the growing list of like-minded countries to limit Iran's ability for further undercut global peace—

The Speaker: The hon. member for Sackville—Eastern Shore.

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VETERAN AFFAIRS

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, the rising debt and deficit of our country were not caused by veterans and their families. They were caused by the Prime Minister and the Conservative Party of Canada. Yet the government is planning a transfer of the Ste. Anne's Hospital in Montreal to Quebec and 1,300 jobs will be gone, plus another 500 jobs. That is 1,800 jobs out of a department of 4,100. That is a 40% reduction of personnel from the Department of Veterans Affairs.

While Britain and the United States have both said that they are not going to reduce the deficit on the backs of their heroes, the Conservative government is doing just that. Why are the minister and the government cutting the deficit on the backs of the heroes of our country?

● (1505)

Hon. Steven Blaney (Minister of Veterans Affairs, CPC): Mr. Speaker, the real question is why the opposition always opposes the investments we have made in veterans over the last six years.

Let us be very clear. Not only are we maintaining the benefits to our veterans, but we are also maintaining the resources for our veterans so they get the best service that they deserve.

Government Orders

One thing I can reassure the member that we will do is we will keep on delivering best services for our veterans. We are going to cut wait times and cut red tape.

* * *

[Translation]

PENSIONS

Mr. Louis Plamondon (Bas-Richelieu—Nicolet—Bécancour, BQ): Mr. Speaker, to justify their sudden desire to reform the pension system, the Conservatives are claiming that action must be taken before costs skyrocket because of the aging population. Yet a number of economic analysts have indicated that program costs will remain under control.

Rather than crying wolf about the sustainability of the pension plan and trying to save money at the expense of the most disadvantaged seniors, why does the Prime Minister not listen to the Fédération de l'âge d'or du Québec, which is rightfully concerned about the devastating consequences of these measures and is calling them irresponsible and pointless?

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, as I have already said today, we want to ensure that everyone entitled to receive old age security benefits will receive them today and in the future. I want to assure my colleagues that the people currently receiving old age security benefits will not lose one cent. We will ensure that the system is sustainable.

GOVERNMENT ORDERS

[English]

POOLED REGISTERED PENSION PLANS ACT

The House resumed consideration of the motion that Bill C-25, An Act relating to pooled registered pension plans and making related amendments to other Acts, be read the second time and referred to a committee.

The Speaker: The hon. member for Vancouver Centre has six and a half minutes left to conclude her remarks.

Hon. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, as I was saying earlier, if the government were really interested in securing retirement income and pensions for its citizens, it would do what the Liberal government did when we looked at the Canada pension plan and secured it for 75 years. We did not send it off to some private sector to look after, but decided it was really important. Because that Canada pension plan is secure now, I would want to know why the government would not look at expanding the Canada pension plan to meet the needs of seniors for their retirement. It could look, for instance, at people who are in the non-paid work force and expand it to them, so that instead of their having to depend on OAS only, they would get a CPP pension down the road. This is the kind of creative thinking that the Conservative government does not seem to care about.

It is easy to dump on seniors. It is easy to cut whatever they are hoping for in the next few years, and there are going to be a lot of people in this House who are going to suffer the consequences of

this. If the government were really interested in looking at changes that would benefit seniors and, at the same time, in looking for sustainability in the system, what it would do is to look at the evidence. The CPP is a good example and expanding it might be a good way to go. Let us look at the evidence of Australia, which has, for a decade, this same kind of pooled pension with private sector and insurance and financial institutions running it. After 10 years the Australians discovered that the financial institutions were the only ones that benefited from it.

So did the government listen to the evidence? Does it look at evidence when it is talking about the way to help Canadians? Does it listen to experts? We have the economist Don Drummond saying that if we are going to increase the retirement age by two years, it is going to have a severe domino effect on the workplace across all economic sectors and that it should take about 20 years to phase in. However, the Conservative government does not listen to the experts or to evidence. It is manufacturing a crisis when the OECD and the World Bank has said that there is none.

Here is what the government might be able to do to help Canadians save for retirement. Instead of making the already-rich financial and insurance sectors richer, it might want to look at a non-profit way of doing this. We have been told by the OECD that here in Canada we are one of the lowest contributors to a public pension plan. So here is a way that the government could contribute to the public pension plan if it does not like the CPP idea and if it wanted to look at a non-profit way of doing this. It could do it and it would help a lot of people who are trying to put aside money for retirement.

The argument is that people will be asked to voluntarily save in a private sector plan when they are the same people who do not have RRSPs because they do not have the money to put into them. So where would those savings come from? This is a non-starter. It is a no-brainer. It does not make any logical sense at all.

All I have to think is that it is part of the game. The government says it wants to double the rate at which it pays off its deficit, so it is doing it on the backs of the people who it thinks are the least likely to give it a hard time. The government is doing it on the backs of people like veterans, as we have heard earlier, because we know that the veterans who are suffering with post-traumatic stress disorder are not getting any help from the government. We know that the veterans are having a huge problem with being given a lump sum pension, not knowing how long they will live and how long it will last them, which is putting stress on the people who fought for us. We also look at the fact that the government is cutting health care funding without considering whether that is the appropriate thing to do. Is that an investment in productivity or are jails an investment in productivity, unless, of course, building jails is the government's way of looking at a housing and mental health strategy.

However, the problem here is that good fiscal management, if they are talking about deficit reduction, should be looked at from an evidence base and should not be done on the backs of the most vulnerable. One should look at where one cuts and where one invests. An investment means putting money into programs that will reap, down the road, good jobs and economic prosperity to be shared by everyone. This does not do that. We have seen the government make bad choices with its fiscal management of this country, and so this is something we want to talk about.

Government Orders

• (1510)

When the government says there is a crisis, I would point out that OAS costs 2.4% of GDP today. When the number of baby boomers reaches its maximum in 2031, OAS will cost 3.2% of GDP, and that cost will then begin to drop. So tell me where this crisis is? When is it going to occur? It does not seem that it will occur for a long time.

Therefore, as the government looks at ways to become fiscally sensible and prudent, it should look at evidence and try very hard not to cut the things that will in fact assist people and their quality of life. If pensioners do not have strong retirement incomes, they will need more health care. This does not make sense.

It is about logic. It is about making good financial decisions. However, the government shows that it is incapable of doing any of those things.

Mrs. Susan Truppe (Parliamentary Secretary for Status of Women, CPC): Mr. Speaker, it is my pleasure to rise in the House today to speak about our government's plan to address the gaps in our nation's retirement income system.

Our Conservative government is squarely focused on what matters to Canadians: jobs and economic growth. As opposed to the opposition's empty rhetoric and high tax plans that would result in massive job losses in my city and across our country, our government has been taking real action to create and sustain jobs and strengthen London's economy.

In budget 2011, our government provided a new hiring credit for small businesses, as well as a one-time \$1,000 credit against their increased EI premiums paid in 2011 over those paid in 2010, an investment that will directly benefit Londoners.

What did the members opposite do? They turned their backs on small businesses and their employees and voted no to this and other investments that directly benefit my constituents.

Last week, I was pleased to be joined in my riding by the hon. member for Beauce who, of course, is the Minister of State (Small Business and Tourism). We visited innovative small businesses in London, such as Voices.com, Big Viking Games and EK3. We also sat down with small business owners and London's mayor to discuss issues that are important to small businesses in our city.

We heard them loud and clear. Eight days ago, our Conservative government announced an investment of \$5 million in training programs for the manufacturing sector in southwestern Ontario. This investment will directly benefit Londoners. The next day, I was pleased to announce over \$1.2 million in research grants for Western University to help drive job creation in our city. As a side note, I would like to offer congratulations to Western University on its new branding. Again, that is an investment that will directly benefit Londoners.

There is more. The following day, along my colleague, the member for London West, I was pleased to announce over \$497,000 in funding for job skills training programs at Youth Opportunities Unlimited in my riding, an investment that will directly benefit London's youth.

That is over \$6 million of federal investments in London in just one week.

Our Conservative government has continued to build a strong foundation for retired Canadians. Since 2006, our Conservative government has twice increased the age credit amount, by \$1,000 in both 2006 and 2009; doubled the maximum amount of income eligible for the pension income credit to \$2,000; introduced pension income splitting; and increased the age limit for maturing pensions and registered retirement savings plans to 71, from 69 years of age.

Low income seniors in my riding of London North Centre are directly benefiting from budget 2011, which contained a new guaranteed income supplement top-up benefit for the most vulnerable seniors. Seniors with little or no income other than old age security and the GIS will receive additional annual benefits of up to \$600 for single seniors and \$840 for couples.

Today, we are discussing an initiative that would build a strong foundation for tomorrow's retired Canadians who do not have access to a workplace pension plan. Currently, many Canadians can only access a workplace pension plan if their employers offer one. Many employers do not want the legal or administrative burden of offering a pension plan. As a result, over 60% of Canadians do not have a workplace pension.

Bill C-25, the pooled registered pension plans act, would afford these Canadians the opportunity to make use of a new low-cost pension plan. PRPPs would be an innovative new pension plan, designed to address the lack of low-cost, large-scale retirement savings options for many Canadians.

Canada's aging population and the global financial crisis highlighted the issue of retirement income security. In this context, a joint federal-provincial working group was established in May 2009 to undertake an in-depth examination of retirement income adequacy in Canada. The working group concluded that, overall, the Canadian retirement income system was performing well and providing Canadians with an adequate standard of living upon retirement. However, some Canadian households, especially modest and middle income households, are at risk of not saving enough for retirement.

Ministers tasked senior officials to work collaboratively to analyze the wide range of ideas put forward to effectively address the issues identified in the research report.

• (1515)

Some Canadians may be failing to take advantage of the savings opportunities offered to them through individual structures, like RRSPs. For example, on average, each Canadian has over \$18,000 in unused RRSP room.

The design features of the PRPP would remove a lot of traditional barriers that might have kept some employers in the past from offering pensions to their employees. The design of these plans would also be straightforward to allow for simple enrolment and management. A third party PRPP administrator would take on most of the responsibilities that employers bear in existing pension plans, including the administrative and legal duties associated with administering a plan.

Government Orders

By pooling savings, PRPPs would offer Canadians greater purchasing power. Basically, Canadians would be able to buy in bulk. Achieving lower prices than would otherwise be available means they would get greater returns on their savings and more money would be left in their pockets when they retire.

PRPPs are also intended to be largely harmonized from province to province, which will also lower administrative costs. PRPPs would facilitate low costs through their scale and design. These plans would result in large pooled funds that would enable plan members to benefit from the lower investment management costs associated with such funds.

Earlier today I saw the NDP member for London—Fanshawe stand in the House and speak against yet another federal government investment that would directly benefit Londoners. Instead of supporting her own constituents, the member opposite spoke in favour of a massive and reckless NDP pension taxation plan that would only hurt our city's businesses and result in massive job losses across the board. Perhaps if she spoke to London small business owners, as opposed to offering empty rhetoric, she would realize the direct benefits this bill would provide their city.

I am pleased to say that, unlike the NDP member for London—Fanshawe, I consulted with small businesses in my riding and across the city to obtain their feedback on this important bill. Just what did they have to say?

James McInnes, CEO of Cyborg Trading Systems, a remarkable small business located in my riding of London North Centre, said: "By pooling resources with other small businesses across Canada, this initiative will help Canadian small businesses support their employees with securing a solid retirement plan."

Paul Johnson, CEO of Quantum5X Systems, another innovative London small business, added: "The PRPP will offer another way to attract and reward employees. With time and critical mass, the PRPP funds under management should be significant and management expense ratios should be relatively low. These should become attractive options for retirement planning for many people who don't currently have access to a pension plan."

Peter White, President of the London Economic Development Corporation, said: "The LEDC sees the advent of the PRPP as being an excellent step to ensure that businesses and employees without the benefit of a pension plan could utilize an excellent resource such as the PRPP. With the majority of businesses and employees in London not having a defined pension program, the PRPP would be a great tool to provide a cost effective plan for employees to ensure they are able to provide additional income for their retirement. The ability to use the PRPP plan would provide a well managed, secure program that would encourage employees to save more for their retirement. This PRPP is a great tool for companies."

Bill C-25 is an investment in small businesses and their employees, an investment in tomorrow's seniors, an investment in job creation, and an investment in economic growth. Most importantly, Bill C-25 is yet another federal investment that would directly benefit Londoners.

● (1520)

[*Translation*]

Mr. Raymond Côté (Beauport—Limoilou, NDP): Mr. Speaker, for the past 25 years, the OECD data have clearly demonstrated that costs in the field of health care are far lower when the public sector is responsible for service delivery. The same logic applies to the pension benefits our employees receive. Moreover, Canada's public pension systems are well funded, safe and reliable, according to all the experts.

Can my colleague explain how gambling with Canadians' money in much higher risk schemes than the ones the government offers will reassure Canadian workers and guarantee them a pension?

[*English*]

Mrs. Susan Truppe: Mr. Speaker, we are helping millions of Canadians save for retirement more easily by introducing the pooled registered pension plan. This new, low cost and accessible option would help more Canadians meet their retirement goals. This is especially important for those working for small businesses and the self-employed.

PRPPs would improve the range of retirement savings options for Canadians by providing a new accessible, straightforward and administratively low cost retirement option for employers to offer their employees. It would allow individuals who currently may not participate in a pension plan, such as the self-employed and employees of companies that do not offer a pension plan, to make use of this new type of pension plan. It would enable more people to benefit from the lower investment management costs that result from membership in a large pooled pension. It would allow accumulated benefits to move with the person from job to job. This new pension plan would help all future seniors.

● (1525)

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, I will give the minister a specific example and maybe she could explain how the government is helping those constituents who I and all MPs represent.

Those individuals who have worked for 20-plus years already throughout the manufacturing industry, retail industry and other industries and who are now entering into the 55-plus era of their lives and looking forward to retirement, now hear the government saying that they will not be able to retire and receive benefits at age 65, that they will have to wait an additional two years.

How exactly would those constituents benefit pension-wise from what the government is doing in regard to the CPP or in regard to this particular bill? I am looking specifically at the age category of 55-plus.

Mrs. Susan Truppe: Mr. Speaker, the PRPP is designed for employees and employers of small businesses. Employers do not want the legal or administrative burden of offering a pension plan. We are helping small businesses with a red tape reduction plan and this would be easy to administer.

Government Orders

I have a couple of quotes from other people who also think it is a great plan.

In November, Ontario Liberal finance minister, Dwight Duncan, said that the McGuinty government supports, in principle, the federal Conservatives' PRPP proposal.

Stewart Kennedy, president of the Ontario Medical Association, said:

Ontario's doctors and the Ontario Medical Association (OMA) commend the federal government for introducing legislation that will enable self-employed individuals to establish a pension plan.

The Canadian Chamber of Commerce said:

The Canadian Chamber of Commerce believes PRPPs—with simple and straightforward rules and processes—will give many businesses the flexibility and tools they need to help their employees save for retirement.

Mrs. Patricia Davidson (Sarnia—Lambton, CPC): Mr. Speaker, I congratulate my colleague, the Parliamentary Secretary for Status of Women and the member for London North Centre, on an excellent speech.

It is very evident from her comments the caring, compassion and hard work that she has been doing for her riding. Could she explain, in the short time we have left, why the PRPP is a good thing for the employer and the employee?

Mrs. Susan Truppe: Mr. Speaker, pooling pension savings will offer Canadians greater purchasing power because Canadians can buy in bulk. A third party PRPP administrator would take on most of the responsibility that employers currently take on with their pension plans. This would allow for simple enrolment and management. It would be helping small business owners and employees.

I, myself, was a small business owner and I know that we were always looking for a plan like this. This is a great plan and I hope everyone supports it.

[*Translation*]

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, I am pleased to rise to discuss Bill C-25, An Act relating to pooled registered pension plans and making related amendments to other Acts. Since this bill does not guarantee a pension, the term savings plan would be more appropriate.

Among other provisions, this bill will create a new type of savings plan enabling the funds from plan members' accounts to be pooled in order to reduce the costs associated with the management of investments and of the plan itself. The program will be called the pooled registered pension plan, or PRPP. The benefits will be portable.

This bill is designed for self-employed individuals and employees of small and medium-sized businesses, which are often unable to manage a private sector pension plan.

The intentions behind this bill were probably good since, according to the statistics, up to 65% of workers do not even have a pension plan. The attraction of such a pension plan is therefore clear. It would be a good pension plan for those who do not have any plan at all, such as small business employees, the self employed, and others.

However, after further scrutiny, it becomes clear that this pension plan ultimately offers no guarantees, and that is the problem. Instead, it is an investment at the whim of the financial institutions. It is not like the Canada pension plan where Canadians' money is invested and they know how much money has been invested to date, the age at which the pension can be drawn, and approximately how much money will be paid out. The plan in question is not like that at all.

Moreover, the bill states that employers can participate, but on a voluntary basis. What a fine pension plan. Employers must participate in the Canada pension plan. It is their responsibility. The reason employers must participate in the pension plan is to provide additional money to ensure that the system remains sustainable, which is the case with the Canada pension plan.

The NDP opposes this bill because it does not go far enough. It does not protect workers. The same problem arises when company pension funds are not protected. For instance, we know what happened in Nakawick when the company went bankrupt. The workers lost their pensions.

In Quebec, for example, there was a company that wanted 60% of the pension plan and 30% of the salaries of new workers and, because it did not get these things, it shut its doors and left. That is unacceptable. That is outrageous for a person who has worked all his life.

What did the Conservative government do? It turned around and introduced Bill C-25, which is significant. It is obviously important to examine the bill and determine whether it contains something worth considering. But what do the Conservatives do? They impose time allocation. They do not want to discuss this bill—in a democratic country like ours. We saw this after the election and until December. What has this government done? Once again it has imposed time allocation. This is the place we are able to discuss bills. It is standard procedure for everyone to have the right to talk about the bill and state his or her opinion. That is why we were elected. We have to be able to voice our opinions. Every member of the House must have the right to stand and express his or her opinion about a bill.

Before Christmas, during the previous session, what did the government do? It said that we had been talking about these bills since 2006, that it had heard enough, that it could put an end to the debate and that it was time to vote and move forward. For those who do not know, that is what a time allocation is.

The NDP disagreed with the Conservatives because there were new members who had the right to speak in the House of Commons. Even if we had agreed with them, it does not give them any excuse to now reduce the hours of debate in the House of Commons for the new bills. They introduced the bill on Monday. It is now Tuesday and there has already been a motion introduced in the House of Commons to halt debate.

This will be a wonderful four years. Canadians will have four wonderful years under the Conservative government.

Government Orders

● (1530)

This really is a lack of respect for democracy and the right to speak. I have said this several times in the House of Commons and I will keep repeating it as long as the government keeps acting in this way.

We send our soldiers to fight in other countries to give them democracy, a parliament, the right to speak. We do that to give the citizens of those other countries the right to know the direction their government is going in and the power to have someone speak for them.

But this Conservative government is taking that right away with time allocation motions, as it has just done, so debate ends, even though the subject is important.

This government is prepared to cut pensions for our seniors, for our women and men who have worked very hard. We are talking about the baby boomers, people who started working at the age of 14, people who started working at the age of 13, and people who went away into the woods and worked hard for our country. This government is telling them that they cost it too much and it is prepared to make 67 the age of retirement.

It is shameful, it is monstrous, even to think about that, for people who are reaching retirement. What will we do for people who had bad luck, who were sick or who had to receive social assistance, for example? This government is going to transfer the debt to the provinces. People thought that at age 65 they would finally have an income that would mean they did not have to be afraid to buy groceries to put food on the table, and they thought they would have a little money to live on for the years that were left to them, but the government wants to take that away for two more years, and it wants to transfer those costs to the provinces. They are the ones who will have to pay for it. I hope the provinces will stand up to this and tell the Conservative government it is not acceptable in our country.

Ten years after Australia tried the same pension system as is being proposed here, it was determined that that kind of pension system did not work. We have to have a better system than that.

The system the NDP wants to put in place will double the Canada pension fund. It is a guaranteed program under which people know in advance what they are going to receive.

Experts said it had to be revised because in the past people did not live long; they lived to the age of 67 or 68. Of course. They had no pension and they had to work right up to the last minute. That meant they worked themselves into the ground, they damaged their health, they wore themselves out. Perhaps the reason people's health has improved is that they are able to retire and live in peace for the years they have left to live. Technology and the new drugs and pills that people take when they are 60 are not the only reason. People have been able to stop working. There are people who have worked hard all their lives. If the government wants to make budget cuts, let it make them somewhere else.

For example, when it comes to the F-35 jets, it seems they are going to cost about \$29 billion. The federal government is spending on all kinds of things. Let it look somewhere else rather than going after our seniors, our women and men who have worked all their

lives. Let it stop going after them. They do not deserve it. These people have worked hard. This is not a matter of just workers. There are even companies that also want a new generation to employ. They want to hire young people. How many people are there in Canada who have no jobs and who are capable of replacing the people who retire, who will make room for them in their place?

It is fine to make decisions like this and say it is the right thing to do, but who is going to pay for it? It will be the most vulnerable people, the people who have not had a chance to have a pension. Bill C-25 is not going to protect those people. They are not going to be protected by this.

Once again, and it cannot be said loud enough, the NDP's plan is well designed and has been accepted by the Canadian Labour Congress, by all the unions in Canada. The Canada pension plan is what we should be looking at. That would help even the people who are not union members; it would help all these workers who have worked all their lives.

I hope the government will revise this bill, send it to committee where amendments will be proposed, and allow the time to examine it properly. I hope members will be able to examine it, call experts, and propose amendments. However, knowing this government, I do not think that is going to happen. For the four years they are going to be here in the House of Commons, they are going to ignore democracy in our country and in our institution, Parliament.

● (1535)

[English]

Mr. Frank Valeriote (Guelph, Lib.): Mr. Speaker, the member's remarks were impassioned and thoughtful.

I do not know if the member was here earlier, but the Conservative member for Burlington suggested that this matter go to second reading and that possible changes and recommendations to improve the legislation might be thought of and talked about there.

With that in mind, would the member support the leader of the Liberal Party's suggestion? Yesterday the member for Toronto Centre suggested that the Canada pension plan be allowed to compete with private investors, who would be investing most of this money under the pooled plan, and that the Canada pension plan be allowed to compete for those same funds in order to keep the costs down, which as we know from the Australian experience would be excessively high?

● (1540)

Mr. Yvon Godin: Mr. Speaker, I did hear what the member said yesterday, but I do not know why the Canada pension plan should compete with anything else.

Government Orders

The Canada pension plan is a plan on its own. It is a plan where we know the fixed amounts. It should not compete with the program that the government wants to give to financial institutions and private companies that will look after it. We will see what happens to the pension plans of the workers across the country. Companies have no interest in the workers. Companies will take them away when they have a chance to do so. If employers want to take the pension off the collective agreements, taking it away from the workers, and if the workers do not agree with it, they will just close the doors. This is what happened in Quebec City not too long ago. This is also happening in Ontario. Caterpillar wants to do the same thing. It wants to cut wages and pension plans, with no care for the working people.

That is why I believe the Canada pension plan is the way to go. It is the one that belongs to the public. It belongs to all Canadians, the men and women of our country. That is the way we should go about it to guarantee a real pension plan for our men and women who have worked so hard all their lives.

[*Translation*]

Ms. Marjolaine Boutin-Sweet (Hochelaga, NDP): Mr. Speaker, it is always a pleasure to listen to my colleague speak. He is so spirited and really believes in what he says. That much is evident. I would like him to elaborate on alternatives to the Conservatives' plan and talk about initiatives that would really help Canada's seniors.

Mr. Yvon Godin: Mr. Speaker, there are certainly alternatives that would not adversely affect seniors or push back the qualifying age for old age security to 67. That is not an alternative. It is time-honoured and must not be touched. It is guaranteed.

Moreover, the government should pass legislation to ensure that people working for businesses receive a pension. The time has come to stop stealing workers' pension money and then turning a blind eye to it.

If you ask the government what is happening with private companies, it says that it is a matter for employees and their employers to resolve. That is what we have heard in the last few days from the government. When workers are mistreated, the government turns a blind eye, but things are different when employers are affected. The government supported Air Canada and Canada Post to the bitter end in an effort to crucify workers. Members will excuse me for my choice of words. The government had no qualms about doing this. But when it comes time to protect the welfare of workers, the Conservative government is nowhere to be seen. Legislation is required to protect workers' pensions. That is what is needed and that is what the government should do.

[*English*]

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, the member for Acadie—Bathurst has long been a voice for workers in the House, whether it was employment insurance and now pensions.

Could the member comment on the fact that we have many seniors who are falling further and further behind and are looking more at living in poverty stricken conditions? Could the member comment on how he sees women in particular being able to take advantage of the so-called pension plan that the government is proposing?

Mr. Yvon Godin: Mr. Speaker, if we do not know what the end result will be, how can anyone take advantage of it. That is what I am worried about.

Here is a new plan where companies do not have to invest in it. Employees will invest. It is in the hands of the financial institutions with no guarantee at all of what they will get.

People work hard. They have a view of what they will do when they retire and then all of a sudden they are there. Now when the workers get to their retirement, they could find out there is no pension.

This bill will not protect a pension plan for the working men and women of our country. That is why I say it is wrong. That is why we have to go with a program like the Canada pension plan, then the workers will know what money they will get when they retire.

Mr. Gordon Brown (Leeds—Grenville, CPC): Mr. Speaker, I am pleased to join this second reading debate on Bill C-25, An Act relating to pooled registered pension plans.

As the hon. members of the House know, pension plan coverage is an important issue to those Canadians who have not had access to pensions because they are employed by small and medium-size businesses or because they are self-employed. We want to help those Canadians. Therefore, we will be working with the provincial and territorial governments to meet the budget 2011 commitment to introduce a new kind of pension plan called the pooled registered pension plan, or PRPP as it has become known. This commitment is among the many commitments that this government has made to help improve Canada's retirement system.

In 2006 our government has increased the age credit amount by \$1,000 and by another \$1,000 in 2009. We have doubled the maximum amount of income eligible for the pension income credit to \$2,000. We have introduced pension income splitting and also increased the age limit for maturing pensions and registered retirement savings plans to 71 from 69 years of age.

We are happy to see that our government has also provided \$2.3 billion in additional annual targeted tax relief to seniors and pensioners through measures such as pension income splitting, increases in the age credit amount and a doubling of the maximum amount of income eligible for the pension income credit.

I have heard from many seniors in my riding of Leeds—Grenville who appreciate what we have done to relieve the tax burden. Often when I am out at events around the riding, and I do attend many of them, this is what I hear. In my riding the average age is a little higher than it is in other parts of Canada. This is something that is very important to my constituents.

In addition, in budget 2008 we introduced the tax-free savings account, the TFSA, something that is particularly beneficial to seniors, as it is to everyone, as it helps them meet their ongoing savings needs on a tax-efficient basis after they are no longer able to contribute an RRSP.

Government Orders

Our record also includes important improvements to several specific retirement income supports. In budget 2008 we increased flexibility for seniors and older workers with federally-regulated pension assets that were held in life income funds. In our latest budget we also increased the guaranteed income supplement that is available to seniors.

The introduction of the pooled registered pension plan is only the most recent action that has been taken by our government to strengthen Canada's retirement income system.

Going forward, a key component of ensuring financial security for Canadians will be this PRPP.

Today's PRPP legislation will play a critical role in improving the range of retirement savings options available to Canadians by providing a low cost retirement savings opportunity for employees with or without a participating employer, as well as those who are self-employed.

PRPPs will make well-regulated, low cost, private sector pension plans available to millions of Canadians who up to now have not had access to such plans. Many employees of small and medium-size businesses and self-employed workers will now have access to a large-scale pension plan for the very first time. This will be a key improvement to Canada's retirement income system.

PRPPs will also complement and support the Government of Canada's overarching objective of creating and sustaining jobs, leveraging business investments, securing our economic recovery and encouraging sustainable private sector driven growth.

Some of the retirement income system proposals that we have looked at in our consultations would have significantly raised costs for employers and employees. They would have been unacceptable at a time of a very tentative economic recovery.

Canada's finance ministers opted to prioritize the PRPP framework over other options because it was considered the most effective and targeted way to address the prime areas for improvement identified in our working group's research, particularly the modest and middle-income individuals who did not have access to employer-sponsored pension plans.

• (1545)

PRPPs address this gap in the retirement system by: providing a new, accessible, straightforward and administratively low cost retirement option for employers to offer to their employees; allowing individuals who currently may not participate in a pension plan, such as the self-employed and employees of companies that do not offer a pension plan, to make use of this new option; enabling more people to benefit from the lower investment management costs that result from membership in a large pooled pension plan; allowing for the portability of benefits that would facilitate an easy transfer between plans; and ensuring that funds that are invested are in the best interests of the plan members.

These are all important areas where our retirement income system can and should be improved. That is why federal, provincial and territorial governments are working to implement PRPPs as soon as possible.

If it were up to the NDP, it would double CPP contributions, meaning increased payroll taxes on small and medium-sized businesses, the types of businesses that are very prevalent in my riding of Leeds—Grenville.

Might I also remind the NDP the changes to the CPP require the agreement of at least two-thirds of the provinces with at least two-thirds of the population. Federal, provincial and territorial ministers of finance have discussed a CPP expansion, but at this time there has been no agreement. However, they did agree to pursue the PRPP framework. That is because the PRPP strikes the right balance.

Our government understands that during a fragile economic recovery, it is not the right time to increase CPP contributions and tax small and medium-sized businesses any more than they already are.

When it comes to the economy and helping Canadians save for their retirement, they can count on this government to stand up for Canadians.

I and my colleagues on this side of the House could stand here and talk about how great this plan is, but there are other voices to be heard on this issue. I want to take a few minutes to review what others have been saying about the PRPP.

Gregory Thomas, federal and Ontario director of the Canadian Taxpayers Federation said the following:

This new pension legislation is good for Canadians planning for retirement and for taxpayers. Canadians will be able to save more for retirement with this new pension plan. People saving for retirement will enjoy lower costs and more flexibility throughout their working lives.

The Canadian Chamber of Commerce released this information. It said:

The Canadian Chamber of Commerce believes PRPPs - with simple and straightforward rules and processes - will give many businesses the flexibility and tools they need to help their employees save for retirement. PRPPs will also provide individuals and the self-employed with additional retirement savings options.

Dan Kelly, vice-president of the Canadian Federation of Independent Business, stated:

A new voluntary, low-cost and administratively simple retirement savings mechanism will allow more employers, employees, and the self-employed to participate in a pension plan. CFIB is particularly pleased that firms will be given a choice as to whether to register for or contribute to a PRPP.

Many others across Canada have made similar comments. PRPPs will help Canadians save for their retirement. Through numerous cross-country consultations, our government has talked to many Canadians and heard first hand how difficult it can be to prepare for a financially secure retirement. That is why we have devoted considerable effort on the retirement security issue.

We believe PRPPs are a step in the right direction. I urge all members to support the government in this major step forward in securing Canadians' retirement income needs.

Government Orders

• (1550)

[*Translation*]

Mr. Raymond Côté (Beauport—Limoilou, NDP): Mr. Speaker, Canada's private pension funds are already suffering from the unfavourable market conditions. The base interest rate is very low, which makes for negligible and even negative returns in the stock market. There are already chinks in the armour of the pension funds in which Canadians voluntarily participate, and Canadians' pensions are already in peril.

With this kind of system, the additional influx of money would flood an already saturated market and fuel unfettered speculation. In some ways, it would create the perfect storm, which could threaten the future of our retirees.

How can my colleague justify supporting such an ominous plan for the future of our pensions and the economy in general? After all, our retirees play a major role in Canada's economy.

• (1555)

[*English*]

Mr. Gordon Brown: Mr. Speaker, we need to understand that this would be an additional vehicle in order to support those who are planning their retirement. This would be an additional way that those who are self-employed or who work for companies that do not have pension plans could participate in a pension plan.

We have continued to work with the provinces in terms of the CPP, as all Canadians expect us to do. Right now that plan appears to be viable for the long run. The opposition has suggested that we double the contributions. We all know the impact that would have on the economy and on growth.

This is a very positive development. I cannot see why the opposition would oppose this. There are other things that can be done but this is another positive development for those who are planning their retirement.

Mr. Ted Hsu (Kingston and the Islands, Lib.): Mr. Speaker, I wish to congratulate the member for Leeds—Grenville for his fine remarks.

What concerns me is that participants would be captive customers. Imagine young people who contribute to this PRPP. They would put their money in for 40 years. It would then convert to annuities and they would be customers for another 20 years. I am worried that fees may be too high and may cut into the investment returns, especially now when returns are so low and are expected to remain low for quite a while. The legislation should say something about regulating fees. A study of the Australian program found that the fees paid to financial institutions were a significant chunk of the investment return.

Would the member support an amendment in committee to regulate the management fees that would be charged to these captive customers?

Mr. Gordon Brown: Mr. Speaker, Kingston and the Islands is the riding next to mine, and I know that the member is working hard for the people in Kingston. His question has to do with ensuring that we have a low-cost plan. That is what this PRPP would be.

There are many different ways that people can save. We all know that there are other vehicles to save for retirement, such as the tax-free savings account. The PRPP, by pooling funds in a pooled registered plan, would allow low costs. People would be able to participate with others and that would cut down on the costs.

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, it was interesting to listen to the member's remarks about this being a way to provide security for people. In the RRSP experience over the last couple of years, people who had invested for their retirement saw their savings eroded, sometimes by up to 30% or 40%.

Could the member address the fact that the PRPP would still put people at risk, as they would be investing their hard-earned dollars in something that may or may not provide them with money when they retire?

Mr. Gordon Brown: Mr. Speaker, we all are working for a better, more positive economy. That is why this government has been focusing on the economy and jobs. That is what is going to drive up the value of investments. Many people have lost some value in their RRSPs over the last number of years. However, many people have not cashed them out. With this government focusing on a positive economy and moving forward with economic growth and jobs, the value should come back to some of those RRSPs. I know this government is working hard on that.

[*Translation*]

Ms. Anne Minh-Thu Quach (Beauharnois—Salaberry, NDP): Mr. Speaker, it is always an honour for me to rise in this House as a member of Parliament to speak on behalf of the people of Beauharnois—Salaberry. I would like to take this opportunity to wish all my colleagues and everyone in Beauharnois—Salaberry a happy new year. I especially want to thank my assistants, who work hard and do an excellent job.

I am very proud to be here to represent Canada, a country that to me and to many of my constituents represents not only a peaceful and welcoming land and a land of opportunity, but also a society that respects individual differences, that takes into account individual social realities and protects the least fortunate. In these tough economic times, it is very important to remember this country's basic values, the values of solidarity and justice that are the envy of countries the world over.

It is in that spirit that I rise today to speak to the fundamental issue of the retirement of Canada's seniors. What the Conservative government is proposing here in its Bill C-25 is a legal framework for the establishment of pooled registered pension plans. These plans are designed for self-employed workers and workers in small and medium-sized businesses who do not have access to the pension plans of large companies or the public service. The goal is commendable, but my colleagues and I fear that this bill will do nothing to resolve the problem retirees are facing.

Government Orders

Bill C-25 would create a new kind of savings plan, the pooled registered pension plan, enabling plan members to pool their funds. Employees would contribute a portion of their earnings to a retirement fund, and that money would be invested in stocks, bonds and investment funds, which are very volatile. The plan would be administered by the banking sector—once again, the private sector—and employers would be able to contribute if they wanted to. As for any other defined contribution plan, the amount of money available upon retirement is not guaranteed. I repeat: no guarantees. That is very risky. In 2008, we saw the bottom fall out of the stock market, eating away at people's savings in the process. We all suffered as a result. Given the subprime mortgage scandal that dragged financial institutions worldwide into a huge mess, we have reason to be skeptical about the future of our savings.

The Minister of Industry says that the plans provided for in Bill C-25 would give workers “an innovative new, privately administered, low-cost and accessible pension vehicle”. Let us take a closer look at that.

The government makes many claims in this bill, but does not back those claims up with fact. We already have optional savings plans, such as registered retirement savings plans, or RRSPs. These programs work well for the middle class, but there are still over 12 million Canadians who do not contribute to optional plans because they do not have any money to save.

I should not have to point out that one in four Canadians works at a low-paying job and has trouble making ends meet as it is. In my riding alone, 12% of residents are seniors. More than one in ten of my constituents lives on very little income.

Bill C-25 would entrust responsibility for the proposed retirement funds to the private sector because, according to the government, the private sector will save us money. Yet Bill C-25 does not cap the management costs or fees that fund managers can charge. Small-scale management will increase management fees, and once again, workers will foot the bill.

Entrusting these plans to the public system would ensure far greater economies of scale and the burden would not be on the workers. We should not forget that we are talking about self-employed workers and employees of small and medium-sized businesses. I do not believe that they would like to have their savings eroded by management fees or inflation. Yes, I did say by inflation because the plan proposed by the Conservatives will not be indexed to the cost of living. Once again, it is fairly risky.

• (1600)

The government claims that the proposed pension plans will be accessible. If we consider that more than 60% of Canadians do not contribute to a pension plan at work, it is naive to believe that another plan, similar to what is already available on the market, will spur people to save, especially if there is no guarantee that their employer will contribute to the fund.

The Australian example clearly illustrates the limitations of such a savings plan. An analysis of the Australian super fund, a similar program, shows that even though people saved, the return on investment was not much higher than inflation, a disappointing result

due mainly—and I will say it slowly—to the high management costs in the private sector.

The pooled registered pension plan does not resolve the basic issue that we are currently facing: how to ensure all Canadians can retire with dignity, no matter their financial situation. What the government is not saying is that it intends to slash the whole Canada pension plan. The statements made by the Prime Minister in Davos, Switzerland, provide insight into this government's real intentions. The Conservatives want to make changes to the Canadian retirement income system. But what are they? We have every reason to believe that they will slash public programs that Canadians value.

We should not forget that old age security is the last defence against poverty and isolation, and it is vital to those who have lived and continue to live on low income and who have not been able to save for their old age. Many women are in this situation, because they hold the majority of part-time or precarious jobs. If programs such as old age security are cut, that will have a direct impact on the physical and psychological health of the most vulnerable in our society.

Well, I would remind the Prime Minister and the members of the government that they have an obligation to govern for all Canadians, including seniors, regardless of their earnings or their financial status. If the Conservatives really want to make reforms that will ensure the continuity of the Canadian pension system, we in the opposition have four alternatives to propose.

First, we must increase Canada pension plan and Quebec pension plan benefits. Both plans are working perfectly well and simply need investments. Some 93% of the population already contributes to those plans, which is very effective. Second, we need to work with the provinces to make it easier for people to contribute to an individual pension plan. Third, we need to amend federal legislation to ensure that when businesses go bankrupt, they do not take off with all of the workers' savings. Fourth—so there are several choices—we must increase the guaranteed income supplement to lift seniors out of poverty and help them live in dignity.

How will we achieve all of this? Where will we get the money? That is what the Conservatives always ask. Well, we make political choices, social choices. Instead of handing billions of dollars in tax breaks to large corporations that are already earning huge profits, we could redistribute that revenue equitably and fairly among the population.

Must I remind the House that over a million Canadian seniors live below the poverty line? That is serious. Thus, the federal government has a responsibility towards our seniors. It should be investing in areas where it could make a real difference in public pension plans, instead of letting financial institutions and insurance companies line their pockets.

Government Orders

•(1605)

[English]

Mr. Deepak Obhrai (Parliamentary Secretary to the Minister of Foreign Affairs, CPC): Mr. Speaker, let me wish a happy new year to the hon. member, her family and her constituents.

She raised some very important questions. One of them was the volatility of the stock market. She then talked about the Canada pension plan. The Canada pension plan is administered on the basis of what is happening in the market. When we talk about the volatility of the stock market, we are also looking at how the Canada pension plan would be affected. Of course, it is guaranteed by the federal government, but we cannot keep on guaranteeing something that needs to be fixed.

The Canada pension plan is doing very well. The OAS is what we are talking about, but this government has a very clear policy. There will be no shortchanging of any seniors in this country. As a matter of fact, this government has worked very hard for the seniors.

I want to tell the hon. member that she should go back and look at the record before she came into this House to see how much this government did for seniors to get them out of poverty, through pension income splitting and other initiatives. Perhaps she would then understand. Let me remind her that her party voted against all those measures.

•(1610)

[Translation]

Ms. Anne Minh-Thu Quach: Mr. Speaker, I would like to thank the member opposite for his question. I will concentrate on what we are discussing, namely, Bill C-25. When we talk about contributing to a public plan and helping people, we must take into account the economic times. Right now, we are in a situation where we must help people, not further jeopardize their future. It is said that we are in a precarious situation and that we must be careful with our money. If we must be careful with our money, we have to be careful with the money of Canadians in general. If we allow people to contribute to a stable system like the CPP or the QPP, we are showing them that we are fiscally responsible and that we respect them. We cannot play Russian roulette with their savings. In addition, people who want to save for their retirement already have access to RRSPs and TFSA. According to the statistics I have here, 70% of people do not contribute to RRSPs or TFSAs because they do not—

The Acting Speaker (Mr. Bruce Stanton): Order, please. The hon. member for Rosemont—La Petite-Patrie for questions and comments.

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Mr. Speaker, again we see that the Conservatives have learned nothing from the 2008-09 financial collapse and that they are going back to their bad neo-liberal habits. I would like to commend the hon. member for her excellent speech, which painted a very clear picture of the situation and of the different options that are available.

I would like her to talk a little bit more about how the FTQ and the Canadian Labour Congress are calling for improvements to the most effective, most solid, most robust plan—our public plan, the Canada pension plan or Quebec pension plan. I would also like her to tell us why it is dangerous to encourage people, with this bill, to bet all their

savings and close their eyes and hope that there will be money left in the fund when they retire. This is gambling; it is not taking care of people.

Ms. Anne Minh-Thu Quach: Mr. Speaker, I would like to thank the member for Rosemont—La Petite-Patrie. He referred to all of the problems with the stock market in 2008. The government had to intervene because the rules governing the market failed. Governments reinvested in banking systems. This suggests that Bill C-25 is very dangerous and risky for the people, who would take on all of that risk. Many union leaders and economists have said that we would be better off enhancing the Quebec pension plan and the Canada pension plan, which would cost no more than going ahead with the proposal in Bill C-25. Let us choose stability and security for retirees and seniors.

[English]

Mr. Joe Preston (Elgin—Middlesex—London, CPC): Mr. Speaker, I am pleased to have the opportunity to speak today about the importance of a secure and dignified retirement for people who have spent and will spend their lives building a better and more prosperous Canada for us all.

We have devoted considerable effort on the retirement security issue in order to get it right. Over the past two years our government's commitment to a stronger retirement income system has taken my colleague, the Minister of State for Finance, to communities across this country. He has been a very busy man making sure that Canadian voices are heard.

While travelling across the country, the minister has engaged and challenged opposition parties in constructive dialogue, met with his provincial and territorial counterparts, discussed key considerations with business and labour groups, and received valuable input from some of the most respected experts in the retirement income field. Most important, he has consulted with day-to-day Canadians in all of our communities. We have made significant progress as a result of these efforts. I would like to thank the minister for his incredible effort to reach out to Canadians.

As a result of these meetings and round tables, the pooled registered pension plan, PRPP, was created. The PRPP will mark a significant step forward in advancing our retirement income agenda. It will be a vital improvement to Canada's retirement income system. PRPPs will be a large-scale, broad-based pension arrangement available to employees with or without a participating employer, as well as the self-employed.

As a former self-employed small businessman myself, I know first-hand how difficult it is to save for retirement. When one is running a business and is the head of operations, the president of human resources, the director of purchasing, the supervisor of maintenance, and the marketing expert, sometimes just ensuring the sidewalks are shovelled or all staff are in place is more important and takes priority over thinking of retirement or how to save for it. In small business one less thing to think about is one more chance to give better customer service and one more way to ensure survival in the world of free enterprise.

PRPPs will fill a gap on the voluntary side of our retirement income system by providing millions of Canadians with access to a low cost pension arrangement for the very first time.

Government Orders

The introduction of PRPPs marks a particularly significant advancement in supporting the retirement needs of small businesses and their employees who until now have had no access to large-scale, low cost pension options.

To quote the Canadian Chamber of Commerce, “The legislation introduced...has the potential to benefit an estimated 60% of Canadians who have either no, or insufficient, retirement savings”.

Dan Kelly, vice-president of the Canadian Federation of Independent Businesses said that the pooled pension plans are desperately needed because only about 15% of small- or medium-size businesses that the CFIB represents offer some form of retirement savings plans for their employees”.

As members can see, there is great excitement and enthusiasm for this plan.

PRPPs will also complement and support the Government of Canada's over-arching objective of creating and sustaining jobs, leveraging business investment, securing our economic recovery and sustainable private sector driven growth.

Some of the retirement income system proposals that were presented in the consultations the minister had would have significantly raised costs for employers and employees. Introducing them would have been unacceptable during the very tentative economic recovery that we are currently going through.

PRPPs on the other hand will be efficiently managed, privately administered pension arrangements that will provide greater choice to employers and individuals, thereby promoting pension coverage and retirement savings, people saving for their retirement.

This legislation is to put in place the federal requirements supporting the framework for PRPPs. It would improve the range of retirement saving options for Canadians by: providing a new accessible, straightforward and administratively low cost retirement option for employers to offer to their employees; allowing individuals who currently may not participate in a pension plan, such as the self-employed and employees of companies that do not offer a pension plan, to make use of this new type of pension plan; enabling more people to benefit from the lower investment management costs that result from membership in large pooled pension plans; allowing for the portability of benefits that will facilitate an easy transfer between plans; and ensuring that funds are invested in the best interests of plan members.

● (1615)

In addition, my colleague, the Minister of State for Finance, met with the provinces to assist them in making the necessary changes from their side. All provinces are on board with the idea of providing small and medium businesses with pooled registered pension plans. My own provincial finance minister has stated that the McGuinty government supports the federal Conservatives' PRPP proposal. Working together, I am confident we can get these important retirement vehicles up and running for Canadians in a timely manner.

Our record of support for seniors remains strong and has been since our very first budget. One only has to look at the facts. I will give some examples of things that our government has done since 2006, many of which have been mentioned today.

In budget 2011 we announced the guaranteed income supplement top-up benefit for the most vulnerable seniors. Seniors with little or no income other than the old age security and the GIS received an additional amount through the GIS this year.

Our government increased the age credit twice, with \$1,000 in 2006 and another \$1,000 in 2009. We doubled the maximum amount eligible for the pension income credit to \$2,000. We introduced pension income splitting, something that is really talked about back home. We increased the age limit for maturing pensions and registered retirement savings plans. Boy we have done a lot. We increased the age credit amount and doubled the maximum amount of income eligible for the pension income credit.

In addition, in budget 2008, we introduced the tax-free savings account. This is particularly beneficial to seniors as it helps them meet their ongoing savings needs on a tax-efficient basis after they can no longer contribute to their RRSPs.

In closing, the formula is nearly perfect. We want to make it work and it will accomplish having Canadians save for their retirement. We want to make it simple and seamless. As I stated before, most small businesses, employees of those businesses, and the self-employed really do want to save for their retirement to put away for their future, but we failed to act.

For example, each Canadian has about \$18,000 of unused RRSP room, some because they have not got around to it. A plan like this would help to correct that. Making the option of PRPPs available relieves the already very busy small and medium businesses of the burden of administering a pension plan while creating an easy and simpler process for employees to enrol and save.

As an entrepreneur, like many Canadian small business owners, I am not an expert in all areas of business, admittedly even in some of the areas of my own business. To have the opportunity to use the PRPP to provide a professional plan for retirement savings administered by experts in that field allows me to offer something to my employees that is currently not possible.

We all win if we make it easier to plan for our future. PRPPs would remove the barriers that made it impossible for my business and other small businesses like it to offer the ability to be part of a pension plan for their employees. This is a significant and timely solution. I am proud of our government for taking the steps to provide this opportunity for Canadians.

I will support this legislation. Canadian families will benefit because of this legislation.

● (1620)

[*Translation*]

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

Government Orders

One point stood out: plans, plans and more plans. We already have a public pension plan, as well as RRSPs and registered retirement income funds. We have TFSAs, which some people use as a retirement fund. We have all of these things, and we know that not everyone contributes. And now here we have another plan.

Does my colleague think that ordinary Canadians are soon going to have to take a university-level financial literacy course to figure out what their best option is? Should we not just improve what we already have, simplify things and make the existing tools more accessible?

[*English*]

Mr. Joe Preston: Mr. Speaker, that is exactly what the PRPP does. It creates large pools of retirement pension ability for businesses that otherwise do not have that expertise.

Many small businesses, like my own and many across Ontario and Canada, employ two, three, five or ten people. The owners of those businesses are hard-working men and women who go to work every day and know their business very well, but do not know something like administering pension plans. The PRPP would give an opportunity for those businesses to use the expertise that is already out there to take advantage of a very large pool of pension funds in order to help themselves and their employees plan for their retirement.

Mr. Marc Garneau (Westmount—Ville-Marie, Lib.): Mr. Speaker, it was very interesting listening to my hon. colleague. He seemed close to the point of rapture with his satisfaction with Bill C-25. I am very glad that he is very happy about it.

. Bill C-25 is the PRPP and then, apart from that, we have the social safety net programs: the Canada pension plan, the GIS and the OAS. Yesterday on television, the House leader said that the CPP and the GIS would not be touched. I will take the government's word for it but it seems that the OAS may be touched at some point in the future.

Does the member feel that with the PRPP, this legislation, plus those other programs, the pension needs of Canadians will be addressed for the foreseeable future?

• (1625)

Mr. Joe Preston: Mr. Speaker, I sat here today listening to the debate. I understand the role of opposition and I understand the negative side that often needs to be taken. However, it reminds me of a cartoon character from my youth who walks around with a little cloud over his head and it is always raining just on him.

I, on the other hand, as he says, do tend to look positively and favourably at things. I like to find what is good and agree with it. His question just reinforces that there is no one right answer. There can be a number of right answers. This is the place where we come to talk and find that out. However, does it always have to be how bad my country is from the other side rather than, "Hey, Joe, that's a great idea. Let's vote for that."?

Mr. Mike Allen (Tobique—Mactaquac, CPC): Mr. Speaker, I would tend to say that, rather than ecstatic, my friend was a little out of puff as he was going through all the things that we have done for seniors.

As a small business owner, talking about the pooled registered pension plan, how does he see this as an advantage to attract and retain employees from the standpoint of the pension option and also the possibility of employers using matching contributions to attract and retain people?

Mr. Joe Preston: Mr. Speaker, there was not enough time during my speech to cover that good point, so I thank my colleague for the question.

Small businesses in this country attract great employees and love to keep them. Sometimes, as I said, with small businesses of maybe only three, four, five or ten people, there is always the worry that after they have trained great employees and can only offer them so much, they will be attracted by some other large corporation out there and they will go off and work for them because the benefit plan may be better or the future pensions may be better. This would offer the opportunity to small and medium businesses across this country to retain employees by offering a pension plan like a big business because they are pooled in with many other small businesses.

[*Translation*]

The Acting Speaker (Mr. Bruce Stanton): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Nanaimo—Cowichan, Poverty; the hon. member for Ottawa—Vanier, Auditor General; the hon. member for Vancouver Quadra, Justice.

[*English*]

Mr. Deepak Obhrai (Parliamentary Secretary to the Minister of Foreign Affairs, CPC): Mr. Speaker, it is a great pleasure to speak to this pension plan. All I am going to say, for my wife specifically, is that this pension plan came 15 years too late. I will explain why it is 15 years too late.

First and foremost, I will say that my colleague, the Minister of State for Finance, has been working very hard on this file. I personally know that he went across this country and met his provincial counterparts, business leaders and a vast number of Canadians to see how we could close this gap that has been hanging out there for years and years. He, along with the Minister of Finance and the Prime Minister, finally came up with a plan that was very well accepted. It is a very sound plan and I will explain why.

I will also say quite clearly for the opposition and, most important, for the NDP members, as I said in my answer previously, that they should go back and look at what this government has done for seniors, as my colleague stated very loudly when listing all of the things that we have done. He, however, neglected to mention, which I would like to put on the record, that a lot of the new members of Parliament should look at their former colleagues' records in opposing any of the measures that we brought forward to help seniors.

Government Orders

My wife was a business woman. She ran a dry cleaning business for 15 years. During that period of time, she worked very hard for her business. In contrast, I was working for the City of Calgary, the local government, and I was covered by a pension plan through the city. I can say that she worked twice as hard as I did. I am not saying that city and municipal workers do not work hard because they do, but she was a business owner and worked extremely hard to make a success of her business. As all business owners know, business is always up and down. Today she does not have a pension plan. She has nothing to show for her 15 years of hard work, except what she could scrounge and put into RRSPs at the end of each year, which was all based on the profit of her business.

In small businesses, RRSPs are always at the end of the year and the money comes out of their profits. What she really needed and does not have even today is anything to show for her retirement. The good thing in this plan is that it says we should look after ourselves first. I have sat down and talked to my wife. Fortunately enough, she can jointly share in my pension plan. However, that is not the issue. In her case, the issue was one safety net, which is my pension. However, what about her own health and her own efforts and sweat to bring that business up? There was no plan.

My colleagues went right across the country and there was recognition by the provincial governments and everybody else that the gap needed to be filled. Today, following the promise that was made in the election campaign, we are fulfilling that promise.

It does not come as a surprise to me that the NDP and the Liberals are opposed. They will always oppose. They have opposed anything this government has done for seniors. However, this plan is, quite clearly, one of the many plans that could be available to Canadians to allow them to save. As I pointed out, small businesses had no other options in the past and now they will have options. This is not the icing on the pension plan. This addresses an issue for small businesses and people who cannot join other pension plans. They would finally have a pension plan in which they can contribute.

• (1630)

Doubts have been raised here about the cost. When one is opposing an issue, one will raise all kinds of questions, such as questions about the cost of running this kind of a plan and questions about the stock market going down and the plan losing money as people have lost money. Everybody seems to forget about the time when the stock market went up and people made money.

The Canada pension plan is sound because it has made sound investment decisions. Investment decisions need to be made to ensure that there is a future for the plan.

This plan is a very simple plan and it is in co-operation with the provinces, the territories and businesses. There would be a large pool of money. It would not be an expensive proposition for people to put their money away for retirement. For small businesses, this is a key element. We all know small business is one of the strongest economic engines of the country, as well as self-employed people.

I do not understand why the opposition would oppose this plan when we are providing an option. It would be another option for people who have not been covered by a pension plan. to join a

pension plan. What is wrong with asking them to join a pension plan?

Of course there is the issue about the Canada pension plan. The Canada pension plan requires the co-operation of all finance ministers. It does not require the co-operation of the NDP.

My colleague, the Minister of State for Finance, went across the country talking to all the provincial finance ministers and a sound decision was made by them taking into account that this was the best, low cost option available to cover those Canadians who were not covered by a pension plan.

What is wrong with that whole picture? There is nothing wrong with this picture. The Canada pension plan, the OAS, the GIS, RRSPs, income-splitting and TFSAs are all there, so why not have something else for retirement? We all need a retirement income. As the population ages, who will carry the burden?

Yesterday, a report came out of Japan where the population is aging very rapidly and where 40% of the population will need to take care of 60% of the population. There needs to be a sound system of pensions.

We should be proud of the fact that the government has created a sound regulatory system in Canada. We did not have to bail out our banks in the 2008 recession because of our sound fiscal calculations.

We now have another issue and we brought in something that was discussed around the country. It was on the table of all finance ministers who said that this was the right option to go with.

The opposition members should listen to their constituents and their provincial governments or to the Ontario Liberal premier. They could ask them why they are supporting this plan. It is because it is something that was needed and, as I said, it is something my wife would have actually benefited from if she had had this option 15 years ago.

I know other colleagues will be speaking but I am very happy to say that I will be fully supporting this based on my experience.

• (1635)

[*Translation*]

Ms. Marjolaine Boutin-Sweet (Hochelaga, NDP): Mr. Speaker, we have said a number of times that we think the plan was full of good intentions, but it has one huge problem: it is tied to the stock market. The past few years have been full of fluctuations, losses and the collapse of markets. So this is very risky.

What will the government say to a woman in my riding of Hochelaga who struggles to put aside some savings and then loses up to 10% of her income? That would be enough to determine whether she can afford groceries from one week to the next.

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[English]

Mr. Deepak Obhrai: Mr. Speaker, indeed stock markets go up and stock markets go down. It all depends on the financial viability up here. If we let an NDP government up here, as there was in Ontario under the interim Liberal leader, it would create uneconomic conditions out there and we all know what would happen to the stock market. If the NDP continued raising payroll taxes, it will create the uneconomic conditions.

There are a lot of investment options in this country. The stock market is one of them. There are high-level stock markets as well as safe stock markets. Stock brokers can advise where there are safe markets.

I will remind the hon. member that the Canada pension plan has an investment board that invests money from the Canada pension pool. The teachers' pension plan is another one that also makes investments. The idea is get management that will invest wisely, and a wise investment will always give a good return. We are not looking at the short term, but the longer term.

• (1640)

[Translation]

Mr. Raymond Côté (Beauport—Limoilou, NDP): Mr. Speaker, I must congratulate the minister of state on his excellent questions, but if the government made the necessary effort with the provinces to improve public pension plans, results would definitely be achieved. However, considering this government's record in that regard, clearly, the war continues. This is obvious with securities authorities.

One of the major problems with the government's bill is that it places all of the risk squarely on the shoulders of Canadian workers. A defined contribution plan makes workers and pensioners vulnerable to all kinds of events, both unintentional and deliberate. This has the potential to turn into something very shameful.

I have an excellent question for the minister of state. How can the minister of state and his colleagues possibly promote pension plans that could jeopardize workers' savings, since workers could be held hostage by incompetent individuals or even crooks?

[English]

Mr. Deepak Obhrai: Mr. Speaker, as I just said, the Canada pension plan has an investment board that is investing money, which the member says is dangerous. Does he mean to say that the Canada pension plan investments are wrong? What about the teachers' pension plan? All pension plans invest in the market to ensure a return. There are different kinds of investments. There are very sound investments, conservative investments, and there are high-risk investments. For the member to say that we will be held hostage is just a criticism.

I would say to the member opposite that this is one of the many plans that have been discussed around the country. He said that we should be talking to the financial experts. Of course we are talking to the financial experts, and we will continue to do so. Should there be another need to do something else when the provinces and the Minister of Finance are looking at other options and determining if they want to use the Canada pension plan, nothing stops them from doing that. However, what is important at this time is that everyone

agrees that this low-cost pension plan will fill one of the biggest gaps out there.

Ms. Judy Foote (Random—Burin—St. George's, Lib.): Mr. Speaker, I appreciate the opportunity to stand and speak to Bill C-25, the pooled registered pension plans act. When we speak to this piece of legislation it is important to recognize who will benefit from this, if they will benefit at all. Sometimes we lose sight of the person on the receiving end of the legislation we put together. I am talking about seniors in our country who from time to time find themselves in very desperate situations.

Any suggestion of doing something that will be less than helpful to a senior requires public debate and public discussion and that is what we do in the House of Commons. So when a member of the government suggests that members of the opposition are raising questions, putting doubts in people's minds, and saying the sky is falling when they speak to a piece of legislation, in reality that is what debate is all about. The only way to formulate sound policy and good legislation is to listen, learn and to recognize that no one individual and no one party has all the answers.

When we look at this piece of legislation, we are saying that while it is a tool, it is not the be-all and end-all. We are suggesting that we look at other options and that the government should work with us and recognize that other parties can make a contribution as well, that we have some sound advice that should be taken into account. I have real problems when we are dealing with issues that have an impact on seniors and somehow there is not the willingness to listen to what others have to say.

Take a senior, for instance, whose income is about \$13,000 a year. I have seniors with that income in my riding, as do all of us. We know how difficult it is for them to make ends meet. They need to find ways to put some savings aside. It is very hard for them to do that. When they scrape to somehow have a little bit of savings that maybe they can invest, then they need to know that they are going to be the beneficiaries of that investment.

The problem with Bill C-25 is that by and large when we are talking about pooled investments it is the banks that will benefit from the high fees associated with these pooled investments. I say to members of the government, look at what happened in Australia. Why can we not learn from the mistakes that others make instead of going full steam ahead and making the same mistakes? That is exactly what we are doing here.

In fact, we found out that a similar pooled pension system in Australia, in its first 12 years, posted a disappointing \$161 billion in net investment earnings largely because plan providers scooped up a generous \$105 billion in fees. Now that is money that seniors could not avail themselves of, because it was used to manage the pooled investment plan. That is not what should be happening.

We should be looking at opportunities for seniors that will enable them to live a life of dignity, to be able to live in comfort to the extent possible, given their income anyway. OAS is not a lot of money. Here I will refer to a quote from a York University professor, a political scientist, who said:

Government Orders

The OAS isn't really a lot of money.... The OAS isn't going to cause the federal budget to crash

That was Thomas Klassen.

We need to recognize the importance of providing for our seniors. When I hear the Prime Minister speaking in Davos and suggesting that we need to look at raising the age from 65 to 67 for a senior to receive OAS, I wonder where the Prime Minister is coming from. He obviously is not speaking to the same constituents I deal with on a daily basis, people who are looking forward to being able to access, not a lot of money, but at least a secure income, which a lot of seniors do not have right now.

● (1645)

When the Prime Minister chooses to go to Switzerland and make those remarks and does not have the courtesy to announce in Canada what he is thinking, where the individuals who are going to be impacted live, then I have a real problem with anything he is proposing with respect to seniors. Is it any wonder that we question this particular piece of legislation?

Okay, it is a tool, and we need to make sure that our seniors have access to as many opportunities as possible, and that tool is just one of them. However, whatever we do, we should not close our minds to other possibilities. The government should work with other parties and recognize what the Liberal party is proposing, a voluntary plan where seniors can invest their savings, if any, on a voluntary basis and be able to realize the gains from that investment instead of having the banks and the other institutions who are going to be responsible for the pooled management plan taking exorbitant fees and benefiting from the meagre incomes of our seniors.

We should never lose sight of what it means to a senior to have to exist from day to day on a limited income. We are seeing food banks grow. We are seeing many more food banks becoming established, and we are seeing seniors availing themselves of those food banks. It should never happen.

We have so many Canadians who do not even have a private pension plan. They have nothing to fall back on but OAS. Any suggestion at all of raising the age from 65 to 67 does not even warrant consideration when we consider that there are people right now between the ages 60 and 65 who are really looking forward to receiving their old age pension. It is a security tool for them. It is one they desperately need. The possibility of that being taken away from them must leave them wondering how they are going to survive.

What the Prime Minister and the government have done is to manufacture a crisis where no crisis exists. That is exactly what Thomas Klassen has said. The OAS that we are talking about is not a lot of money. It is not going to break the bank. If the Conservatives want to save money, if they need to deal with the deficit they have created, then they should look in the Prime Minister's Office, where we have seen an incredible 30% increase in expenditures.

Why would we be increasing the number of MPs in the House of Commons? Why would we be building megaprisons when everything is pointing to the fact that crime is on the decline? Why can we not learn from the example in the U.S.? Again, we could learn from their mistakes. They built megaprisons and today they are saying it

was the wrong thing to do, yet this government is going full steam ahead to do just that.

There are examples. We do not have to reinvent the wheel. We do not have to try something. If it has not worked elsewhere, let us learn from that.

If the pooled pension plan did not work in Australia, if the megaprison system did not work in the U.S., and Texas in particular, why would we bother to go down that path? It does not make sense. Let us get our priorities straight in this country.

● (1650)

The government needs to recognize that this is about people, but more important, it is about seniors.

[*Translation*]

Mr. Denis Blanchette (Louis-Hébert, NDP): Mr. Speaker, I want to thank the hon. member for her speech.

I agree with her on two things: people who work their entire lives are entitled to their dignity; and it would be a real shame and unimaginable for them to have to rely on food banks because there is not enough money to help them.

Can the hon. member tell me what she thinks about the NDP idea to put more money into the public plans in order to increase the minimum allowable amounts for the people most in need? What does she think about improving the public plans as a primary solution to the problem?

[*English*]

Ms. Judy Foote: Mr. Speaker, I think we are finding ourselves in a situation where we need to do whatever we can to take care of our seniors. Whether that is to look at the public system and what exists today, or whether it is to look at the Liberal supplementary voluntary plan that we have proposed, or whether it is to look at the pooled investment fund, we need to look at a host of opportunities that will, in the end, make it better for our seniors to live with dignity and be able to do the things they need to do after working so hard all of their lives. They should never have to avail themselves of food banks.

If it means more money in the public system, if it means the voluntary supplementary system that we have talked about in the Liberal Party or if it means a combination of things, we need to do something that recognizes that the money seniors invest goes back to the seniors and not to the institutions managing the plans.

● (1655)

Mr. Frank Valeriote (Guelph, Lib.): Mr. Speaker, the remarks of my colleague were impassioned and thoughtful.

Given the likely fate of this legislation, that it will pass second reading and wind up at committee because of the majority government's position and for no other reason than that, I would ask the member this. Yesterday the member for Toronto Centre, the leader of the Liberal Party, suggested that the Canada pension plan be allowed to compete for these moneys that may be put into pooled pensions, where they would have more stable and secure returns and far less costs, money that would not find its way into the hands of fund managers, as has been the experience in Australia.

Could my hon. colleague comment on that option?

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Ms. Judy Foote: Mr. Speaker, I recognize that what has been suggested by our leader is in fact a very credible recommendation and one that should be taken seriously. Unfortunately, we do not see any indication at all that the government is willing to open its mind to other possibilities. That is the problem we are having.

I hear my colleagues across the way applaud when they hear it is very likely this legislation will pass second reading because they have a majority government. They have 39%. Another 60% of the Canadian population did not vote for them.

It is time they listened to what other Canadians have to say, including what both opposition parties have to say.

Mr. Ray Boughen (Palliser, CPC): Mr. Speaker, I listened intently to the hon. member present her views of a changing demographic and a pension plan.

I am wonder how she knows all about the dire circumstances of these things happening when today we heard that the pooling operation would benefit people and, at the end of the day, would be as good as what now exists, if not better.

What crystal ball allowed her to make those statements that seem to be far removed from what we heard from this side of the House?

Ms. Judy Foote: Mr. Speaker, my colleague has been listening to the rhetoric that is being put forward by government supporters and by those who they want to believe.

We have heard differently. We have heard so much expert opinion against pooled pension plans that it would make all the sense in the world for us not to go down that path, or at least not to go down that path solely, but look at other options in conjunction with it.

Mrs. Nina Grewal (Fleetwood—Port Kells, CPC): Mr. Speaker, I am pleased to rise today on behalf of the constituents of Fleetwood—Port Kells to participate in the debate on Bill C-25.

Bill C-25 proposes to establish pooled registered pension plans, extending pension coverage to the self-employed and those who work for small companies. It is geared at those small businesses and entrepreneurs, who do not have access to affordable pension plans and will help them secure financial freedom in their retirement.

Speaking with residents in my riding, especially those approaching retirement age, there is grave concern for their future. More and more I am hearing worries over whether they have enough money for their retirement.

The next generation of retirees includes a large number of workers without pensions who are left to their own devices and facing an uncertain financial future. As formal pension plans become increasingly less common, many Canadians face a savings burden that many are unable to shoulder.

For a big chunk of the population, for the self-employed, for those who work at small businesses, for professionals, for immigrants, a secure, comfortable lifestyle after working for years is now in question. At a time when our population is aging, more than six out of ten Canadians have no formal pension plan. That is more than eight million Canadians.

Statistics Canada finds the percentage of the population with some sort of pension has been dropping steadily for three decades, to 38% of Canadian workers in 2007 from 46% in 1977.

The problem is most acute at smaller businesses. There are about 5.1 million Canadians, or 48% of the private sector workforce, at small companies.

According to the Canadian Federation of Independent Businesses, only about 15% of small and medium-sized businesses offer some form of retirement savings plan for their employees.

A joint federal-provincial working group, established in May 2009, undertook an in-depth examination of retirement income adequacy in Canada. The working group concluded that while overall the Canadian retirement income system was performing well, some modest and middle-income households were at risk of not saving enough for retirement. From the working group's exhaustive research came a plan to pursue a framework for a new type of pension plan.

Our government aims to help millions of Canadians save for retirement more easily by introducing pooled registered pension plans. There will be an innovative new pension plan designed to address the lack of low cost, large-scale retirement savings options available to many Canadians.

Pooled registered pension plans, or PRPPs, are defined contribution pension plans that will be available to employers, employees and the self-employed.

The design features of PRPPs will remove a lot of the traditional barriers that might have kept some employers in the past from offering pension plans to their employees. The design of these plans will also be straightforward to allow for simple enrolment and management.

A third party PRPP administrator will take on most of the responsibilities that employers bear in existing pension plans, including the administrative and legal duties associated with administering a pension plan.

By pooling pension savings, PRPPs will offer Canadians greater purchasing power. Basically, Canadians will be able to buy in bulk. Achieving lower prices than would otherwise be available means they will get greater returns on their savings and more money will be left in their pockets when they retire.

● (1700)

PRPPs are also intended to be largely harmonized from province to province, which also lowers administrative costs. In short, PRPPs would be efficiently managed, privately administered pension arrangements that would provide greater choice to employers and individuals, thereby promoting pension coverage and retirement savings.

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Reaction to Bill C-25 has been overwhelmingly positive. The Canadian Chamber of Commerce believes that pooled registered pension plans would give businesses the flexibility and tools they need to help their employees save for retirement. The Canadian Taxpayers Federation feels the legislation is a very good legislation, both for Canadians planning for retirement and for taxpayers. All the provinces are on board with the idea. British Columbia finance minister, Kevin Falcon, believes that our government has “responded to a real need out there in providing pension opportunities for small business people and those that don’t have access to their own private pension plans”.

Pooled registered pension plans are the latest in a series of important steps our government has taken to strengthen Canada's retirement income system. This system is already seen around the world by experts like the Organisation for Economic Co-operation and Development as a model that succeeds in reducing poverty among seniors and in providing high levels of income replacement to seniors.

We recognize, however, that we can always do more. That is why we have already made a number of targeted improvements to the system. Bill C-25 is just one more step our government has taken to assist Canadians as they age and enter their retirement years.

Since first coming to office, we have offered more than \$2.3 billion in annual targeted tax relief specifically for our seniors. We have also provided over \$2 billion in annual tax relief for seniors and pensioners. We have completely removed 85,000 seniors from the tax roles. We have raised the GIS exemption from \$500 to \$3,500. We have introduced pension income splitting. We have introduced an automatic renewal of the GIS, meaning that our seniors no longer have to reapply each year. We have made significant investments in affordable housing for low-income seniors. We have raised the age credit amount twice. We have doubled the pension income credit. We have provided a top-up benefit to the guaranteed income supplement that will provide up to \$600 extra per year for single seniors and up to \$840 per year for senior couples. We have introduced the tax-free savings account. We have modernized and streamlined the application process for the Canada pension plan and old age security, making it easier for seniors to apply and receive their benefits. We have allocated \$220 million over five years to the targeted initiative for older workers, which has thus far assisted over 10,000 unemployed older workers.

In addition, we have appointed a Minister of State for Seniors, someone who can bring the concerns of older Canadians to the cabinet table and stand up on their behalf. We also created the National Seniors Council to provide advice to the federal government on matters related to the well-being and quality of life of seniors.

Our government is supporting older Canadians and we are committed to ensuring that they have the opportunity to enjoy their retirement in comfort with an improved quality of life.

Bill C-25 is important legislation that deserves the support of all members in the House. We would be helping millions of Canadians save for retirement and more easily meet their retirement goals.

● (1705)

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, it is interesting that members opposite, including her, continue to speak about the fact that this is supposed to help millions of Canadians, yet nobody seems to be able to address the experience with RRSPs. I have some numbers. Only 31% of the eligible Canadians contributed to their RRSP last year and unused RRSP room now exceeds \$500 billion.

Would the member talk about why she thinks people would suddenly invest in this proposed plan when the RRSP experience has not reflected that?

The second piece of that is we know that people who have invested in RRSPs have taken a significant hit over the last couple of years during the economic downturn. How does she feel Canadians would be served by a plan that would continue to require people to invest this way and face the potential of losing significant amounts of money?

Mrs. Nina Grewal: Mr. Speaker, I would like to let opposition members know there is a lot of confusion regarding this plan. I will make it very clear once again, as did the members who spoke before me on the Conservative side. This plan would help millions of Canadians save for retirement more easily by introducing pooled registered pension plans. This new, low cost and accessible option would help more Canadians meet their goals.

This is especially important for those working for smaller businesses and the self-employed. The PRPPs are a new kind of defined contribution pension plan that would be available to employers, employees and the self-employed. The PRPPs would improve the range of retirement savings options for Canadians. They would provide an accessible, straightforward and administratively low cost retirement option for employers to offer their employees, allowing individuals who currently may not participate in a pension plan, such as—

● (1710)

The Acting Speaker (Mr. Bruce Stanton): Order. I will have to stop the member for Fleetwood—Port Kells there. I am sure there are other members who would like to ask questions.

Questions and comments, the hon. member for Westmount—Ville-Marie.

Mr. Marc Garneau (Westmount—Ville-Marie, Lib.): Mr. Speaker, I will ask a question that I asked of the member's colleague a little while ago but did not get an answer.

If we make the assumption that the PRPP is made into law along with the other federal programs, CPP, OAS and GIS, does the member feel that the needs of Canadians with respect to their pensions for the foreseeable future, meaning in the next few decades, will have been entirely addressed or is there more to come?

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Mrs. Nina Grewal: Mr. Speaker, I would like to talk about this plan in answering the member's question. This is a good plan. We are standing up for Canadian families, businesses, employers, employees and small businesses. They will really benefit from this plan. As I have said before, this is a good plan.

[Translation]

Mr. Raymond Côté (Beauport—Limoilou, NDP): Mr. Speaker, yesterday, on my train ride to Ottawa, I was reading a columnist in *Les Affaires* who was saying that unfortunately, in light of the low interest rates, it is already a nightmare for private pension fund managers to invest future retirees' money and hope for a return.

Between pirates who invest recklessly in speculative markets, imbeciles and white collar criminals, not to mention life's challenges, how does my colleague justify causing our future retirees and our seniors so much stress?

[English]

Mrs. Nina Grewal: Mr. Speaker, the member should know that about eight million low- and middle-income Canadians have no workplace pension plans. This includes nearly 2.7 million self-employed workers, one-third of whom are women. Pooled registered pension plans are geared at small businesses and entrepreneurs who have had no access to affordable pension plans. This is a good plan and he should understand that.

Mr. Daryl Kramp (Prince Edward—Hastings, CPC): Mr. Speaker, I am pleased to discuss the very important measures that are contained in Bill C-25, an act that is key to implementing the federal framework for the PRPP, the pooled registered pension plan. I can ensure personally that Canada's seniors will have the retirement that they deserve with the implementation of this kind of plan.

It is innovative. It is new. It is privately administered. It is low cost. It is an accessible pension option, and I highlight the word "option", to help Canadians meet their retirement goals.

This is particularly significant for small and medium-size businesses like mine. I was in business for 35 years. I only wish there had been something like this for me to offer, not only to my family, but also to my employees. Certainly many of us would not be sitting in challenging situations today without options. The legislation would enable many owners and employees to have access to a large-scale, low cost private pension plan for the very first time.

By pooling the pension savings, PRPPs would offer Canadians greater purchasing power. Basically, Canadians would be able to buy in bulk, then they would have the opportunity to get a better bang for their buck. Achieving lower prices than would otherwise be available means that they would get greater returns on their savings. More money would be left in their pockets when they retired.

The design of these plans would also be straightforward, to allow for simple enrolment and management. Simplicity is always best.

Finally, they are intended to be largely harmonized from province to province, which would further lower administrative costs.

Automatic enrolment would encourage regular savings in PRPPs by making participation the default choice of employees who do not

actively make a decision to opt out. In other words, a reverse onus would encourage more people to participate.

Canada's finance ministers, both provincial and federal, decided to proceed with this PRPP framework precisely because it was considered the most effective and the most appropriate way to target those modest- and middle-income families and individuals who may not be saving for retirement. It is an option available to people who have not been served before, in particular, those who currently do not have access to an employer-sponsored registered pension plan.

Certainly I never did; neither did my employees and many of the thousands of self-employed people in this country.

With the federal PRPP legislation introduced, provinces could easily and seamlessly use it as a model for their respective frameworks so that the system could get up and running. Really, it is not necessary to go into a full duplication of a bureaucratic maze to administer this. Once the provinces put in place their PRPP legislation, the legislative and regulatory frameworks for the PRPPs would be operational, thus allowing PRPP administrators to develop and offer plans to Canadians and their employees. This would be a very competitive process, thus driving the price down even more.

It is crucial that we continue to maintain this momentum for a stronger retirement system. The PRPP would not carry the system entirely on its own, but it certainly would go a long way toward dealing with people who have not been served.

I also want to take time today to discuss other actions our government is taking and has taken to secure Canadians' retirement income needs and to strengthen Canada's retirement income system.

One particular instrument which I think is very important, yet is not given its due consideration, is financial literacy. For example, this is an area where we are working to improve the retirement income outcomes.

● (1715)

A strong system depends upon the ability of its users to make informed decisions that are critical to its success. I was very pleased when the member sitting in front of me, the chair of the finance committee, put forward a private member's bill that strongly promoted financial literacy in this country. I think that bills like that serve Canadians well.

Federal, provincial and territorial governments are also continuing our work by reviewing options to improve the CPP. While the CPP is efficient, effective and well managed, there are serious considerations around imposing mandatory payroll deductions in the context of the fragile state of the global economy that have to be taken into account.

CPP is an option, but due to time constraints and the economic malaise, it is deemed by many, particularly our provinces, to not be the right decision at this time. As a matter of fact, it could even be harmful to our recovery.

Government Orders

As I made clear at the outset, changes to a system that is so interconnected with our economy must be considered with a great deal of care. A lot of thought has been put into this across the country. The minister of state has spent a couple of years travelling across this country literally meeting with every financial authority and provincial representative. Collectively, they have come up with the unanimous mindset that this is the way to move forward.

We must be mindful that any legislation must have a bottom line. Above all else, it must do no harm. I am confident that we are on solid ground there.

Canada's retirement income system has been recognized around the world as a model for reducing poverty among seniors and providing high levels of replacement income to retired workers. Be assured that our government will make the right policy decisions to ensure it stays that way.

We welcome ideas and considerations, particularly those that are not just driven by a parliamentary ideology that we sometimes find ourselves in, in rather disturbing circumstances in this House of Commons, but are driven by some really sharp, well intentioned and capable suggestions.

In recent years, our government has introduced measures to support a system with a proven record of success. This has included, as most people here would know, but I repeat this as I think it is important, a number of steps.

We have provided over \$2 billion in additional annual targeted tax relief to seniors and to pensioners through measures such as pension income splitting. That is huge in a riding like mine. I have the second highest concentration of seniors in the province of Ontario, so I recognize the need for programs to allow them to have a disposable income. We increased the age credit amount. There was a doubling of the maximum amount of income eligible for the pension income credit. It included reforming the framework governing federally regulated pensions to better protect pensioners.

It also included working collaboratively with the provinces to modernize the CPP, making it more flexible for those transitioning out of the workforce to better reflect the way that Canadians live, work and retire. Most recently, in our latest budget, we announced a top-up to the guaranteed income supplement for Canada's most vulnerable seniors.

In conclusion, with the introduction of the PRPPs, we would address the remaining gaps in the system by providing an attractive additional pension option. This would not be one size fits all; it would be an additional pension option to both individuals and employers.

● (1720)

Through all of these measures, combined with the government's determined efforts to make PRPPs a reality, I sincerely believe that we are making a retirement system that is good. Can it be better? Yes. Is it strong? Yes. Can it and should it be stronger? Yes, that is our duty and our responsibility as parliamentarians.

This is something of which I think we as Canadians, and certainly the Parliament of Canada, can and should be very proud.

[*Translation*]

Mr. Pierre Nantel (Longueuil—Pierre-Boucher, NDP): Madam Speaker, I would like to congratulate the member opposite on his speech. He was very sincere in his delivery. If that speech had been made before Davos, it would have been much less awkward to say the government is concerned about the fate of our country's seniors. I have a question for him about the polls that often suggest that three-quarters of Canadians do not contribute to an RRSP because they are unable to. How is this new program any different?

[*English*]

Mr. Daryl Kramp: Madam Speaker, let us take a look at human nature. Whether it is a tax-free savings account or RRSPs, come tax time we all want to maximize our capacity and leave more money in our jeans. However, it is sometimes very difficult to come up with that \$500, or \$1,000 or \$5,000 contribution, whatever it might be within the affordability of those individuals, to try to end up with some money after Revenue Canada has not taken its portion of the share back to the Canadian taxpayer. How do we do it when we do not necessarily have it? Canadians and human nature itself makes it a challenge to come up with a larger portion of money.

With the reverse onus, if we are able to take selective small amounts on a consistent basis with the full co-operation and planning mechanisms of the individuals involved, then it can happen literally, certainly not painlessly, with a heck of a lot less pain. In other words, a dollar a day. A penny saved is a penny earned. All of a sudden, at the end of that time period, it is a significant amount. The pooled registered pension plan would work very favourably to address that element of human nature.

● (1725)

[*Translation*]

Mr. Marc Garneau (Westmount—Ville-Marie, Lib.): Madam Speaker, my colleague has given me hope. He said of the pooled registered pension plan that it is an imperfect tool, but one tool among many. With the Canada pension plan, the Quebec pension plan, old age security and the guaranteed income supplement, all of which provide a safety net for Canadians, I wonder if he truly believes that there is something else that we should be doing. I have already asked the question twice, but I will do so again. Is the status quo enough, or are there other things that should be done to ensure that retired Canadians receive an adequate pension?

[*English*]

Mr. Daryl Kramp: Madam Speaker, the member opposite might actually be a little surprised with my response, but I totally agree that it is not enough. Quite frankly, it will never be enough. The day that it is enough is the day that we really cease to have a sense of purpose in this place. There must be a manner in which we always seek to improve ourselves. As the great poet Browning wrote, "Ah, but a man's reach should exceed his grasp, Or what's a heaven for?"

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We should always be looking for a way to better society and all of the components of that society, be it our youth, seniors, or our working people. That means that we should be vigilant. We should always be looking for means by which we can improve, whether it is a program adjustment, an evaluation of a program, or quite frankly making a new program.

As Bob Dylan said in his song, and I know I am getting a little rhetorical, “the times they are a-changin’”. Well the times perpetually change. We cannot sit in a straitjacket. I personally believe that this plan is the right plan for this time. It is a component of a solution, but not the total solution. I would encourage all members to view it in that manner.

Collectively, as we move forward and embrace suggestions that will take us incrementally towards a better society, I really think we can fulfill our responsibilities here and be proud of our contributions, regardless of which side of the political fence we find ourselves.

[*Translation*]

Mr. Marc-André Morin (Laurentides—Labelle, NDP): Madam Speaker, one thing is clear: it is difficult to govern a country and simultaneously consider each and every citizen of that country. Governments must make choices on behalf of citizens. They must not favour certain groups of citizens over others. It is becoming increasingly clear that, under our government, it is better to be rich and in good health rather than poor and unwell.

The right to live in dignity is not a right that belongs solely to certain age groups or social classes. Attempting to make this a generational issue by using the demographics argument is a little pathetic. Any thinking person understands that everyone grows old and that we all have an expiry date. Unfortunately, some people were born at the wrong time and they will be forced to wait two or three years to receive their old age pension. The Conservatives say that they will not go down this path, however, generally, when they talk about something, they unfortunately usually follow through with it.

If the Prime Minister and his predecessors only just realized that demographics are real and that changes are inevitable, that is unfortunate. The only hope that then remains for certain segments of the public is reincarnation. They believe that, perhaps next time, the chips will fall more favourably.

Bill C-25 is a prime example. The Conservatives call them pooled registered pension plans, when they should be called “swimming pool of champagne for banks and insurance companies”. The plan is surreal. It did not work in Australia, where, after 10 years, it has barely managed to keep up with inflation.

A mandatory public system would ensure a sufficient volume of investments and give Canadians a safety net. Fragmenting the system by creating a new entity will lead us nowhere. The financial sector and banks brought us to the brink of an abyss, and our economy almost slipped in a few years ago. I do not see why things would be any different in the future.

If we are on the brink of the abyss, perhaps the Conservatives are going to give us a little nudge forward. I do not exactly consider that desirable. I have difficulty giving any credibility to a government that tells people that they will have to wait two years to get their old age pension cheque, while at the same time signing a blank cheque

over to Lockheed Martin for aircraft that may or may not even get airborne. I find that a tad irresponsible.

I think the government’s priorities committee has a little problem, because the first thing it focused on when Parliament returned was Canadians’ right to hang a flag on their balcony, when many Canadians do not even have a balcony or even have a home. I think that is something to think about.

My constituents are asking me the question much more simply. They are asking me what those people are smoking.

When I hear the government’s promises, I feel like I am listening to the cannibal chief telling me there are no more cannibals because they ate the last one the night before.

• (1730)

I do not see why, after looting the savings of millions of people around the world, the financial industry would suddenly become generous and not gobble up the principal with management fees and annual bonuses of \$800,000 or \$900,000 or \$1 million. I do not see what a bill like this can contribute.

There are already systems that are working, like the Canadian system and the Quebec system. Those systems just need to be improved. But what they are going to do is provide what amounts to an open bar for the big financial corporations that are going to get rich off it. The only thing I see as extremely unfortunate is that in the House, we really do not have to worry about it because our pension fund is indexed and we do not have to be afraid for our future. It will be really unfortunate, however, for the people who have scraped together a little money and gone without basic necessities so they could save, when they see that their money has been invested in projects like Bre-X or outfits like that. They will really be living in poverty.

I think the government is on the wrong track yet again. Dividing people accomplishes nothing. These days, we hear that the baby boomers are wallowing in money and they are all in Florida playing golf and eating bacon and then they come home for their health care, but that is not the reality. I see ordinary people my age or a little older who have worked very hard all their lives. They are looking at having nothing and they are worried. They are not worried about the right to hang a flag on their balcony. They are worried about their future and their children’s future.

• (1735)

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Madam Speaker, I would like to commend the hon. member for his speech and ask him a question. Does he really believe that this bill will ensure a secure retirement for more Canadians than today? People will be investing money in unstable financial markets. Will Bill C-25 give these people a secure retirement? After their careers, will they have a stable income for the rest of their lives like they do with the Canada pension plan? Or, does this plan merely fool Canadians into contributing to a pension plan that is not really a pension plan? In my opinion, this is more of a savings plan and it will not ensure that these people enjoy a secure retirement at the end of their careers. I would like the hon. member to comment on this.

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Mr. Marc-André Morin: Madam Speaker, it seems to me that this plan will provide a secure retirement for the managers of these funds. There are two important criteria involved in ensuring the success of such an undertaking. I listened to all the specialists and heard every analysis imaginable. Such a plan would require immense volume and everyone would have to participate. That is the only way to ensure a stable return in the long term. Once again, this is a voluntary plan. Not all employers will participate. We do not know what will happen with the financial markets in the long term or what type of returns this plan will generate.

Mr. Raymond Côté (Beauport—Limoilou, NDP): Madam Speaker, in the previous speech, we were told that it was possible to educate people with the famous financial literacy bill. In fact, half of all Canadians do not file their own tax return, something that is an unavoidable annual event, a civic duty. This is so because those people feel incapable of doing it themselves. They ask their loved ones or a professional to handle it for them. Unfortunately, they have to pay for a basic task that they should not have to pay for because the tax system is far too complicated.

As far as I understand it, Bill C-25 will create the equivalent of hedge funds for the retirement of future workers because they will live with uncertainty. What does the hon. member think of the uncertainty and stress this will create for the future of the country? With their growing numbers, retirees represent a significant contribution to our economy.

Mr. Marc-André Morin: Madam Speaker, we hear the same thing every day in the news: the Americans have just announced that they are keeping their interest rates ridiculously low for the next three or four years. The Bank of Canada is saying more or less the same thing. The global economy is stagnating and the crisis in Europe is far from over. This is going to have negative consequences. Betting on financial markets is just about the last thing to do these days.

• (1740)

[English]

Mr. Harold Albrecht (Kitchener—Conestoga, CPC): Madam Speaker, I rise today to speak in favour of the pooled registered pension plans bill. I rise to speak for small business owners in my riding of Kitchener—Conestoga who want to provide for their own retirements and the retirement of their employees.

I will take a moment to put this into perspective because this improvement to Canada's retirement system cannot be viewed in isolation. Our government has provided tax relief for seniors by doubling the amount of income eligible for the pension income credit and through increases to the age credit. Even more significant, we have instituted pension income splitting for seniors, creating a more fair tax system for those who built this great country. As well, we have increased payments available to low income seniors by way of the guaranteed income supplement. In fact, budget 2011 announced a new guaranteed income supplement top up benefit for most vulnerable seniors. Seniors with little or no income other than old age security and the GIS will receive additional annual benefits of up to \$600 for single seniors and \$840 for couples.

Before that, budget 2008 increased the amount they can earn before the GIS is reduced so that recipients will be able to keep more of their hard-earned money without suffering clawbacks. Also in

budget 2008, we introduced a tax free savings account, which is particularly beneficial to seniors as it helps them to meet their ongoing savings needs on a tax efficient basis after they are no longer able to contribute to an RRSP. We built a framework for federally regulated pension plans that ensures retired workers will continue to receive benefits should their plan be terminated.

We have also worked with the provinces to bring new flexibility to the Canada pension plan that makes it easier for Canadians to transition in and out of the workforce to better reflect the reality of how Canadians live, work and retire.

Despite all this progress, though, and despite the work we have done to help seniors have an easier time living through retirement, we still face challenges. More than six out of every ten Canadians do not have access to a pension plan at their place of work. On average, each Canadian has over \$18,000 of unused room to contribute to an RRSP. One reason that many employers do not offer a pension plan is simple: they are too costly to administer and they impose a number of legal burdens. One reason that many Canadians do not take full advantage of their RRSPs is also simple: properly balancing the combination of risk and cost is beyond their ability.

These challenges are not new but they are growing in urgency. Clearly, a new approach is needed and pooled registered pension plans offer Canadians that new approach, that new hope.

PRPPs would offer a simpler enrolment and withdrawal process than traditional retirement plans. This would allow small and medium size enterprises, struggling to balance their books while keeping valued talent, offer a valuable incentive to their employees while keeping their own administrative burden down.

Canadians want to plan for their retirement. They want to plan for their golden years. It is not the job of government, as some hon. members would have us believe, to take away that ability. Our job as government is to facilitate their plans, not to dictate those plans. Our job is to make it easier for employers to offer retirement plans.

All employers are eager to hire highly skilled workers but there is always a challenge for those with smaller businesses. How can they compete with larger corporations who are able to not only offer attractive wages and career growth plans but also have the administrative support and the buying power to offer good pension and retirement benefits. Many Canadians can only access a pension plan if their employers offer one and many employers do not want the legal or administrative burden of offering a pension plan. The end result, as I mentioned, is that over 60% of Canadians have no workplace pension in place.

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PRPPs are designed to address Canada's lack of low cost, large scale retirement savings options for the majority of Canadians. The innovative design features of the PRPP would remove many of the barriers that traditionally kept employers from offering pension plans to their employees.

• (1745)

A straightforward design leads to simple enrolment and management. Whereas now employers much choose hiring an expensive outside party, taking on the cost themselves, or forgoing any pension plan for their employees at all. A third party administrator would now take on the legal and administrative duties associated with running a pension plan. These costs would be spread across participating employers, allowing for an economy of scale that would keep costs down. When the costs of investment drop due to the economy of scale, the net return will increase. That is basic economics. By building a design that will function across provinces, administrative costs will be reduced even lower and an even larger economy of scale can be achieved.

Offering pooled registered pension plans would make it easier for Canadians to fund their retirement but no one on this side of the House believes that PRPPs are the last step this government will take to ensure Canadians are able to enjoy their golden years.

I think all parties could agree that improving Canadians' financial literacy would be a big step forward. I do not mean training every Canadian to be a stockbroker, but things like the bottom line benefits of selecting the best credit card, the responsible use of credit and the power of compounded returns and the damage to compounding caused by taxation. A better understanding of these issues and how they interconnect can only lead to a more prosperous Canada and better retirement living for all Canadians. That is why launching the task force on financial literacy was the right thing for our government to do.

It has often been said that there are two kinds of people: those who spend first and save what is left over and those who save first and spend what is left over. Improved financial literacy will encourage Canadians to save first and PRPPs would make it easier for them to do so.

As the Canadian Chamber of Commerce noted on November 17 of last year:

—PRPPs—with simple and straightforward rules and processes—would give many businesses the flexibility and tools they need to help their employees save for retirement.

The chamber also noted that employers want to offer their employees retirement benefits, such as a pension plan. It went on to say, “(PRPPs) would be a great option to attract new talent to our business”.

The Canadian Federation of Independent Business, the voice of small business in Canada, made the case for PRPPs even more strongly. The Canadian Federation of Independent Business noted that while a 1% increase in CPP would destroy 220,000 person years of employment and drive wages down, PRPPs would expand the retirement savings options for thousands of Canadian small businesses and their employees. Currently, it is worth noting, less

than one in five small businesses that belong to the CFIB offer their employees a pension plan.

In conclusion, PRPPs present an innovative solution for Canadians to finance their retirements. PRPPs make it affordable for employers to offer retirement plans and make it possible for employees to participate. Canadians want to save for their retirements and employers desire a low cost, low administration path to helping them. I encourage all members of the House to join me in supporting Bill C-25.

Mr. Malcolm Allen (Welland, NDP): Madam Speaker, I thank my colleague for his comments on this new savings scheme that the government has decided to allow workers to do with a negative billing option. I thought we did away with that with some of the other folks who used the negative billing option because new workers going into a place of employment gets registered and then they must opt out if they want out.

The idea that somehow this will be a pension at the end of the day for folks, I fail to fathom the logic of that when we know there are literally millions of Canadians across this land who cannot contribute any money to an RRSP, let alone anything else. All of a sudden, this is about to become something magical that will make it happen. It is not magical. It is called, “I don't have enough money to meet my daily needs and get to the end of the month as a worker, let alone invest in what might be my future when I do not even know if I will pay the rent at the end of the month or have to go to a food bank because I am working poor”.

My hon. colleague said that the Canadian Federation of Independent Business said that if we had a 1% increase in CPP it would eliminate all these jobs. It would be nice to know, and I wonder if the member does know, since the Canadian Federation of Independent Business thinks it is such a great deal, is it committed to match any moneys that employees put into that account on a compulsory basis and allow them to sign up as businesses, just like the member does?

• (1750)

Mr. Harold Albrecht: Madam Speaker, it is ironic that we would be here trying to support Canadians in their efforts to save and make it easier for them by having a small amount deducted from their salary into a pension plan and have the employer contribute to it.

As the member indicated, the CFIB does say that even a 1% increase in CPP would destroy 220,000 person years of employment. By making this a low cost option so that employers can pool their resources by buying the administrative and legal support to make it possible for average Canadians to access a retirement plan, this side of the House believes strongly that this is a great option.

It is unfortunate that members of the NDP and many of their colleagues on that side are really not in this to support ordinary Canadians. I am really disappointed to hear that kind of response.

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Madam Speaker, there is a difference between the Liberals and the Conservatives on this issue. The Liberals believe in social programs, such as the CPP, the OAS and the GIS. It was Liberal prime ministers who brought in those programs because we believe in them.

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The present government's response to those programs was that it did not have the support of a majority of the provinces and that is reason it could not do anything in that area. It is unfortunate that we did not see stronger leadership from the Prime Minister to try to improve the CPP. That would have been option one. In this option, in order to make the program work we need to have the provinces onside. If the provinces are not onside, more than half the workforce will not even have the opportunity to participate.

I wonder if the minister, who has implied that he has the provinces onside, could tell us which provinces in Canada are currently onside and are committed to passing legislation that would enable all Canadians to benefit if the bill were to pass.

Mr. Harold Albrecht: Madam Speaker, it is important to review what led to where we are today in terms of the development of the PRPPs. A joint federal-provincial working group was established in May 2009 and it undertook this in-depth examination of the retirement income inadequacy in Canada. That research, led by the finance ministers in December 2010, agreed to pursue a framework for a pooled registered pension plan.

As I understand it, the provinces and the finance ministers from the provinces are supportive of this concept, and that point needs to be made very clear. This is not something that we are mandating top-down. This is something the provinces have bought into and is something that small business is buying into. From my experience in my dental practice for 27 years, I wish I could have offered a plan like this to my five or six employees so that at the end of their employment they would have had access to some kind of a retirement pension income.

Mr. Andrew Cash (Davenport, NDP): Madam Speaker, it is an honour to rise today and speak to this bill, because so many Canadians do not have a pension and they are looking to the government for some kind of leadership. This is a hugely important issue and the government is offering a solution that is going to be excellent for the banks and lousy for Canadians who do not have a pension at this point.

In my riding of Davenport there are hairdressers, taxi drivers, carpenters, bricklayers, web designers, women who clean offices overnight. None of these people have a pension. There is nothing in this scheme to help those people or to protect an investment that these people make in a pension. However, there are going to be some excellent returns for the banks, which is why the banks are falling over themselves with glee over this proposal. Regular workers have been left out of the pension scheme and have been abandoned by the government and by many large employers. The government, in the wake of the shedding of massive amounts of retirement savings, is inviting Canadians to roll the dice again with the market. How is this a plan that Canadians can bank on?

Many members opposite talk about their experience running small businesses, and some of them might be running small businesses as we speak. However, none of them talk about the real issues that face working people in this country who do not have a pension, do not have benefits, have no job security and no way of accessing the kind of supports they need to raise a family, pay the rent and plan for the future. This is a narrow focus, and I would venture to say it is not focused at all.

If the government really thought it had an excellent plan it would not have limited debate on this bill. Canadians really want to talk about pensions. Why would we have to limit debate on this? This is certainly an issue in my riding. On Thursday night I will be leading a public forum on pensions, on this very issue. I would be very happy to invite members opposite to come to the meeting so they can meet people who do not have the resources to risk in the market. In 2008 Canadians lost billions of dollars in pension savings. Why would we invite Canadians to roll the dice once again?

This is the very lack of care and focus on the real issues of Canadians and Canadian families. Increasingly, workers in Canada do not have a pension. Increasingly, workers are left out of our employment insurance scheme. Increasingly, workers do not have access to parental leave. Nothing the government is proposing would be an answer to the pressing issues for many Canadians. It is a failure on many levels.

• (1755)

The Deputy Speaker: Order, please. I must interrupt the hon. member. He will have five minutes remaining for his comments when this bill returns to the House.

[*Translation*]

It being 6 p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

• (1800)

[*English*]

FOOD AND DRUGS ACT

The House resumed from October 31, 2011 consideration of the motion that Bill C-313, An Act to amend the Food and Drugs Act (non-corrective cosmetic contact lenses), be read the second time and referred to a committee.

Ms. Libby Davies (Vancouver East, NDP): Madam Speaker, I am very pleased to speak to Bill C-313.

I would like to thank the member for Sarnia—Lambton for bringing forward the bill. We are in the second hour of debate. Some of my colleagues already spoke to the bill in the first hour of debate and signified our support for this legislation and that certainly continues. I do not know that there is more information to add in the second hour of debate, but it is important that we have a second hour of debate.

I want to begin my remarks by speaking more generally about what the bill raises in an important sense.

The health care system in Canada is huge. We have many health care concerns, such as natural health products and the mainstream health system itself. There is no doubt that we live in an age where more and more cosmetic-type therapies, aids and assistance, whether they are in drugs or other forms, are available on the market. One only has to look at television or any form of mass media to see the incredible amount of advertising and promotion of all kinds of products. One the one hand we can say that is a good thing in that consumers have lots of choice in this country. On the other hand, as members of Parliament we hear stories from our constituents of things that have happened to people or complaints that have been made.

With that huge array of products and therapies on the market there also has to be a sense of responsibility. It speaks to the importance of why we are here, why we have government, and that is to look out for the public interest. Sometimes the marketplace does not do all it is hoped it would do. It does not necessarily assume the responsibility of safety and awareness. Although there are many instances where voluntary associations of businesses or sectors promote awareness and education, they sometimes do not go as far as they need to go.

This bill provides illumination and an example—I was going to say a lens; excuse the pun—of the enormous number of products that are available and that there is not necessarily the kind of consumer awareness, education and regulation that is needed to make sure that people are safe.

For that reason, it is an opportune time for the bill to come forward. It draws attention to the problems with cosmetic contact lenses and the fact that they are not regulated and that they have caused problems for people. Consumers may not be aware of the possible infections, irritations or allergies and other problems that these products can cause.

Bill C-313 would amend the Food and Drugs Act to classify cosmetic contact lenses as class II medical devices, which would bring them in line with what we normally see as regular contact corrective lenses. This first step would require all cosmetic lenses sold in Canada to be licensed through Health Canada. Distributors of the products would require a medical device establishment licence. People fret about bureaucracy, rules and regulations, but we have to strike that balance.

•(1805)

In years gone by, going back to October 2000, Health Canada actually issued warnings about coloured contact lenses. In 2003, Health Canada commissioned a third party risk assessment report, “Human Health Risk Assessment of Cosmetic Contact Lens”. There are some serious concerns. The report concluded that the available evidence suggests that the level of risk associated with the use of cosmetic contact lenses is comparable to that associated with corrective lenses and may be potentially higher. The risk assessment report recommended that cosmetic contact lenses be regulated by Health Canada, such as requiring prescriptions for their use and restricting their sale to regulated health professionals.

It is very important that this be followed up. One query which was raised by some of my NDP colleagues in the earlier part of the debate was that while we are happy that the member brought forward

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the bill as a private member's bill, one would have hoped, as a result of this work that goes back to 2000 and 2003, the government would have brought it forward itself. That did not happen, but it is good that it is now before us as a private member's bill.

We are in full support of the bill. We believe it is very important that the vision of Canadians be protected, that there be consumer awareness, that there be proper regulation and that there be a level of professionalism within the industry so that consumers have some measure of protection. That is the very least we should be doing.

I think the bill will pass at second reading. I look forward to it going to the health committee. I hope that we can look at the bill in more detail and that we will be able to hear some witnesses. Major organizations are supporting the bill and I am sure they will have some good recommendations for us to look at.

Again, I want to thank the member for bringing the bill forward.

I hope that we can deal with this issue. We will have taken just a little tiny step to ensure there is better safety for Canadians in terms of their vision and that we will have created a better awareness about this problem.

When people are out there in the marketplace and getting drawn in by the sometimes very persuasive advertising and marketing that goes on, there could be a counterbalance to that in terms of regulation, to ensure there are proper standards and licensing, but also in terms of making consumers and potential buyers aware of what it is they are purchasing, what are some of the risks and what needs to be done in terms of handling and using this particular product.

I will leave it at that. I look forward to the bill going to committee to be examined in greater detail, should it pass second reading.

Hon. Geoff Regan (Halifax West, Lib.): Madam Speaker, I am pleased to rise and take part in this debate on Bill C-313. This bill would deem a non-corrective contact lens a medical device. That is important because we do have situations where people put contact lenses in their eyes to change their colour. They are not always a proper fit and can cause all kinds of problems, and I will talk about that.

The bill would ensure as well that cosmetic contact lenses are subject to the requirements of the Food and Drugs Act and the Medical Devices Regulations. It is important that this is the case. These are things going into people's eyes and the last thing we want to do is fool around with the health of our eyes.

I am familiar with contact lenses because I used to wear them. I had laser surgery some years ago and that has worked very well for my vision. Before that, I wore contact lenses to play hockey. I have very dry eyes and they were very uncomfortable to wear longer than that, but I found they were great for playing hockey. Some would say I probably still need glasses when I play hockey, or something like that.

Mr. Kevin Lamoureux: Not me.

Hon. Geoff Regan: I appreciate the fact that my colleague from Winnipeg North does not feel that way. He has not seen me play hockey.

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By adding non-corrective contact lenses as a medical device, we can ensure greater safety in the manufacturing and sale of these products.

The Liberal party has already shown its support for the bill. I am happy to be here to reiterate that support. The House unanimously passed a motion regarding this issue in March of 2008.

I received support from all parties in the House for my private member's bill, Bill C-278, which strives to increase public awareness about epilepsy by declaring March 26 of each year purple day to raise awareness. I know that is how important it is, and I am sure my hon. colleague whose bill this is appreciates the all party support we see for it.

These so-called cosmetic contact lenses are used to change the shape, appearance and colour of the eye. They are currently sold over the counter. That is worrisome.

In the U.S. cosmetic contact lenses are already regulated. According to the U.S. Food and Drug Administration:

Without a valid prescription, fitting, supervision, or regular check-ups by a qualified eye care professional, decorative contact lenses, like all contact lenses, can cause a variety of serious injuries or conditions. For example, lens wear has been associated with corneal ulcer, which can lead rapidly to internal ocular infection if left untreated. Uncontrolled infection can cause corneal scarring, which can lead to vision impairment, and in extreme cases, blindness or the loss of an eye. Other risks include...abrasion from poor lens fit; reduction in visual acuity, contrast sensitivity, and other visual complications that can interfere with driving and other activities.

We can see from this list that we are talking about a serious issue, one that can cause people serious infections and other long term problems with their eyesight and it is important we deal with this.

It is amazing what we as consumers will buy to change our appearance. Some might say I should buy a lot more, but we will not get into that. However, we would do this perhaps to enhance our looks and in some cases the risks we are prepared to accept are remarkable. Part of our job as parliamentarians is to minimize those risks where we can and to try to help ensure the health of Canadians all over the country.

Non-corrective contact lenses are designed to change the appearance or colour of a person's eyes. They should be listed as a class II medical device, just as regular contact lenses are. A class II medical device is a low risk device, such as a pregnancy test, ultrasound, scanners, endoscopes and so forth. I am not saying that contact lenses are the same as open heart surgery, but it is something that ought to be regulated in a similar way to those items I just listed.

Manufacturers for these kinds of devices require a Health Canada licence before they can sell or advertise them and annual licence renewals are required. It is important that we know that these manufacturers are being overseen and that they are doing the job properly and if there are problems, those licences can be revoked.

● (1810)

Moving in that direction makes a lot of sense. I know that my colleagues in this corner of the House, and I think throughout the House, share this view.

As my colleague for Vancouver Centre said when she spoke to the bill, most young people are not always aware of the potential

problems associated with these non-corrective cosmetic contact lenses.

She said, "They treat them like cosmetics and tend not to handle them properly". She is a doctor, so she would know about this. She went on to say:

If people want to use them on Halloween, for example, they are going to look for the cheapest products and will probably buy products that are made from substandard materials which are to be used once and thrown away.

Aside from issues of quality, we also need to ensure that Canadians are educated about the use of these cosmetic lenses and that our young people in particular know that there are obvious risks to wearing these lenses if they are not properly used, not properly fitted and if people do not know how to handle and care for them.

When I wore contact lenses, I certainly learned how important it was to keep them very clean, use saline solution and ensure my hands were washed very carefully before touching them. I can certainly recall the frustration of trying to get one into my eye when I was in the middle of putting my hockey gear on ready to play hockey and having a hard time, fighting with it and killing time when I wanted to get out on the ice. It would drive me crazy sometimes. However, it is important to learn how to handle them properly.

My colleagues and I, as we have said on a number of issues, believe in evidence-based policy. We recognize that this measure has been promoted by other groups like the American Academy of Ophthalmology, Prevent Blindness America and The Canadian Association of Optometrists, which have called upon Parliament to "enact it with haste".

I know this issue is important everywhere, including in Halifax West where in fact I was contacted by a licensed optician and certified lens fitter who asked me to support this bill. He said, "Non-prescription contact lenses should have the same classification as prescription lenses. Due to public safety, these devices should only be dispensed by licensed eye care professionals". I could not agree more and I cannot think of a better way to end my comments.

● (1815)

Ms. Lois Brown (Parliamentary Secretary to the Minister of International Cooperation, CPC): Madam Speaker, I would like to take this opportunity to commend and express appreciation to the member for tabling this bill and drawing attention to this important issue.

The member has been advocating for this issue since 2008, first by tabling a private member's motion and now with the introduction of this private member's bill. Bill C-313 proposes an amendment to the Food and Drugs Act, which would see cosmetic contact lenses classified and regulated as medical devices.

In Canada the authority to determine whether a medical device is subject to dispensing by prescription rests with the provinces and territories. Currently Canadian consumers wishing to purchase corrective contact lenses require a prescription, however, non-corrective contact lenses can be purchased without a prescription at retail establishments such as costume and party stores or over the Internet.

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Cosmetic contact lenses are coloured lenses that, like corrective contact lenses, are inserted directly into the eye. However, unlike corrective lenses, cosmetic contact lenses are used only to change the normal appearance of the eye. They are not used to correct vision.

These lenses, which are sometimes referred as theatrical contact lenses, are often worn by actors in movies or TV shows. For example, in July 2010, CTV reported that Lady Gaga used cosmetic contacts to enlarge her eyes during the filming of her video *Bad Romance*.

Members will be interested to learn that the same news report cites Dr. Desmond Fonn of the Centre for Contact Lens Research at the University of Waterloo, saying that he finds it worrying that the lenses are so very cheap:

We don't know what these lenses are made of. We assume they're regular soft contact lenses, but because of the way in which they're sold, they must be made less expensively to make them marketable.

CTV reported that the doctor's biggest concern was that "the majority of the young kids who use these lenses buy them but have no education about them".

Today, on special occasions like Halloween, many young people wear dramatic cosmetic contact lenses to go with their costumes. What many Canadian consumers may not be aware of are the risks associated with wearing these lenses.

Wearing cosmetic contact lenses can pose all of the same risks as wearing corrective contact lenses. This can include eye irritation, itching and burning, sensitivity to light, dryness, blurry vision and infections. In the most serious cases, these infections can lead to blindness.

In the case of cosmetic contact lenses, these risks are escalated due to the fact that there is no labelling requirement to warn consumers about potential risks and safety issues associated with wearing cosmetic contact lenses. There is also no requirement to include information or instructions relating to the proper use and care of these lenses. This means that after buying cosmetic contact lenses in stores or on the Internet, a consumer may not be well-informed about the potential risks and how to use and care for these products safely.

Unlike cosmetic contact lenses, corrective contact lenses are medical devices under the Food and Drugs Act and must comply with the medical devices regulations.

Cosmetic contact lenses are not considered medical devices because they are only used to alter appearance. As a result, they are not subject to the same level of regulatory oversight for safety and quality. Bill C-313 would help us address this discrepancy.

In the U.S. cosmetic contact lenses have been regulated as medical devices since 2005. Bill C-313 would enable us to align our regulatory approach on these products with our neighbours south of the border. It would also contribute to Canada's commitment to regulatory co-operation to better align the regulatory approaches on both sides of the border.

The use of cosmetic contact lenses is not a new issue. Eye care professionals have been concerned for a long time about the health risks of cosmetic contact lenses. They have called on our government to increase regulatory oversight of these products. In

fact, on October 5, 2011, the Canadian Association of Optometrists, the Opticians Association of Canada and the Canadian Ophthalmological Society issued a joint press release welcoming the introduction of this bill.

• (1820)

That press release quoted Dr. Lillian Linton, president of the Canadian Association of Optometrists, as stating the following about the regulation of cosmetic contact lenses:

[It is] an important vision health issue and the optometrists, opticians and ophthalmologists of Canada are asking for unanimous support from the House, Senate and Health Canada to adopt this amendment and enact it with haste.

Health Canada has long acknowledged the risks associated with the use of cosmetic contact lenses. Over the past decade, Health Canada has communicated the risks of cosmetic contact lenses and has provided safety information for contact lens wearers. In 2000, Health Canada issued a public notice warning of the dangers of wearing cosmetic contact lenses.

Health Canada has in the past and continues to recommend that cosmetic lenses be used only under the supervision of an eye care professional. In addition, the wear time should be limited to the shortest duration possible. Cosmetic contact lenses must never be worn while asleep and should not be shared with others.

Our government's support for this private member's bill is not our first attempt to strengthen oversight. In 2008, there were two opportunities to enhance the safety and quality of cosmetic contact lenses. First, this House supported a motion by the member for Sarnia—Lambton calling for cosmetic contact lenses to be regulated as medical devices. Later that same year, this government tabled Bill C-51, An Act to amend the Food and Drugs Act, which would have resulted in cosmetic contact lenses being defined as medical devices. When the election was called, Bill C-51 died on the order paper.

This government moved to help protect the health and safety of Canadians with modernized consumer product legislation through the Canada Consumer Products Safety Act, which came into force in June of this year. While the act may provide protection for Canadians who use cosmetic contact lenses, we feel that cosmetic contact lenses would be more appropriately regulated as medical devices under the Food and Drugs Act. It would be clearer for consumers and industry alike.

With the exception of the respective functions of corrective and cosmetic contact lenses, the two products are essentially identical. They have similar manufacturing processes, they are used in the same manner and they pose the same health risks. When put this way, it only makes sense that both products be subject to the same level of regulatory oversight for safety and quality.

Private Members' Business

If cosmetic contact lenses were regulated by medical devices regulations, manufacturers would be required to attest to the safety and quality of their products before they were sold in Canada. Cosmetic contact lenses would also be subject to the same labelling, consumer instruction, licensing and inspection requirements as corrective contact lenses.

Bill C-313 would permit the pre-market safety and quality requirements for medical devices to be applied to cosmetic contact lenses. This would mean that Canadians would have access to clear consumer information about the risks associated with wearing cosmetic contact lenses and the proper and safe use and care of the product.

I will conclude by saying that Bill C-313 would allow for a consistent regulatory approach for similar products with comparable risks.

• (1825)

[*Translation*]

It is clear to Canadians that the risks associated with wearing cosmetic contact lenses are no lower than the risks associated with wearing corrective lenses and that it is important to be familiar with and follow the directions for using and maintaining both products. One of the most important measures that consumers can take is to consult an eye care professional before wearing either corrective or cosmetic contact lenses.

[*English*]

The government is committed to protecting the health and safety of Canadians. We should support Bill C-313 to help us attain this goal.

[*Translation*]

Mrs. Djaouida Sellah (Saint-Bruno—Saint-Hubert, NDP): Madam Speaker, I would first like to congratulate the member for Sarnia—Lambton on her bill. I thank her for her tenacity on this issue, which seems to be very important to her. She has persevered for several years now, in an effort to protect cosmetic contact lens consumers.

I have to admit that my first reaction, when I read the title of the bill, was not entirely positive. I read the title and thought it was a joke. When I did a little research, I realized that this was a health issue that had to be addressed. I was stunned to learn that we are only at this stage. Health Canada issued a warning in 2000 recommending that cosmetic contact lenses be used only under the supervision of an eye care professional. Health Canada also recommended in 2003 that the government regulate cosmetic contact lenses, meaning that it has already been 12 years since the first warning.

The risks to Canadians' health are known and have been demonstrated by the research. A number of potential dangers are associated with misuse of cosmetic contact lenses without specialist supervision. Some were listed by other members who spoke to the bill earlier, but I am nevertheless going to quickly list a few of them.

The rate of lesions and complications, such as infection, inflammation or ulceration, is much higher among cosmetic contact lens users than among people who use prescription contact lenses. Lenses that are poorly fitted to the eye can affect vision and cause

damage. The lenses can cause serious injury to the eye for people who wear them, such as allergic reaction, bacterial infection, inflammation of the cornea, and scratching or even ulceration of the cornea. Some of these lesions occur in less than 24 hours. They can be very difficult to treat, and in some cases they can be permanent.

These consequences could easily be avoided if the product were regulated.

I am aware that this is not the first attempt in this House to find a solution to this regulatory vacuum. I have seen the history: a motion was made in 2008 by the member for Sarnia—Lambton and was unanimously adopted by the House.

I hope this government will be more diplomatic in negotiating a complete regulatory framework with the provinces and territories if this bill is passed. I am not prepared to call the government's negotiations in the health transfers case a success.

It is high time that a bill like this was passed.

I think my colleagues will have understood that I support this bill. I will nevertheless take advantage of the platform given to me by the residents of Saint-Bruno—Saint-Hubert in order to have their voices heard. Health is a priority for them, as it is for all of us.

I remind the House that several health advocacy groups are calling for tougher regulations on the sale of energy drinks. The evidence is clear and this government is refusing to take action, opting instead to ignore its expert panel on the issue.

This government has also refused to listen to experts who called for tougher regulations regarding sodium in food.

These are measures that can be taken today to improve the health and quality of life of Canadians. This government's current approach, which is to allow industry to self-regulate before the government steps in, does not work.

I would like to know how the contact lens industry has self-regulated. I think that we have the answer to this given that we have a bill before us that will force the industry to act.

There are many examples I could give to demonstrate that this government must pay more attention to health. There needs to be a comprehensive and complete plan that starts by mitigating risks, wherever possible, particularly through bills like this one, but also with tougher legislation to control sodium in food.

• (1830)

The Heart and Stroke Foundation estimates that an 1,800 mg reduction in the daily consumption of sodium would help to avoid approximately 23,500 events tied to cardiovascular diseases per year, which amounts to a drop of 13%. The economic consequences for health care would amount to approximately \$3 billion a year. This is a logical, simple and responsible way of controlling health care costs. I hope that the Minister of Finance is listening. It is time to listen to the experts.

Private Members' Business

Although I acknowledge that this bill deals with a real problem, I would nevertheless have preferred that the government find a way of addressing the problem well before today. The reaction of a lot of people when I tell them about this bill is similar to mine: do they not have more urgent matters to address? Once again, I recognize that action needs to be taken. But had the current and previous governments taken action over the past 12 years, after the investments made by experts and Health Canada, we could be, at this very moment, talking about pensions, the future of the health care system or even job creation.

I hope that I am mistaken, but I am afraid that history will repeat itself and that this House will be discussing energy drinks, sodium in food, and sugary drinks in 10 years time, when the issue could be addressed now. I hope that the past 10 years' inaction does not end up damaging Canadians too much.

Mr. Jacques Gourde (Parliamentary Secretary to the Minister of Public Works and Government Services, for Official Languages and for the Economic Development Agency for the Regions of Quebec, CPC): Mr. Speaker, I am pleased to speak today to Bill C-313. This bill would have non-corrective cosmetic contact lenses covered by the same regulations as medical devices, under the Food and Drug Act and the Medical Devices Regulations.

Cosmetic contact lenses are also known as theatrical, decorative or non-corrective contact lenses. These products are sold in a wide range of colours and styles and are easy to purchase. Consumers can buy them in stores and on the Internet. Research reports show that the use of these products is growing, especially among adolescents and young adults.

There is every indication that the use of cosmetic lenses will increase and that they will be worn for all types of occasions. These contact lenses are called cosmetic because they do not correct vision. They change the colour or the appearance of eyes purely for aesthetic reasons.

You may be asking why we are considering such a frivolous item as a costume or fashion accessory. In response, I will say that they are not just costume or fashion accessories. As the sponsor of the bill, the member for Samia—Lambton, has said, this is about people's eyesight.

Users of cosmetic contact lenses place them directly on the cornea. I am convinced that you will agree with me that placing a contact lens directly on the cornea poses health risks, even though the product is especially designed and manufactured for the eye.

The consumer who buys this product over the counter is not always aware of the risks. We are interested in introducing simple and practical measures to mitigate this very real risk to health.

There are real differences between cosmetic and corrective contact lenses. Corrective contact lenses improve eyesight; cosmetic contact lenses only change the appearance of the eye. In Canada, the authority to determine whether a medical device is distributed by prescription rests with the provinces and the territories. At present, Canadian consumers who want to purchase corrective contact lenses must have a prescription.

However, non-corrective contact lenses can be purchased without a prescription in retail outlets, such as costume shops, or on the

Internet. In fact, cosmetic lenses and corrective lenses are similar in many respects. Both are made with the same materials using similar production methods. Both are applied directly to the eye and both pose health and safety risks to those who wear them.

Some of the health and safety risks associated with wearing contact lenses include lacrimation, tingling and dry eyes. In extreme cases, these problems can lead to blindness.

For a number of years now, we have heard warnings about wearing contact lenses. As far back as 2000, Health Canada warned the public of the potential risks associated with wearing cosmetic contact lenses and recommended that these products be used only under the supervision of an eye care professional.

In addition to the information published by Health Canada, there have been many public communications regarding cosmetic contact lenses. Many Canadian associations for eye care professionals provide consumers with information on the risks associated with wearing cosmetic and corrective contact lenses and how to prevent these problems.

These professional associations adopted the position that the potential risks associated with wearing cosmetic contact lenses are equal to or greater than those associated with wearing corrective contact lenses.

The United States Food and Drug Administration also issued consumer warnings about the risks associated with wearing cosmetic contact lenses.

In 2008, our government introduced Bill C-51, An Act to amend the Food and Drugs Act and to make consequential amendments to other Acts, under which all contact lenses would be regulated as medical devices. However, Bill C-51 died on the order paper when Parliament was dissolved and the election was called.

Cosmetic contact lenses are currently not classified as a medical device since they do not provide any therapeutic benefits. That means that cosmetic contact lenses fall under the general prohibitions of the Canada Consumer Product Safety Act, which was passed in this House and came into effect in 2011.

This act is a solid piece of legislation that requires suppliers of consumer goods to report any safety-related incidents, recalls or other regulatory action in other jurisdictions.

Private Members' Business

●(1835)

The Canada Consumer Product Safety Act gives the government broad powers to take corrective measures, such as recalls and product corrections. It therefore authorizes the government to adopt corrective measures in all cases where a consumer product presents an unreasonable danger to people's health and safety. Under this legislation, products must be assessed one by one in order to determine whether they represent an unreasonable danger, but only once they have been put on the market.

I would now like to reassure Canadian consumers that the Canada Consumer Product Safety Act provides greater protection than before when it comes to cosmetic contact lenses. As medical devices, cosmetic contact lenses fall under the Food and Drugs Act and the medical devices regulations. Companies would be obligated to ensure that their cosmetic contact lenses meet safety and quality requirements in order to be able to sell their products in Canada.

Health Canada may also request additional information regarding safety and quality before or after a decision concerning their sale in Canada. Therefore, as medical devices, cosmetic contact lenses would be subject to the same labelling requirements and consumer information standards as corrective contact lenses, before they are put on the market.

Moreover, the medical devices regulations contain permit issuance and inspection requirements to which importers and distributors are subject, in addition to a mandatory declaration by companies concerning any serious incidents that may have occurred. Many contact lenses are sold directly to consumers over the Internet and are subject to minimal or no safety and quality oversight measures. It is not mandatory to consult an eye care professional.

Bill C-313 does not address any obligation to obtain a prescription in order to purchase cosmetic contact lenses, nor any obligation on the part of consumers to consult an eye care professional to obtain a prescription. The regulatory authority of the medical devices regulations does not address these concerns. The onus would be on the provinces and territories to make decisions and implement measures, since the authority to set regulations forcing consumers to obtain a prescription to purchase this kind of contact lens falls under provincial jurisdiction.

I am, however, firmly convinced that Bill C-313 is better for Canadians because it will mandate greater oversight over the safety and quality of these products than is currently the case both before and after they are put on the market.

As a regulatory body, Health Canada will continue to provide health care professionals and the public with product safety information, and will continue to promote industry compliance with rules and regulations. Industry will be obliged to meet the requirements of the Medical Devices Regulations. A large number of companies that sell contact lenses in Canada also sell them in the United States where all contact lenses, whether corrective or cosmetic, have been regulated as medical devices since 2005.

It is our government's priority to harmonize these regulations with those of its foreign counterparts and to promote Canada-American co-operation in the regulatory sphere. Bill C-313 is an important step in this process. Support for Bill C-313 will also enable our

government to meet its commitment to ensure Canadians' safety. This bill gives us the opportunity to address an important health risk. It comes in response to the concerns expressed by health care professionals.

In closing, Bill C-313 will make two similar products with comparable risks subject to a single regulatory mechanism.

●(1840)

[English]

Mrs. Patricia Davidson (Sarnia—Lambton, CPC): Madam Speaker, I would like to take this opportunity to thank all parliamentarians who spoke in the House of Commons for their support of Bill C-313. I believe this legislation would strengthen consumer protection measures for Canadians and would serve to address the concerns raised with me by Canadian eye care professionals.

I also thank the House of Commons private members' business office and also legal services for their excellent work leading up to the introduction of Bill C-313. All of their work behind the scenes for MPs' legislative business is greatly appreciated.

In addition to my parliamentary colleagues, I thank the many professionals within the eye care community who have supported my private member's bill. In fact, members of the eye care community have been calling for the regulatory changes contained in my PMB for over a decade now. Bill C-313 has gained the support of three prominent national eye care organizations. The Canadian Association of Optometrists, the Opticians Association of Canada and the Canadian Ophthalmological Society are important stakeholders in any discussion on eye care.

Furthermore, my office has been contacted by numerous provincial bodies and even eye care organizations from across the United States and Europe, each of whom are extremely supportive of the work we are doing here today with regard to helping to make Bill C-313 law.

I believe the work of these professional eye care stakeholders in Bill C-313 would finally address the lack of regulatory oversight on what are called "non-corrective cosmetic contact lenses".

Due to the importance of Bill C-313 toward consumer protection and the overall health and well-being of Canadians, I was able to obtain the full support of all the opposition parties and their health critics when my bill was first introduced. Today I thank them for that same support to send my bill to committee for further study.

I am also honoured to have the support of the Minister of Health and I thank her for her support on the bill.

*Adjournment Proceedings***ADJOURNMENT PROCEEDINGS**

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[English]

POVERTY

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Madam Speaker, I am rising on a question that I asked in the House regarding child and family poverty, the use of food banks in this country, and the very dismal statistics that 38% of food bank users are children. In this context, I want to specifically address some of the issues that are contributing to child and family poverty. It may surprise you, Madam Speaker, but I want to talk about the impact child care has on women in later life.

In an article in the *Vancouver Sun* on January 24, 2012, Paul Kershaw outlined a number of factors that are contributing to the ongoing child and family poverty in this country. He indicated:

UNICEF reports that Canadian family policy falls among the worst industrialized countries because it invests little in families with children under age six. The OECD agrees when measuring public investments in child care services. Similarly, a U.K. Fairness in Families Index ranks Canada 15th out of 20 countries because our policy is weak in supporting men and women to equally share parenting and breadwinning.

Poor family policy rankings have tangible consequences in the day-to-day lives of Canadians, which result in lower retirement incomes for women.

Current parental leave policy provides the typical two-parent family with nearly \$5,000 in incentives for the lower-earning spouse to withdraw from employment to care for a newborn, rather than share a year of leave between parents. Given that Canadian women age 25-44 continue to earn about 70 cents on the dollar compared to men's earnings, the lower earner is most often the mother. The result is that Canadian leave policy encourages women to take on primary responsibility for child care, and discourages dads' involvement.

He went on in his article to talk about the fact that because women have lower earnings, in their retirement years they end up with far less income. In particular, women over 65 who live alone have a low-income rate that is 40% higher than men who live alone.

He gets to parental concerns on child care. He said:

Inadequate parental leave isn't the only family policy barrier to women's earnings and retirement security. The fact that Canadian provinces typically have child care spaces for just one in five preschoolers is an equally significant obstacle, as is the high cost of the limited services that are available.

When a two-parent family with a toddler considers whether one parent (typically the mother) should stay home full-time, it is the cost of child care that is the major economic disincentive to a return to work. Child care costs dwarf the extra taxes the parent will pay on additional earnings.

In B.C., Alberta or Ontario, child care services will cost more than \$7,200 annually, even after deducting child care fees from income taxes owed.

I need to point out that in Quebec there is a much more progressive child care policy. It has been demonstrated that that child care policy contributes to women continuing to have higher rates of earnings.

Asked by constituents and others why I would bring Bill C-313 forward, I have explained that my objective was to fully address the concerns held by myself, other parliamentarians and thousands of eye care professionals across Canada about the impact that cosmetic contact lenses was having on the health of our youth and those unaware of the potential side effects of using such a consumer product.

For example, in the past few months, since Bill C-313 was introduced in the House, millions of cosmetic contact lenses have been recalled across North America. These lenses were sold by various companies over the Internet with little to no regard for the safety of the customer purchasing these products, which is exactly what this legislation intends to prevent.

Severe complications did occur for some of the consumers who purchased these tainted lenses, which led to the recent recall in question. Such complications are likely to occur due to unsafe handling and wearing an improperly fitted lens in one's eye. These issues are also known to increase with the lack of professional oversight when these products are initially obtained by the consumer. A list of complications would include the following: conjunctivitis, corneal abrasions, giant papillary conjunctivitis, microbial keratitis and other forms of bacterial, allergic and microbial infections as specified by the eye care industry.

Already we know that these complications all occur with prescribed corrective lenses, which is exactly why Health Canada regulates the use of those products through opticians and regulatory bodies.

Before I finish, I will share with members a quote from Dr. Lillian Linton, president of the Canadian Association of Optometrists. After Bill C-313 was introduced, she stated:

This is about people's eyesight.... There are daily news stories from around the world about the complications that can arise due to ill-fitting cosmetic lenses or improper use and handling. It is an important vision health issue and the optometrists, opticians and ophthalmologists of Canada are asking for unanimous support from the House, Senate and Health Canada to adopt this amendment and enact it with haste.

The time has come for us as parliamentarians to join together to support Bill C-313 so we can ensure that the required regulatory changes are made. In doing so, we, as MPs, can ensure that the eye health of thousands of Canadians remains adequately protected.

With this in mind, I call on all parliamentarians in the House today to stand in support of Bill C-313.

• (1845)

The Deputy Speaker: The question is on the motion. Is it the pleasure of the House to adopt this motion?

Some hon. members: Agreed.

The Deputy Speaker: I declare the motion carried. Accordingly, the bill stands referred to the Standing Committee on Health.

(Motion agreed to, bill read the second time and referred to a committee)

Adjournment Proceedings

As a package, our family policies interact with cultural expectations about gender roles in Canada to pressure women to shoulder the lion's share of responsibility for child care at the expense of earnings and saving for retirement.

Canada's failure to make much progress on the report of the Royal Commission on the Status of Women from 1970 helps to explain why the World Economic Forum ranks Canada 18th on its international gender equality index, despite our formal commitments in the Canadian Charter of Rights and Freedoms.

It is no coincidence that our family policy and gender equality rankings converge near the bottom of OECD countries. They emerge from a common cultural reality. Canadians are content to ask young women to sacrifice their earnings, career ambitions and future retirement security to compensate for our national failure to prioritize family policy investments.

I come back to my original question, to which I did not get an adequate answer at the time. Is the government prepared to invest in high quality affordable child care programs, or is its continuing answer to our nation's hungry children that they should just get a job?

• (1850)

Mr. Andrew Saxton (Parliamentary Secretary to the President of the Treasury Board and for Western Economic Diversification, CPC): Madam Speaker, I am pleased to respond to the member for Nanaimo—Cowichan and to explain what our government is doing to combat child poverty.

[*Translation*]

There is no doubt that jobs are the best way to escape poverty.

[*English*]

Our government provides almost \$2.5 billion each year to the provinces and territories to enable them to deliver critical services and supports to Canadian workers who need help to make the transition to new jobs. Our government's approach to reducing poverty focuses on giving Canadians opportunities to achieve self-sufficiency while providing targeted supports to those facing special barriers.

We recognize that families are the most important building block for society. That is why our government provides over \$14 billion per year in benefits for families with children. These funds are invested through the Canada child tax benefit, including the national child benefit supplement for low-income families, and through the universal child care benefit and the child tax credit.

Something must be working because the poverty rate for children has almost halved in recent years from a peak of 18.4% in 1996 to just 9.5% in 2009. Children under age 18 and female headed lone parent families saw their rate of poverty plummet to an all-time low of 21.5% in 2009, down from 56% in 1996. This progress can be explained by the fact that mothers are earning more income through employment. It also reflects the positive effects of the national child benefit supplement and the working income tax benefit.

The Government of Canada also supports families with young children through the Canada social transfer. About \$1.2 billion was

transferred to the provinces and territories in 2010-11. That investment will grow to almost \$1.3 billion by 2013-14.

Let me say a little more about the Canada child tax benefit. It is a basic benefit that goes to some 90% of Canadian families with children. The Canada child tax benefit, which includes the national child benefit supplement for low-income families, provides a tax-free monthly benefit of up to \$3,485 per year for the first eligible child under the age of 18.

Budget 2009 increased accessibility for the Canada child tax benefit and the national child benefit supplement for low-income families. This allows families to earn additional income and still qualify for a full or partial benefit.

The national child benefit initiative has been successful in reducing the number of families with children living in poverty. It has also improved living standards for those families who continue to live below the poverty line.

We have made real progress in reducing poverty, especially for families with children. We will continue to help families and the most vulnerable Canadians to achieve self-sufficiency.

• (1855)

Ms. Jean Crowder: Madam Speaker, I thank the parliamentary secretary for his response but we have different realities.

In another article by Paul Kershaw on the struggles of the next generation, in talking about social policy he indicated:

This reticence is especially evident in our slow national response to a disturbing reality — that the generation raising young kids today is the first in a long time to struggle with a dramatically lower standard of living than their parents.

Canada allocates just 0.34% of GDP to child care and kindergarten services for children under age six.

That was in 2008 and talked about 38% of children using food banks. He also indicated that Canada has one of the worst records in the OECD countries for child and family poverty.

The member may talk about those rates coming down, but the reality is that a significant number of children and families are still living in poverty in this country.

Again, I come back to my original question. When will the government invest in a high quality, affordable child care program, or is the government's answer to children to just get a job?

Mr. Andrew Saxton: Madam Speaker, as I mentioned earlier, the low-income rate for families with children has shown a significant decrease in recent years, from 18.4% in 1996 to 9.5% in 2009. Both the 2009 and 2010 budgets introduced broad-based tax relief as well as significant investments to assist vulnerable Canadians.

Adjournment Proceedings

[Translation]

We have made improvements to the national child benefit and the Canada child tax benefit.

[English]

In 2011, about 1.5 million working Canadian families are expected to benefit from the working income tax benefit. Our goal is to support families as the building blocks of society. We will continue to make investments that make a positive difference in the lives of Canadians and their families.

[Translation]

AUDITOR GENERAL

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Madam Speaker, this evening I am coming back to the question of the Auditor General of Canada, who is an officer of Parliament. We all remember everything that happened in the fall when the government presented the results of a process it had itself initiated by publishing the criteria in the *Canada Gazette* that the candidate had to meet. The announcement stated very clearly—it was written and spelled out—that fluency in English and French was essential. When the Prime Minister consulted the opposition party leaders in writing, he did not mention the fact that the candidate who had been chosen was not in fact bilingual.

When this became known, it caused a lot of ink to be spilled. It made a number of waves, and it is not over. Even the then President of the Public Service, Ms. Barrados, when a question was put to her at a parliamentary committee about the procedure followed by the public service when someone did not meet the specified criteria for a competition, said very clearly that if the person did not meet the language requirements they simply did not get the job, particularly if fluency in both languages was considered to be essential.

The mere fact that the government went ahead with the appointment and forced the vote in the House on the appointment of a person who did not meet the basic criteria is evidence of a lack of natural justice.

I know people who did not apply because they were not bilingual, when the position required it. If the government was going to insist on appointing someone who is not bilingual, then, and everyone acknowledges it, it should have started over from zero and changed the criteria, but it did not do that. It bent the selection process. The Conservatives' answer, and I do not doubt they will spin the same yarn tonight, is that they looked but they could not find anyone. To offer that kind of rationale is absolutely unbelievable.

There is another major concern: there are several parties sitting in the House. There are at least three that are recognized because they have enough members to have party status: the Conservative Party, the New Democratic Party and the Liberal Party. There are also Bloc Québécois representatives and a representative from the Green Party. However, what we have to realize is that when the vote was called for, to approve the appointment of Mr. Ferguson, only one party supported it, when an officer of Parliament should have the support of more than one party. The New Democrats, the Liberals and the representatives of the Bloc and the Green Party voted against it.

The government has set a dangerous precedent for this officer of Parliament position. I think it will have consequences. I think Canadians are entitled to know that the government set up a process and then failed to abide by it, and that it put Mr. Ferguson in an extremely delicate and embarrassing position by insisting that he be appointed even though he did not meet the basic prerequisite in a country with two official languages, where the Charter of Rights and Freedoms states that loudly and clearly.

As well, only one party in the House supported it. The situation this creates is a matter of considerable concern, and I think the government should revisit its approach.

● (1900)

[English]

Mr. Andrew Saxton (Parliamentary Secretary to the President of the Treasury Board and for Western Economic Diversification, CPC): Madam Speaker, with respect to the appointment of the new Auditor General, Canadians can be confident that we have found a highly qualified individual for this very important position.

Mr. Ferguson brings with him the experience gained during a successful career in a series of senior financial positions with the Government of New Brunswick. We are fortunate to have found someone of his calibre to take on the demands of this important position.

As members know, the Office of the Auditor General plays a central role in ensuring the accountability and integrity of the Government of Canada. The Auditor General's job is one of the top financial jobs in the country, and it requires a top financial mind.

We looked for bilingual candidates. After an extensive process, Mr. Ferguson was chosen because he was the best qualified.

He has been a non-partisan public servant since 1985 and has had a distinguished career by any measure. Mr. Ferguson has succeeded in three important roles in New Brunswick: as comptroller general, auditor general and deputy minister of finance. In fact, he has had success after success in senior financial positions in the bilingual government of that province.

New Brunswick is a wonderful province with a rich heritage in both English and French. Mr. Ferguson's success in that bilingual jurisdiction is a good indicator of success in the federal government. Undoubtedly, the outstanding qualities that he brought to his career in New Brunswick will serve him well here in Ottawa.

The Auditor General has committed to improving his language skills in French. He has characterized this as a number one priority for him, including during his appearances before committees of the House and Senate.

Mr. Ferguson is a highly respected person in this field. We can be sure that he will carry on the high standards of auditing independence, integrity and excellence set by his predecessor Madam Sheila Fraser.

As Canada continues its efforts to strengthen accountability and transparency in its public institutions, while at the same time reducing the deficit and balancing the books, we will need a highly qualified individual in this post. That person is Michael Ferguson.

Adjournment Proceedings

•(1905)

[*Translation*]

Hon. Mauril Bélanger: Madam Speaker, I knew they would hide behind Mr. Ferguson's candidacy. That is not what we are criticizing. We are not criticizing the man, just the fact that the government said it wanted someone who was fluent in both of Canada's languages, which is perfectly reasonable, but that did not happen. The government did not even satisfy its own criteria. I hope there will be consequences.

The Commissioner of Official Languages, who is responsible for ensuring linguistic duality here in the House, is investigating the matter. I am looking forward to the results of that investigation. We cannot let this go without raising a fuss. This indicates a total lack of respect for Canada's two linguistic groups. When an agent of Parliament is required to master both languages, but the appointee does not fulfill that criterion, that demonstrates lack of self-respect and lack of respect for Canada's two linguistic groups. That is what we are not happy about, not the candidacy of any particular individual. The government should respect its own criteria.

[*English*]

Mr. Andrew Saxton: Madam Speaker, as I have previously stated, the government voluntarily sought bilingual candidates for this position. Upon completion of a rigorous process, the best qualified candidate was chosen.

The Auditor General's position is one of great importance within the government. It requires a person with expertise and many years of experience in the auditing field. Michael Ferguson is highly qualified and he is the right person for this job.

JUSTICE

Ms. Joyce Murray (Vancouver Quadra, Lib.): Madam Speaker, I have the pleasure of rising to continue debate on a question that I asked the government in October. That has to do with the mandatory minimum penalties in Bill C-10. This bill removes a judge's discretionary power to determine an appropriate sentence based on the crime and circumstances. Since that question was asked, this bill was rushed through the House with time allocation and closure. It is on its way to being the law of the land, unfortunately. This is another expression of the government's disrespect for Parliament, parliamentarians, Canadians and stakeholders who are represented in the House of Commons.

Bill C-10 had no consultation on some of its elements. They were new. They were not bills that had been previously discussed. Worse than that, the bill had many aspects that had been discussed, debated and brought forward in committee. It had input from stakeholder groups and experts across the country, and all of that expert testimony was ignored. The vast array of troublesome aspects of Bill C-10 had no modifications, no amendments permitted and, essentially, the expert advice from Canadians who knew about these issues was brushed off.

It is not my word on this. I want to put on record the voices of people who know about these issues. While the government claimed that Bill C-10 would make Canadians and streets safer, that is clearly completely false. It is a marketing ploy by the government. In fact,

the vice-chair of the Canadian Bar Association's National Criminal Justice Section said:

We believe the substance of this legislation [Bill C-10] both to be self-defeating and counterproductive, if the goal is to enhance public safety. It represents a profound shift in orientation from a system that emphasizes public safety... rehabilitation and reintegration to one that puts vengeance first.

The executive director of the Washington-based Justice Policy Institute stated:

Republican governors and state legislators in such states of Texas, South Carolina, and Ohio are repealing mandatory minimum sentences, increasing opportunities for effective community supervision, and funding drug treatment because they know it will improve public safety and reduce taxpayer costs. If passed, C-10 will take Canadian justice policies 180 degrees in the wrong direction, and Canadian citizens will bear the costs.

The Assembly of First Nations' national chief said:

—the Conservative government's tough-on-crime bill will hurt First Nations people, who are already disproportionately represented in federal, provincial and territorial jails.

In fact, it will hurt first nations people and discriminate against them, as well as youth and people with mental illness.

The justice minister for Newfoundland and Labrador was clear that “incarcerating more people is not the answer”.

[*Translation*]

The bill's approach is contrary to what is known to lead to a safer society.

[*English*]

That was a statement made by the Canadian Bar Association.

I have pages and pages of testimony, all ignored by the Conservative government in Bill C-10, which is going to create more crime, greater costs and less justice.

•(1910)

[*Translation*]

Ms. Kerry-Lynne D. Findlay (Parliamentary Secretary to the Minister of Justice, CPC): Madam Speaker, let us review Bill C-10.

[*English*]

The hon. member has raised the issue of judicial discretion. Part 2 of the Safe Streets and Communities Act includes former Bill S-10, the Penalties for Organized Drug Crime Act. These reforms were introduced in three previous parliaments, passed by both chambers but never by both in the same session.

Bill C-10 proposes to amend the Controlled Drugs and Substances Act, to impose mandatory minimum penalties or MMPs for the offences of trafficking, possession for the purpose of trafficking, production, importing, exporting and possession for the purpose of exporting drugs, all serious drug offences.

Drugs covered are schedule 1 drugs such as cocaine, heroin, methamphetamine, and schedule 2 drugs such as marijuana. These offences would only carry an MMP where there is an aggravating factor, including where the production of the drug constituted a potential security, health or safety hazard, or the offence was committed in or near a school.

Importantly, there is an exception that allows courts not to impose a mandatory sentence if an offender is eligible for and successfully completes a drug treatment court or DTC program. The program involves a blend of judicial supervision and incentives for reduced drug use, social services support and sanctions for non-compliance. There are six DTCs in Canada: Ottawa, Toronto, Winnipeg, Regina, Edmonton and Vancouver.

If there is no drug treatment court in a particular jurisdiction, the court can delay sentencing to allow the offender to attend another approved treatment program. The Canadian drug treatment court model was initiated by federal prosecutors looking to effectively deal with repeat offenders whose crimes were motivated by drug addictions. By assisting the offender to overcome addiction, criminal recidivism is reduced and success is being achieved.

Bill C-10 also aims to further restrict the use of house arrest and conditional sentences never intended to apply to serious and violent crimes. Bill C-10 includes amendments that explicitly state that a conditional sentence is never available for offences punishable by a maximum of 14 years or life, for offences prosecuted by indictment and punishable by a maximum penalty of 10 years that result in bodily harm, involve the import, export, trafficking and production of drugs or involve the use of a weapon, or for specific serious property and violent offences punishable by 10 years and prosecuted by indictments such as criminal harassment, trafficking in persons, motor vehicle theft and theft over \$5,000.

Do the critics of our law reform agenda really believe that an offence with a maximum sentence of 14 years should ever be served in the comfort of the offender's home, even under the strictest of conditions? Do these critics believe that drug traffickers should serve a conditional sentence? This government is committed to ensuring that conditional sentences are only an option for appropriate offences. This will result in some offenders serving time in custody. Some will receive other types of sentences. This is as it should be.

Bill C-10 also proposes to denounce all forms of child sexual abuse through the imposition of new and higher mandatory minimum penalties and the creation of two new offences to target conduct which facilitates sexual offending against children. These amendments were included in former Bill C-54, which had been passed by this House with all party support and was at third reading debate in the Senate when it died on the order paper last March. I would be surprised if these reforms are not still strongly supported.

The government intends to keep its promises. One such promise is to better protect our most vulnerable, including children. There will

Adjournment Proceedings

always be critics, but we will be quick to defend our public safety approaches because we do so for the—

● (1915)

The Deputy Speaker: Order. The hon. member for Vancouver Quadra.

Ms. Joyce Murray: Madam Speaker, that is just another cherry-picking of the impact of this bill. Of course there are some things that all of the members support. It is the issues around mandatory incarceration for minor non-violent offences, and the use of mandatory minimums for broad, vague underlying offences that will result in unjust, grossly disproportionate sentences.

To sum up, the Canadian Bar Association has been absolutely clear that this bill will do nothing to improve the state of affairs that we are already seeing in terms of prison overcrowding and all of the results of that. It ignores the reality that decades of research have shown, that what actually reduces crime is addressing child poverty, providing services for the mentally ill, diverting young offenders from the adult justice system, rehabilitating prisoners and helping reintegrate prisoners into society. Bill C-10 ignores these facts and would actually be redistributing funds that would have been spent on those issues to more prisons, dealing with the overcrowding and all of the problems that causes. Therefore, this is a bad bill.

The Conservative government should be listening to Canadians on this matter, but it simply is not because it—

The Deputy Speaker: I would like to give the hon. parliamentary secretary the opportunity to respond.

Ms. Kerry-Lynne D. Findlay: Madam Speaker, I am extremely proud of this government's approach to fighting crime and protecting our communities. It is a made in Canada approach that will increase public safety and restore the confidence of Canadians in the justice system. The people of Canada can count on this government to deliver on our commitments.

Of course, we are aware of the approaches taken in other countries. Of course, we are aware of how the Canadian criminal justice system works and how it can be improved. Contrary to the hon. member's assertions, our government's approach is a balanced one, combining crime prevention, punishment and rehabilitation.

Our government remains committed to ensuring that crime is prevented, that appropriate rehabilitation takes place and that proper punishments that fit the severity of the crime are served.

[*Translation*]

The Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly the House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Order 24(1).

(The House adjourned at 7:17 p.m.)

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