



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

House of Commons Debates

VOLUME 146 • NUMBER 080 • 1st SESSION • 41st PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Tuesday, February 14, 2012

—

Speaker: The Honourable Andrew Scheer

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HOUSE OF COMMONS

Tuesday, February 14, 2012

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1005)

[English]

PROTECTING CHILDREN FROM INTERNET PREDATORS ACT

Hon. Vic Toews (Minister of Public Safety, CPC) moved for leave to introduce Bill C-30, An Act to enact the Investigating and Preventing Criminal Electronic Communications Act and to amend the Criminal Code and other Acts.

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

* * *

INCOME TAX ACT

Mr. Jamie Nicholls (Vaudreuil—Soulanges, NDP) moved for leave to introduce Bill C-395, An Act to amend the Income Tax Act (transportation benefits).

He said: Mr. Speaker, this bill would amend the Income Tax Act with respect to transportation benefits. The bill would serve to promote sustainable transit choices and not impose the burden of taxation upon employers or employees who receive these benefits.

I believe the bill would be of benefit to all Canadians.

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

* * *

PUBLIC SERVICE COMMISSION

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

That, in accordance with subsection 4(5) of the Public Service Employment Act, S.C. 2003, c. 22, and pursuant to Standing Order 111.1, this House approve the appointment of Anne-Marie Robinson as President of the Public Service Commission, for a term of seven years.

The Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to)

PETITIONS

ASBESTOS

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I rise today to present a petition signed by literally thousands of Canadians from all across Canada.

The petitioners call upon Parliament to take note that asbestos is the greatest industrial killer the world has ever known and that more Canadians now die from asbestos than all other industrial and occupational causes combined, yet Canada remains one of the largest producers and exporters of asbestos in the world.

They also note that Canada spends millions of dollars subsidizing the asbestos industry. The petitioners call it corporate welfare for corporate serial killers. Canada also spends a fortune blocking international efforts to curb its use.

Therefore, the petitioners call upon Parliament to cause the government to ban asbestos in all its forms and institute a just transition program for asbestos workers and the communities they live in, to end all government subsidies of asbestos both in Canada and abroad, and to stop blocking international health and safety conventions designed to protect workers from asbestos, such as the Rotterdam convention.

CANADA-EUROPEAN UNION FREE TRADE AGREEMENT

Mr. Frank Valeriote (Guelph, Lib.): Mr. Speaker, I am proud to submit a petition signed by a significant number of Canadians, most from my riding of Guelph. They add their voices to the thousands across Canada and the 16 municipalities across the country calling on the House of Commons to urge the government to exclude all sub-federal governments and their public agencies, including municipalities, from any Canada-EU procurement agreement.

As it stands, CETA negotiations include government procurement, including projects at the provincial and municipal levels.

Municipalities like Guelph are rightfully concerned that they will lose the right to have independent procurement policies and the ability to buy local materials and services. These restrictions would cripple the ability of municipalities to stimulate local innovation, foster local community economic development, create local employment and achieve strategic local public policy goals.

Government Orders

FALUN GONG

Mr. Frank Valeriote (Guelph, Lib.): Mr. Speaker, I also present a petition signed by concerned residents of Guelph who are calling on the Canadian government to speak out at every opportunity and call for an end to the persecution of Falun Gong practitioners and assist in petitioning for the release of 11 family members of Canadian residents incarcerated in China for their beliefs.

It is important that we remain a beacon for human rights in the world and that we stand up against discrimination against others' beliefs.

THE ENVIRONMENT

Mr. Fin Donnelly (New Westminster—Coquitlam, NDP): Mr. Speaker, I rise today to present a petition signed by thousands of people in the Lower Mainland who are opposed to the delivery of jet fuel within the Fraser River estuary.

The Fraser is a designated Canadian heritage river and is a significant bird flyway. Ninety per cent of the wetlands have been impacted by human activity. The Fraser is one of the largest salmon rivers in the world and is vital to the survival of Pacific salmon, sturgeon and 70 other fish species.

The petitioners view the delivery of jet fuel as a threat to wild salmon, migratory wildlife and the health of the ecosystem. They join with the city of Richmond in opposing this proposal.

* * *

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.

GOVERNMENT ORDERS

[Translation]

FINANCIAL SYSTEM REVIEW ACT

BILL S-5—TIME ALLOCATION MOTION

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

That in relation to Bill S-5, An Act to amend the law governing financial institutions and to provide for related and consequential matters, not more than one further sitting day shall be allotted to the consideration at second reading stage of the said bill; and

At fifteen minutes before the expiry of the time provided for government business on the day designated for the consideration of the said 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.

● (1010)

[English]

The Speaker: Pursuant to Standing Order 67.1, there will now be a 30 minute question period. I would invite members to keep their questions to one minute and their responses to a similar length of time so that we can accommodate as many members as possible. As

we have been doing in the past, preference in the rotation will be given to members of the opposition, although government members will be recognized during the time as well.

The hon. member for Windsor—Tecumseh.

Mr. Joe Comartin (Windsor—Tecumseh, NDP): Mr. Speaker, here we are again. This is the 16th time allocation motion since the 41st Parliament convened. There have been four in the last two weeks.

I want to mention the preposterous statement that was made last week when the government House leader moved another one of these time allocation motions. He was trying to justify his anti-democratic, abusive conduct in this House. As is so typical of people who abuse their power, he blamed the opposition parties, specifically the official opposition.

I practised family law for a good deal of my professional career as a lawyer. I did a lot of work on domestic abuse cases, both between spouses and partners and with regard to children. The same story was heard. The abuser would always say to the recipient of the abuse, "I am doing this because of what you did". The abuser would not accept any responsibility.

There is a real victim here. I ask the government House leader if he recognizes the abuse he is perpetrating on the victims, who are the Canadian people, with this attack by the Conservative government on the democratic process.

Hon. Peter Van Loan: Mr. Speaker, the past few weeks have given us an opportunity to see exactly what the strategy of the official opposition is. It is one of seeking to simply run up the score by compelling the government to resort to time allocation in order to advance any proposition.

We had to resort to time allocation with respect to the pooled registered pension plan bill. That bill is broadly supported by every province and generally is seen as non-controversial. However, it was impossible to get any agreement from the official opposition on the length of time for debate.

We saw it with the copyright bill. The identical bill in the previous Parliament went to committee after seven hours of debate. After 75 speeches here in the House, the official opposition simply had not shown any willingness to come to any agreement on the number of speakers it would require before sending the bill to committee where the detailed study could actually occur and it could advance. That is an important bill for the economy, the high tech sector and for job creation. Again, it was impossible to get that bill to advance without resorting to time allocation.

We see the same thing with Bill S-5. A highly technical bill comes along every five years. The last two times it has come along all the parties have agreed to send it to committee after one day of debate. We could not get any agreement out of the NDP. Those members would not ever provide us with a single list of the number of speakers they had, the number of days they wanted for debate. The Liberals, in fairness, did. They were in agreement with approaches to move this matter forward. The only way to move this legislation forward is to resort to time allocation again because the NDP simply will not co-operate.

Government Orders

Mr. Joe Comartin: There we go again, Madam Speaker. In how many other Parliaments in Canadian history has this happened? Have official opposition parties ever taken the proper role of the official opposition in saying it has the right and the responsibility to debate in the House, to bring an alternate voice to this chamber and to the Canadian people as to what they are hearing from the government? That is a fundamental principle of our democracy.

As I said in my opening comment, the use of time allocation is not a response to the normal process that the official opposition has used since this Parliament started. This process is being used by the government to curtail debate, to eliminate that alternative voice which the official opposition is responsible for bringing.

Again I ask the government House leader, does he realize how much he is undermining the democracy of this country by the repeated use of this process?

• (1015)

Hon. Peter Van Loan: Madam Speaker, this really demonstrates the extent to which the New Democratic Party is not interested in advancing or discussing issues. That party is interested in merely debating them.

We have already had debate on this legislation, but members were not talking about the bill. Most of the debate took place on the question of the Canada pension plan, things like old age security. People talked about pooled registered pension plans, which was a separate bill before the House. There was a debate on the national rate of unemployment. There was a lot of talk about the health accords apparently. Somebody even talked about French socialist party leaders. We had a great debate on who should take credit for the soundness of the banking system, whether it should be the current government or the previous Liberal government. There was actually no debate on the bill itself.

After a day of that, we still could not get any agreement from the NDP on how many further days to allocate for debate on a routine bill that comes up every five years. The bill has to be passed by April 20 or it will sunset and then our banking system will have to function without any law in place. It cannot do that. We have the soundest banking system in the world and we have to keep it that way. That is why we have to proceed forward with this legislation.

The NDP would not co-operate, even after we made several offers even in public here in the House. There was nothing forthcoming from the official opposition.

It is clear that the NDP strategy laid bare is to run up the score, compel the use of time allocation on every occasion. It makes all of those words from the opposition House leader ring entirely hollow.

Mr. Massimo Pacetti (Saint-Léonard—Saint-Michel, Lib.): Madam Speaker, I am going to try to stay focused on this particular bill. We have seen time allocation almost 50 times since this new government. I think it is something that everyone here is uncomfortable with. We already know that the government does not like the democratic process and is using its majority.

The bill is non-controversial. It was tabled in the Senate mid or late November. It went through the Senate the second week of December. It was put before the House the last week of January. The government House leader knows it has to get out by April 20. The

government knows that the day after the last bill is reviewed we have five years before we have to review this bill. It is non-controversial, but we have to hold hearings and we have to have a debate. I do not understand where the planning is.

The government House leader knew all along that he was just going to ram this through Parliament. I do not understand the attitude that we cannot get bills through without time allocation, whether they are controversial or non-controversial.

My question is, at what point will the government House leader go to the Prime Minister and say he cannot handle the job because he cannot have the bills funnelled through Parliament like they should be? At what point will he say he cannot do this any more?

Hon. Peter Van Loan: Madam Speaker, the hon. member's party, the Liberal Party, has been quite practical about its approach to the bill. Liberals were at the Senate where it was dealt with in an appropriate fashion, similar to that in the past. It took 23 days from introduction to final passage. The proposals that we put forward in this chamber took about three times that for consideration of the entire bill, even though the Senate is the chamber that is traditionally most engaged in banking. In fact the Senate has a banking committee. It was able to consider the bill in 23 days. Here in this House, his party has shown a willingness to engage in discussions and to agree to a reasonable approach in dealing with the bill. Liberals know this is the appropriate way to do it. It has been done in the past: one day of debate at second reading, each of the last two times it came up. Let us have the focus happen at committee. Let us get it to committee where they can discuss it.

The review has been going on since September 20, 2010. That is when the Department of Finance launched the review. It began seeking submissions from Canadians, requesting their interest. That was the input that produced the bill. The bills come forward in the exact same sequence, with roughly the same timeframes as in the past. In fact, with the amount of time consumed for debate, on the previous occasions when it came up, there was more than ample opportunity for review.

Government Orders

We are happy to have the constructive support of the Liberal Party, both in substance and in process, as it has expressed in the House. In fact, the NDP critic has even expressed support for the substance of the bill. He has said the NDP will support the bill at second reading and probably even at third reading. So that leaves the question: Why are we forced to resort to this? It is because the NDP House leader has an agenda. It does not matter what his critic says. It does not matter what the caucus says. It does not matter what public policy interests are. He wants to run up the score so he has a stat to quote in the next election. Well, so be it. We will continue to run this House in an orderly, productive, hard-working fashion, in the best interests of Canadians.

● (1020)

Mr. Joe Comartin: Madam Speaker, I am just amazed that the House leader of the Conservative party thinks I have that kind of control or sway over my caucus. The reality is I have a number of members of our caucus who want to speak on this bill. Madam Speaker, you have the list in front of you today. They want to address this bill. Part of the reality is, we have a large new caucus here. Maybe the Conservatives could have asked us why we have that large new caucus, rather than spending \$16,000 on it. Caucus members want to communicate to their ridings what their positions are on any number of bills, including S-5.

I want to go back to the point that my colleague from the Liberals raised. This really is about the incompetence of the government House leader. The government knew the April 20 deadline was there since Parliament came back. It is there. It is the reality. By moving the bill at a much earlier stage, the government House leader could have accomplished what he needed to accomplish in order to meet that deadline. Therefore, why do we see this bill at the last minute, forcing us to be confronted with a time allocation motion? That is not the way to be the general manager in the House. The fact that we are faced with this is his responsibility, not that of the opposition. Not at all.

Hon. Peter Van Loan: Madam Speaker, the bill was introduced in this Parliament on November 23, 2011. That is not at the last minute. I appreciate that the hon. member does not believe in the Senate. However, the Senate is still a constitutionally important part of our parliamentary system. The fact that we introduced it in the Senate first instead of in the House does not mean that we have cut short the time. In fact, it means that we have had ample time. It would still have to go through the Senate to become law.

It is important that we have the bill in place. We are very fortunate in Canada to have what has been voted the world's soundest banking system the past four years by the World Economic Forum. That is a testament to the oversight provided by this government and the institutions that are established by it. The laws and rules we have in place are very strong. This review has revealed that indeed they are strong. We do not need dramatic change, although there are a lot of technical changes that need to occur.

I hope we will not have a debate like we have in the past, where people thought it was about old age security, or what French socialist political leaders say, or the Canada pension plan, or natural rates of unemployment. I hope that all those people who the member said want to speak this time will actually speak about the bill instead of what we heard the last time.

This is an important bill that would ensure that our banking system continues, stays sound and continues to function in the best interests of Canada. The strength of our banking system has been a bulwark of our economic success during a very challenging time globally. Other countries look at our system with envy. We should look at it with pride. This is our opportunity to endorse that.

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Madam Speaker, I have been a house leader. I have gone through majority and minority governments. I have dealt with government House leaders, both Conservative and New Democrat. I can honestly say that I have never yet experienced a government trying to incorporate time allocation as a standard procedure. That is actually what the government is doing.

It does not matter how long a bill has been debated for, it is standard procedure. That is what I see this government House leader moving toward, if he is not already there. Canadians need to be aware that it is not democratic. The government needs to sit down and start working with opposition House leaders in order to negotiate matters.

In the past, numerous government House leaders provided all the bills that they wanted to talk about. They worked with the opposition as to when they would like to see which bills go through. Some are dated, like Bill S-5, which is relatively non-controversial and should be able to pass through relatively quickly. For other bills, such as the Canadian Wheat Board or the pooled pension plan, time allocation should be put off until well after the opposition has been afforded the opportunity to legitimately debate the issue.

I ask the government House leader with all sincerity if he does not see the merit of working with opposition House leaders to have better, more functional House proceedings that would allow for adequate debate on those bills that are important to Canadians.

As I say, we do not have a problem with Bill S-5 going through. Where we have a problem is that this particular government House leader is so focused on making time allocation standard procedure. This is not healthy for the House of Commons.

● (1025)

Hon. Peter Van Loan: Madam Speaker, I am a bit challenged on how to answer the question. It is not my practice to discuss what happens in our private House leaders' meetings. However, the member is asking me to do exactly what I did at previous House leaders' meetings, including one at which he was present. Therefore, I am very perplexed.

Government Orders

We do lay out for the other parties the bills that we have and ask them how long they would like to debate them. We seek that kind of agreement. That has been reflected in the motions that we brought forward in the House over the past couple of days seeking unanimous consent. The member's own party has actually been somewhat co-operative in that process, including on this bill. Therefore, I find his question very puzzling. He is asking me to do what we have been doing so that his party could do what he said it would do, which it did in fact do.

Our problem is there is another party whose sole objective is to run up the score and compel time allocation in every case. It is good that its members take that position, that this is a routine bill and a technical bill that should be dealt with quickly. I am glad that the Liberals take that position because in fact it is. However, it is also a critical bill because it is time limited.

The existing act that regulates our banking sector sunsets in April. It is designed to sunset every five years. Some people might think that is extraordinary, but it has actually been praised by world financial authorities as a system that ensures that we are not stuck with old rules, that when we see problems we are compelled to correct them. It has helped to make Canada's banking system the strongest banking system in the world.

However, it means there is an obligation on each and every one of us here in this Parliament to ensure that we do our work, that we do a review, that we send it to committee, and that we do pass legislation before that deadline.

Mr. Joe Comartin: Madam Speaker, on the point of the government praising the banking system, the reality is that before the 2008 great recession started, it was about to undertake some major deregulation processes and was stopped only because of what happened at that time.

I want to go back to the point that the government House leader is raising. He is beginning to breach the confidentiality that we are supposed to be abiding by with regard to House leaders' meetings. His characterization of those meetings is not at all accurate. I want to say that and will not say anything further because I do not want to breach confidentiality.

I want to go back to the point about the regular process. This is the 16th time the government has put closure and time allocation on bills. This is an all-time record. No other government in the entire history of this country has used it that often in such a short period of time. Is he saying the NDP is the only official opposition party that has ever demanded its right to speak in the House?

Hon. Peter Van Loan: Madam Speaker, my focus today is on this bill. This bill is very important for the protection of consumers. It ensures that they have a banking system that treats them fairly. It is important for our economy, for jobs and growth, so we can continue to have the soundest financial system in the world. Thus, it is important that this bill pass, as everybody knows, by April 20, 2012. Failing that, the existing law will sunset. Some may not like the fact that there is a review built into the legislation that compels a requirement to come back to the House every five years. Some think that is a good thing. However, there is an obligation on us to review it.

There are some important changes happening. We are increasing the threshold for schedule I banks to reflect the fact that times have changed, and to ensure that the system is modern and responsive. It is an important change, one that is supported broadly and will continue to keep our financial sector strong and competitive.

● (1030)

Hon. John McCallum (Markham—Unionville, Lib.): Madam Speaker, this is a bill about banking and banking is obviously extremely important. I suspect the Conservatives want to avoid prolonged debate on this matter because, should we have that debate, it would make clear that the Conservatives were part of the problem in terms of having a solid banking system rather than a part of the solution. Back in the 1990s, they were in favour of bank mergers and deregulation.

My question to the government House leader is this: He knew for many months and weeks that this was a time-sensitive bill—

Mr. Massimo Pacetti: Years, years. Five years.

Hon. John McCallum: Years. Is he putting it forward at the last minute in order to avoid debate on banking, which would put the Conservative Party in a very bad light? Is that his motivation?

Hon. Peter Van Loan: Madam Speaker, on the contrary. The bill was introduced in Parliament on November 23, 2011. The Liberal and Conservative senators were able to deal with the bill at all stages, three readings in 23 days. It was introduced in Parliament the second day after our return. We dealt with it since. There is ample time for review in committee. In fact, our objective is to have as much time as possible at committee so that those who are deeply interested in it can actually ask questions about the bill.

I note that, once again, we are more than halfway into this question period and I have yet to receive any questions on the actual substance of the bill or concerns about it. The bill contains important points, for example, that would protect consumers, consumer interest and their ability to cash government cheques of up to \$1,500 at any bank. That is important particularly for those who are facing poverty and not traditional users of banks, who do not have bank accounts or large portfolios. For them, that is an important right. Many of them depend on government cheques in order to live. They need the ability to cash them. This would preserve and protect that right in statute. Let us get it into law.

Mr. Kevin Sorenson (Crowfoot, CPC): Madam Speaker, we know that this bill has been put forward to help improve the security of our financial systems and to strengthen consumer protection. We also know that any government that has had to govern recognizes that this is more of a housekeeping bill. It is a bill that is needed. It is a bill that talks about modernization and keeps consumer confidence there.

Government Orders

However, it seems to me, if I am not mistaken, that the New Democratic Party, more specifically the official opposition, as the government House leader has already mentioned, comes forward with many different topics. I do not think it is that it wants to stall this bill but maybe it is every other bill that could be worked on in this House that it wants to see stalled.

The official opposition may not want to stall this bill but am I correct in asking the government House leader if it is all our other bills, our bills on justice, agriculture, the environment, all the bills that it would like to see stalled?

Hon. Peter Van Loan: Madam Speaker, my conclusion is that the official opposition's motive is simply to run up the score. It is a statistical exercise, compelling the government to use time allocation at every turn.

We need to look at what would happen if we did not resort to this. We would face the difficulties that we have seen in places like Europe where they are unable to come to decisions, and the political gridlock we have seen in the United States. We would see a kind of financial crisis because, if the bill does not pass, there will be no law to govern our financial sector. If we wish s an invitation to chaos, that is it right there.

If the NDP had its way, it would create political paralysis. It would love to see an economic crisis in this country because it thinks that is its key to electoral success.

We happen to think jobs and economic growth are the keys and that part of a strong economy is a strong banking sector. That is why it is important that we continue to have a stable, successful banking sector with certainty of rules that are there to protect the interests of consumers.

• (1035)

Mr. Pat Martin (Winnipeg Centre, NDP): Madam Speaker, the Conservative House leader would have us believe that should democracy break out in this place the country will descend into chaos and it will collapse around our ears like some failed state.

I do not want anybody here to think, in the little time that I have, that this past practice of the government is in any way normal, nor should it be encouraged nor should it be tolerated by the Canadian people. It is pulling at the very fragile thread of our entire democratic parliamentary system by continuously undermining and sabotaging the most integral aspect of our system, which is the right to free and fulsome debate on the issues of the day so their merits can be tested, the strength of debate and the official opposition. That is what we are debating here today.

We are not talking about the merits of some innocuous bill that originated in the unelected Senate, although that warrants debate in this House. We are talking about the undemocratic practices of the government of sabotaging democracy. It may never get the toothpaste back in the tube if it continues—

The Deputy Speaker: Order, please. The hon. government House leader.

Hon. Peter Van Loan: Madam Speaker, I thank the hon. member for his stirring words about the need for debate on a bill that he and his party say they support and his desire to prevent them having an opportunity to vote and express that support. We would like them to

be able to vote and express that support. We would like to be able to study the bill at committee.

Canadians are very fortunate that they have had the soundest banking system in the world. We have not had a single bank failure or a single bank bailout during what was the most dramatic global economic downturn of my lifetime.

When we look at the world, at the countries throughout Europe and in the United States, there are bank failures everywhere. Who lost? It was not the rich. Ordinary citizens lost their savings in banks that they were counting on. They were affected by housing crises that saw the value of their homes plummet and the value of their savings evaporate.

We do not want to see that happen in Canada. We do not want to allow that kind of chaos to happen here. That is why this banking bill is such a good metaphor for the difference in perspective between our government and the opposition.

[*Translation*]

Mr. André Bellavance (Richmond—Arthabaska, BQ): Madam Speaker, the Leader of the Government in the House of Commons should be ashamed of himself for saying such things in the House. He says that economic chaos will ensue because opposition members want to talk about bills. Honestly.

Time allocation motions are not a new thing. I did some research and found an essay written by Yves Yvon J. Pelletier of the Institute on Governance in 2000 entitled “Time Allocation in the House of Commons: Silencing Parliamentary Democracy or Effective Time Management?” Of course this is the subject of some debate. Nowhere in the essay did the author talk about any other government using time allocation nearly as frequently as the current Conservative government is using it, which is virtually weekly.

I have an interesting quotation from 1956. A Conservative member said: “The...House of Commons has been gagged and fettered in this debate by a despotic government.” That was a Conservative member talking about the Liberal government in 1956. Those dark days have come again. It is a disgrace.

[*English*]

Hon. Peter Van Loan: Madam Speaker, I beg to differ. Our effort is to ensure that Parliament is run in an orderly, productive and hard-working fashion with ample debate. However, on the bill in front of us, I did not hear any comment from the hon. member. I know members of that party have a different view of the use of taxpayer money. I know they have a different view of the role of Parliament and they have different objectives than us. They do not have the objective of a strong, sound Canadian economy because they are committed to the break-up of the country, and an economic crisis would aid them in that objective.

We are looking to ensure the strength and soundness of the Canadian economy, which is exactly what this bill would do. The banking system is the cornerstone of our economy. Canada has been fortunate to have, under our government, the world's soundest banking system as expressed and identified by the World Economic Forum for four years running. That is something we must strengthen and ensure that it continues to be in place because that will benefit every Canadian who participates in our economy, who has savings in banks and who is depending on us to do our work here.

● (1040)

[*Translation*]

Mr. Alain Giguère (Marc-Aurèle-Fortin, NDP): Madam Speaker, this bill was introduced in the Senate, where the millions of Canadians who voted for the NDP have absolutely no representation. That is the first problem. We are being presented with a solution about which the NDP and everyone who voted for us have had absolutely no say.

Second, this bill is very important not only because of what it contains, but also because of what is missing. It does not have any regulations concerning the whole new financial sector and all the new speculative products. There is no mention of all the new commercial paper. There is nothing on any of that.

Can we not talk about a bill before voting on it?

[*English*]

Hon. Peter Van Loan: Madam Speaker, the member has ideas for things that should be in the bill. We would like him to have the opportunity to present those amendments at committee. We look forward to getting the bill to committee so he can do that.

We hope that in the debate that follows today people will actually talk about the substance of the bill, not about the great speeches of French socialist leaders, not about the old age security or the Canada pension plan or other issues that have nothing to do with it, but actually about the bill. It is a routine and simple bill and one that has gone to the House—

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 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 nays have it.

And five or more members having risen:

The Deputy Speaker: Call in the members.

Government Orders

● (1120)

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

(*Division No. 127*)

YEAS

Members

Ablonczy	Adams
Adler	Aglukkaq
Albas	Albrecht
Allen (Tobique—Mactaquac)	Allison
Ambler	Ambrose
Anders	Anderson
Armstrong	Ashfield
Aspin	Baird
Bateman	Benoit
Bernier	Blaney
Block	Boughen
Braid	Breitkreuz
Brown (Newmarket—Aurora)	Brown (Barrie)
Bruinooge	Butt
Calandra	Calkins
Cannan	Carmichael
Carrie	Chong
Clarke	Clement
Daniel	Davidson
Dechert	Del Mastro
Devolin	Dreeshen
Duncan (Vancouver Island North)	Dykstra
Fantino	Findlay (Delta—Richmond East)
Finley (Haldimand—Norfolk)	Flaherty
Galpeau	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)
Kenny (Calgary Southeast)	Kent
Komarnicki	Kramp (Prince Edward—Hastings)
Lake	Lauzon
Lebel	Leaf
Leitch	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	O'Connor
Obhrai	Oda
Oliver	Paradis
Payne	Penashue
Pollievre	Preston
Raitt	Rajotte
Rathgeber	Reid
Rempel	Richards
Richardson	Rickford
Ritz	Saxton
Schellenberger	Seeback
Shea	Shipley
Shory	Smith
Sopuck	Sorenson
Stanton	Storseth
Sweet	Tilson
Toet	Toews
Trost	Truppe
Tweed	Uppal
Valcourt	Van Kesteren
Van Loan	Vellacott
Wallace	Warawa
Warkentin	Watson

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Members

Allen (Welland)	Andrews
Atamanenko	Aubin
Ayala	Bélangier
Bellavance	Benskin
Blanchette	Blanchette-Lamothe
Boivin	Borg
Boulerice	Boutin-Sweet
Brisson	Brosseau
Byrne	Caron
Casey	Cash
Charlton	Chicoine
Chisholm	Choquette
Chow	Cleary
Coderre	Comartin
Côté	Cotler
Crowder	Cuzner
Davies (Vancouver Kingsway)	Davies (Vancouver East)
Day	Dion
Dionne Labelle	Donnelly
Doré Lefebvre	Dubé
Duncan (Etobicoke North)	Duncan (Edmonton—Strathcona)
Dusseau	Easter
Eyking	Fortin
Freeman	Fry
Genest	Genest-Jourdain
Giguère	Godin
Goodale	Gravelle
Grogue	Harris (Scarborough Southwest)
Hassainia	Hsu
Hughes	Hyer
Jacob	Julian
Karygiannis	Lamoureux
Larose	Latendresse
Laverdière	LeBlanc (Beauséjour)
LeBlanc (LaSalle—Émard)	Leslie
Liu	Mai
Marston	Martin
Masse	May
McCallum	McGuinty
Michaud	Morin (Chicoutimi—Le Fjord)
Morin (Notre-Dame-de-Grâce—Lachine)	Morin (Laurentides—Labelle)
Morin (Saint-Hyacinthe—Bagot)	Mourani
Murray	Nantel
Nicholls	Nunez-Melo
Pacetti	Papillon
Patry	Pécllet
Perreault	Pilon
Plamondon	Quach
Rae	Rafferty
Ravignat	Raynault
Regan	Rousseau
Sandhu	Savoie
Scarpaleggia	Sellah
Sgro	Simms (Bonavista—Gander—Grand Falls—Wind- sor)
Sims (Newton—North Delta)	Sitsabaiesan
St-Denis	Stewart
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PAIRED

Nil

The Speaker: I declare the motion carried.

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

● (1125)

[Translation]

SECOND READING

The House resumed from February 3 consideration of the motion that Bill S-5, An Act to amend the law governing financial institutions and to provide for related and consequential matters, be read the second time and referred to a committee.

The Speaker: The hon. member for Brossard—La Prairie has five minutes to continue his remarks.

Mr. Hoang Mai (Brossard—La Prairie, NDP): Mr. Speaker, first of all, I am appalled to see that we are debating a bill here today that has to do with important institutions, yet this government is muzzling us once again. This is a very important bill and the government knows this. First of all, it introduced this bill in the Senate, where senators are unelected and where the NDP has no voice. What the government is doing is completely unacceptable. It is appalling. It is repulsive. I am at a loss for words.

An hon. member: It is disgusting.

Mr. Hoang Mai: Yes, it is disgusting. That is an excellent word.

To be more specific, we want to debate this bill because it concerns financial institutions. I would remind the government that we are supposed to examine this issue every five years. The mandate that has been given is very limited. We are examining some technical aspects, which are certainly important, but why not take this opportunity to review the entire financial system?

I would remind the government that in 2008, a crisis originated in the United States, and it came from the financial system, the banks. This bill does not address that issue. Why not address it? We are not even having any public hearings on this. Ostensibly as a study, 30 submissions will be tabled and 27 of them are not even public. There really is a problem with transparency—

The Deputy Speaker: I am sorry to interrupt the hon. member.

[English]

I would like to ask members to take their conversations to the lobby while members are speaking. Thank you.

[Translation]

The hon. member for Brossard—La Prairie.

Mr. Hoang Mai: Madam Speaker, I was saying that this was an opportunity for us to study the financial system and address our current problems, including problems facing consumers. In terms of the financial institutions, we see that the banks are making billions of dollars in profit, while consumer and household debt is at a record high. What is more, banks have a hold on consumers and impose as many fees on consumers as they want. We would have had the opportunity to explore ways to truly protect consumers. In that sense, this government has dropped the ball.

Government Orders

There is also speculation. We saw what happened in the United States. Why not study this issue more at length? Why muzzle the House? Now is the time to study this bill. Obviously it is going to be referred to the Standing Committee on Finance, but now is the time for us to talk about it and debate it for consumers and the people we represent, those whose voices were not heard in the Senate. The government is scared and does not want to talk. It does not even want its own members of Parliament to talk about something so very important. Our economy depends heavily on the banks and financial institutions. Why not talk about cooperatives? That movement exists. Why is it not addressed in this bill?

We are saying that the government lacks confidence and courage, and now, it is demonstrating a lack of democracy. This government is preventing its members and the opposition from talking about really important issues. Instead of allowing debate, the government is relying on 30 submissions that were received and examined in three weeks. They may have been debated in the Senate, but not here in the House. Why will the government not give us the opportunity to discuss such an important bill?

We know that consumer bank fees are ever increasing, and people are now in need of our support. This bill could be used to offer such support. I am certain that the Conservatives' constituents are also experiencing the same problem with bank fees. Why not have a real debate on this issue here in the House and find real solutions? Instead, the Conservatives are limiting the debate, pushing the bill through and refusing to talk about it.

This behaviour demonstrates a lack of respect for this institution. I am a new member but I find what the Conservatives are doing to be completely unacceptable. They are attacking democracy. They are saying that an agreement was reached with regard to the bill, but we did not agree on the way the bill was examined or on the public consultation, and we did not agree on the mandate to study what to do about financial institutions.

This was the time to do it. The government lacked courage, and I am ashamed of its behaviour.

• (1130)

Mr. Peter Julian (Burnaby—New Westminster, NDP): Madam Speaker, I thank my hon. colleague for his speech on these issues.

He mentioned that the Conservatives are invoking closure on this bill. Yes, they are shutting down debate. It is true that the Conservatives have absolutely nothing to offer and always say the same thing.

We, on the other hand, have done an analysis, as the member did in his first speech and again here today. We discussed the issue and examined all the legislation, including increasing the equity threshold that indicates the degree of control over financial institutions up to \$12 billion, which is not desirable in the current context.

So, I have a few questions for my hon. colleague from Brossard—La Prairie. First of all, what does he think of the Conservatives imposing this closure once again, even though they have nothing to bring to the debate? The NDP, on the other hand, has a great deal to offer. Also, what does he think of increasing financial institutions'

equity threshold to \$12 billion? What does he think of that? Does he think—

The Deputy Speaker: Order. The hon. member for Brossard—La Prairie.

Mr. Hoang Mai: Madam Speaker, I would like to thank my colleague for the question. With respect to the first part of his question, I admit that the government's latest gag order leaves me speechless. Closure has become systematic and that proves that the government is making things up as it goes along. The government says that the bill has to be adopted quickly, so why did they not introduce it sooner? Why did they wait so long? Why use closure to move the bill forward rather than take the time to discuss it? This is about financial institutions and a system that is very important, not only for consumers, but also for the country's economic system. During the global crisis in the United States, we saw that the financial system can affect the whole world. Canada weathered the crisis fairly well because we have a good system, but we still have to study it.

With respect to my colleague's second question, the threshold was raised from \$5 billion to \$8 billion after the events of 2007. The matter should be studied. There is a problem. The holdings have increased, and a certain level of participation is being granted—

The Deputy Speaker: The hon. member for Marc-Aurèle-Fortin.

Mr. Alain Giguère (Marc-Aurèle-Fortin, NDP): Madam Speaker, Bill S-5 contains new elements that nobody is talking about. The government talks about stabilizing the financial system. Bill S-5 fails to address a number of new products such as commercial paper, derivatives, aggressive tax planning and offshore accounts—an invitation to tax evasion. What does that mean for stability? What about the holds on cheques and the credit card interest rates that consumers are concerned about? My question is for my distinguished colleague, the member for Brossard—La Prairie. Should these issues not be thoroughly debated?

Mr. Hoang Mai: Madam Speaker, I want to thank the hon. member for the question. My colleague, who is also a member of the Standing Committee on Finance, knows full well that these issues are very important. The government is losing billions of dollars in revenue. Speculation is allowed in certain transactions and that is a problem. We have to study the situation more at length. It has a profound impact on our economy, and on the money that taxpayers are losing. What is more, it destabilizes our system. There are certain ways to do things and to work. We must study the bill, but unfortunately the government is closing the door yet again.

• (1135)

[*English*]

Mr. James Rajotte (Edmonton—Leduc, CPC): Madam Speaker, I want to ask my colleague a question. He is the vice-chair of the finance committee and works very hard in that role.

He said there were groups or organizations that were excluded from the discussion on this bill in the Senate. Could he identify those individuals and organizations that were excluded and that he would want to be part of the discussion at the House of Commons finance committee?

Government Orders

[Translation]

Mr. Hoang Mai: Madam Speaker, I want to thank my colleague, who does excellent work as the chair of the Standing Committee on Finance. He is one of the rare Conservatives to do good work.

The official opposition is not in the Senate. That is why we are criticizing the fact that the bill is coming from the Senate instead of from the House of Commons. The Conservatives say there were debates and discussions in the Senate. Were we there? No. Were there public discussions on this issue? No. Submissions were sent, but there was no general consultation. The Senate's mandate was very limited. There were consultations on the technical aspects, but there has been no debate in the House on the big ideas. This is where we should discuss the direction we want to take with a bill.

[English]

Mr. Ben Lobb (Huron—Bruce, CPC): Madam Speaker, I will be sharing my time with the parliamentary secretary, the hon. member for Kamloops—Thompson—Cariboo. I am pleased to have the opportunity to speak in support of Bill S-5, the financial system review act.

I note from the outset that while this is mandatory and routine legislation, it is vital to the continued strength and security of the financial system that Canadians depend on daily.

By way of background, the government reviews all legislation governing federally-regulated financial institutions every five years to ensure the stability of the Canadian financial services sector. Indeed, the last review was completed in 2007.

I should also mention that it is imperative that today's act be renewed by April 20, the legislated sunset date to allow the continued functioning of Canada's financial institutions.

The current five year review began with an open and public consultation, a process that began in September 2010, when the Minister of Finance invited the views of all Canadians on how to improve our financial system. During that consultation, a diverse group of Canadians engaged in the process and provided their thoughts to help further strengthen Canada's financial system.

Much of that feedback is reflected within today's bill. Indeed the financial system review act takes into account the feedback from consumer groups, industry groups and other Canadians to make targeted, many large and technical alterations to strengthen Canada's regulatory framework. Furthermore, I would also note that the bill has already been reviewed by the Senate and, in particular, the Senate Banking Trade and Commerce Committee.

The committee engaged in a detailed and timely review of the act, hearing from groups ranging from the Credit Union Central of Canada, the Canadian Life and Health Insurance Association, the Financial Consumer Agency of Canada, the Office of the Superintendent of Financial Institutions Canada, the Canadian Bankers Association and the Canadian Payments Association. We thank all the witnesses who appeared before the committee and shared their thoughts on the financial systems review act.

The witnesses, while keeping in mind its technical nature, were very supportive of the act overall. For instance, the Canadian Life

and Health Insurance Association said, "Bill S-5 represents a welcome fine tuning of the various financial institution statutes".

I will briefly outline some of the measures taken in the act at this time. Again, while the majority are largely technical, they are necessary to ensure continued stability and security of Canada's financial system. That is why the act will make changes to the following: update legislation to promote financial stability and ensure that Canada's financial institutions continue to operate in a competitive, efficient and stable environment; and fine tune the consumer protection framework, including enhancing the powers of the Financial Consumer Agency of Canada, to protect Canadian consumers and improve efficiency by reducing the red tape and regulatory burden on financial institutions.

Other measures contained in the act include reducing the administrative red tape burden for federally-regulated insurance companies and offering adjustable policies in foreign jurisdictions by removing duplicative disclosure requirements. We certainly know, with the growth in the insurance industry, especially our Canadian insurance companies, that around the globe these are vitally important. I would also clarify that Canadians, including bank customers, would be able to cash government cheques under \$1,500 free of charge at any bank in Canada, which is another key point, It would improve the ability of regulators to share information efficiently with international counterparts, while respecting the privacy of clients. It would also promote competition and innovation by enabling co-operative credit associations to provide technological services to broader markets.

The importance of the legislation and the need to keep Canada's financial system safe and secure has been made very clear with the recent global economic crisis and the demise of some of the world's most well-known banks.

Canadians recognize how fortunate we have been in recent years, due in large part to our sound financial system. Without a doubt, Canada's system has been a model for countries around the world. We did not have to nationalize, bail out or buy equity stakes in banks like the U.S., the U.K. and around the rest of the EU. In fact, for the fourth consecutive year, Canada is ranked number one for having the soundest banks in the world by the World Economic Forum.

● (1140)

The prominent business magazine, *Forbes*, recently stated, "With no bailouts, [Canada's financial system] is the soundest system in the world, marked by a steady and responsible continuation of lending and profits".

As recently reported by the *Toronto Star*, a new report from the United States Congressional Research Service underlined how well Canada's system was regarded. It said:

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

Government Orders

Our safe and secure financial system is envied around the world. As the Consumer's Council of Canada has declared, "we have been identified internationally as having the best banking regulations in the world". Canadians are no doubt aware of the troubled financial systems that have recently crippled other countries, leaving significant instability in the financial sector, housing market and economic marketplace. Many of the financial sector solutions now being promoted and adopted around the globe are modelled on the Canadian system that serves us so well.

Through today's bill, Canada's financial system would continue to be a fundamental source of strength for our economy and would remain secure for Canadians who rely on it daily. Today's legislation is also significant because it would support one of the most important drivers of our economy and jobs, the financial services sector.

Our financial sector plays a vital role in financial stability, safeguarding savings and fuelling the growth that is essential to the success of our Canadian economy, representing about 7% of Canada's GDP. Even more, this sector employs over 750,000 Canadians in good, well-paying jobs. Our financial sector provides stability to the housing market and other markets requiring significant borrowing. In that respect, the financial services sector also plays a significant part in the daily lives of Canadians.

The measures in the financial systems review act would provide for a framework that would benefit all participants in the financial services sector, financial institutions, as well as Canadians. The long-standing practice of assuring regular reviews of the regulatory framework for financial institutions is a distinctive practice that sets Canada apart from almost any other country in the world, a positive practice that is vital to the stability of this sector.

All Canadians should recognize the importance of regularly considering how we can better ensure the safety and soundness of our financial system. Today's legislation does just that. I encourage all members to support this important legislation and see that it progresses to the finance committee in a timely manner.

• (1145)

[*Translation*]

Mr. Alain Giguère (Marc-Aurèle-Fortin, NDP): Madam Speaker, in his speech, the hon. member spoke a lot about how Canada's financial system is setting an example for the entire world and how it is completely effective. That is wonderful, but it is not because of the Conservatives. They have always supported deregulation. And that is what they are doing now: they are deciding not to regulate certain elements.

With regard to derivatives, a Montreal exchange handles only derivatives. How does the hon. member define derivatives? Does he even know what a derivative is? What does he think about aggressive tax planning that opens the door to tax evasion? How is it that we cannot regulate all this, and that Bill S-5 does not address these issues?

[*English*]

Mr. Ben Lobb: Madam Speaker, I am not surprised to hear about the NDP's desire to over-regulate Canadians. I live in the province of

Ontario and for five years in the early 1990s, we saw a vast increase in regulation.

However, I would like to talk about the bill. One of the pieces of that is to look at the five year review, which is very important. No one needs to take credit for having a review every five years. It is a practical piece inside the bill. It is similar to what I looked at in the new veterans charter. It is a living document and it has to reflect the changes of the day and the business climate of the day. Having the five year review inside the bill is positive, and it was supported by the Senate committee.

Hon. John McCallum (Markham—Unionville, Lib.): Madam Speaker, as someone who used to work for the Royal Bank, I can agree that the Canadian banks do very well and are the envy of the world, as I think the member said.

The point I would make is that this favourable position of our banks is not because of the Conservative Party. It is in spite of actions by the Conservative Party. For example, in the nineties the Liberal government prevented banks from going down the path of deregulation. The Conservatives wanted to take that path. The Liberal government said no to bank mergers. The Conservatives wanted the banks to merge. Under the Liberals, people could have a mortgage for 25 years with 5% down. In 2006 the Conservatives made that 40 years and 0% down.

Does the member agree that the favourable situation of Canadian banks is in spite of positions taken by the members of his party rather than because of them?

Mr. Ben Lobb: Madam Speaker, the hon. member might note that in my speech I never talked about who should take credit. Our government is not looking to take credit for anything. We are looking to ensure that all businesses succeed and that they take credit for the work they do.

With respect to his point about reliving the past, I liken the Liberal Party to retired hockey players who are has-beens, rehashing all of the things they did—

The Deputy Speaker: Order, please. I regret to interrupt the hon. member. I would ask for a little order from members while the member for Huron—Bruce is answer questions.

The hon. member for Huron—Bruce.

Mr. Ben Lobb: Madam Speaker, getting back to my point about the parallel I was drawing between has-been hockey players and the members of the has-been party down there who are reliving the past. They are talking about things that were done in the early and mid-nineties. I mean we are 15, 16, 17 years on now. It is time to move forward.

We are looking forward to the success of all companies in Canada.

Government Orders

Ms. Joyce Bateman (Winnipeg South Centre, CPC): Madam Speaker, I appreciate my colleague for Huron—Bruce's comments. There were two notions in particular. I understand this is legislation, but the red tape reduction is of particular interest to me as it impacts the insurance industry. In fact, the president of the independent insurance brokers lives just down the street from me. I would love to be able to report how this legislation would assist him and so many other small business people in Winnipeg South Centre.

• (1150)

Mr. Ben Lobb: Madam Speaker, just briefly on red tape, one piece the member might look at in the bill is the Canadian acquisition of foreign entities and the ministerial review process that will take place with purchases over 10% of their assets value. That is important. We need to ensure, when there is an acquisition of a foreign bank or a position taken within a foreign entity, that there is a quick and timely review by the minister and the department. That would be part of cutting the red tape so a Canadian bank or institution does not have to wait for a prolonged period of time for approval.

Mrs. Cathy McLeod (Parliamentary Secretary to the Minister of National Revenue, CPC): Madam Speaker, it is a privilege to rise today in support of Bill S-5, the financial system review act.

While Bill S-5 is albeit largely a technical bill, it represents an important piece of legislation as it will help guarantee the ongoing security and strength of Canada's financial system, a vital sector of our economy. Today's bill would accomplish this by making a series of alterations to the various pieces of legislation governing Canada's financial system, including the Canadian Payments Act, which I will speak to in greater detail a little later.

Before doing that, I want to underline that today's legislation is mandatory and routine. This is as result of a long-established practice in Canada of engaging in mandatory five year reviews of our financial sector legislation. I will note that this latest five year review process began formally in September 2010 when our Conservative government launched a public consultation process open to all Canadians. Such mandatory five year reviews have helped to ensure that Canada has a well-regulated financial system. Indeed, it is the safest and most secure in the world.

As most members know, for four straight years Canada has been ranked by the World Economic Forum as having the soundest banks in the world. What is more, our well-regulated financial system is widely admired throughout the world.

In the words of a recent *Ottawa Citizen* editorial:

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

As I mentioned earlier in my remarks, I would like to speak to elements of the financial system review act that address Canada's payment system, something Canadians interact with each and every day. Indeed, every year Canadians make 24 billion payments, worth more than \$44 trillion. These payments allow us to run our businesses, sustain our household and allow governments to fund essential programs.

Canadians use various payment instruments to purchase goods and services, to make financial investments and to transfer funds from one person to another. These instruments include cash, cheques and debit and credit cards. Except for cash, payment instruments have traditionally involved the claim on a financial institution, such as a bank, credit union or caisses populaire.

Financial institutions, therefore, needed arrangements to transfer funds among themselves, either on their own or on behalf of that or their customers. A payment system is a set of instruments, procedures and rules used to transfer these funds. In Canada, our national system for the clearing and settlement of payments is run by the Canadian Payments Association, or the CPA, a not for profit organization of federally regulated financial institutions.

Clearly, no economy can properly function without a reliable and secure system of payments. However, the payments landscape is changing. For example, experiences in Canada and abroad since the 1990s demonstrate that clearing and settlement systems do not always include banks as direct participants. That is why Bill S-5 proposes to amend the Payment Clearing and Settlement Act to remove the requirement that there must be at least one bank involved. The new definition would allow more flexibility in establishing systems to clear such complex financial instruments as over-the-counter derivatives, or OTCs. This change would allow the Bank of Canada to oversee such systems that could pose systemic risk to the financial system.

Canada's leadership in reforming the global financial system through mechanisms, such as the G20, is well-known and a source of great pride for Canadians. One important Canadian commitment to our G20 partners is that all OTCs be cleared through central counterparties by 2012. This is an important step to ensure the resilience and stability of our financial system.

To meet our G20 commitments, it is imperative that Canadian prudential and market conduct regulators have the authority, tools and information necessary to monitor and regulate the Canadian OTC derivatives market on an ongoing basis. This means coordinating activities across current federal and provincial jurisdictions, as well as foreign regulators.

*Government Orders***POINTS OF ORDER**

SHORT TITLE OF BILL C-30

● (1155)

Bill S-5 proposes a change to the Payment Clearing and Settlement Act to make it clearer that the Bank of Canada can dispose information to other regulators, the payments clearing and settlement systems. This information sharing would help all parties understand the risks inherent in these link systems. Furthermore, failing to form such links could delay our ability to link to foreign systems and impinge on our ability to meet our G20 commitments.

This is the kind of evolutionary change that demonstrates the importance of regular reviews of our legislative framework to maintain Canada's leadership in financial services.

Bill S-5 would make another important and much needed change to the payments landscape. As hon. members know, Canada's credit unions are an important provider of financial services. More than five million Canadians and business owners are grassroots shareholders of co-operative financial services in Canada. One in three Canadians is a member of a credit union or *caisse populaire*.

In recent years, our Conservative government has shown its support for credit unions by supporting a federal credit union charter to accommodate growth and expansion of the Canadian credit union system. This would enable those credit unions that so choose to reach beyond provincial boundaries and pursue business strategies that are not constrained by provincial incorporation. It would also give credit unions a means to diversify their source of funding and spread their geographic risk exposure.

In that vein, in order to give federal credit unions a more effective voice in the Canadian Payments Association, today's bill would amend the Canadian Payments Act so that credit unions would fall within the co-operative class in the act rather than the bank class. At the same time, credit unions would still employ the long-standing, well-understood and robust governance, liquidity and clearing and settlement framework in use today. While it may sound like a simple technical change, it is an important one. This change would continue to promote a level playing field within the financial sector which would foster competition among players and ensure a stronger, more stable system overall.

The Credit Union Central of Canada, the national association for credit unions in Canada, said:

...we want to note our support for the proposed amendments...

Placing the federal credit union in the cooperatives class will preserve and strengthen the credit union system representation at the CPA. It will ensure that a federal credit union will be represented by a director, who speaks for the interests of cooperative financial institutions in CPA matters. A strong advocate at the CPA is important for the credit union system's ability to advocate on behalf of credit unions and to continue to operate payments facility efficiently and cost effectively, which has a direct impact on overall credit union system competitiveness.

I think all members would agree that a strengthened credit union is good for all Canadians.

For those reasons, I urge members to support the passage of this largely technical but important act which would ensure the smooth functioning of Canada's payment systems.

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, I rise on a point of order with regard to the tabling earlier today of Bill C-30. I would refer to Standing Order 68(1), which states:

Every bill is introduced upon motion....

It further states, in Standing Order 68(3), that:

(3) No bill may be introduced either in blank or in an imperfect shape.

I raise this looking for guidance. The copy of the bill that was distributed throughout the opposition lobbies referred to the bill as having a short title that was "the lawful access act". However, having been briefed by the minister's staff and representatives of the Department for Public Safety and the Department of Justice, we were informed earlier this morning in private, but without any copies of the legislation, that the bill was to have a short title, "protecting children from Internet predators act".

I checked and found that the versions were distributed to all members of Parliament, at least to the opposition benches. I do not know whether the Conservatives received the proper copy. It appears to me that there is a significant chance that Bill C-30 was tabled in a way that violates Standing Order 68(3) and, therefore, was imperfect in its tabling and should be withdrawn.

This is a novel question for me in my brief time in the House but it suggests that it was a last minute public relations change to move from the short title "lawful access act" to "protecting children from Internet predators act".

I raise this issue with you, Mr. Speaker, to have your guidance as to whether the imperfection in the way the bill was distributed to members affected the imperfection in the way it was delivered to the House itself.

● (1200)

The Acting Speaker (Mr. Bruce Stanton): I thank the hon. member for Saanich—Gulf Islands for her point of order and her intervention in this matter. We will look at that issue and get back to the House as would be necessary.

Questions and comments. The hon. member for Beauharnois—Salaberry.

* * *

[Translation]

FINANCIAL SYSTEM REVIEW ACT

The House resumed consideration of the motion that Bill S-5, An Act to amend the law governing financial institutions and to provide for related and consequential matters, be read the second time and referred to a committee.

Government Orders

Ms. Anne Minh-Thu Quach (Beauharnois—Salaberry, NDP): Mr. Speaker, I would just like to say that a gag order has been imposed once again, and that this bill originated in the Senate. The members of the House have not debated this bill. This once again demonstrates the Conservatives' lack of democracy and transparency. The changes that this bill proposes have not been tested by users or by the ombudsman's office.

Is there not a need to add regulations regarding the fees consumers must pay to use automatic teller machines, for example? These fees are excessive and are not in the interest of the public, consumers, the average Canadian or families.

[*English*]

Mrs. Cathy McLeod: Mr. Speaker, I would again point out that this legislation is mandatory and routine and it needs to be passed in this House by April 20. It really speaks to the unwillingness of the opposition to co-operate with the government in terms of even the most routine piece of legislation where we should be able to move it into committee in a relatively rapid fashion.

This is important legislation that is mandatory and routine, and the NDP continues to stall even the most routine of legislation from moving through this House in a timely way.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, I need to follow up on the parliamentary secretary's comments. It is absolutely absurd. In this House in the last few weeks we have seen closure moved, in some cases, after 14 minutes of debate. Fourteen minutes of debate and the Conservatives say that it is not in their talking notes, that they got it from the Prime Minister's Office. They cannot stand having too much information, so they close the whole thing down. That is what they do systematically.

We have been raising important points and we have been asking questions in the House but we have not received any responses from the PMO's talking points.

The parliamentary secretary should know better about the use of closure. Why is the government moving the complete and exclusive control that can happen to Canadian financial institutions with \$12 billion of assets or less? It is a simple question but we have not been given an answer.

Mrs. Cathy McLeod: Mr. Speaker, we want to talk about the large bank ownerships and the thresholds. In 2001, we had a largely wide held bank requirement. In 2007, it was raised from \$5 billion to \$8 billion to reflect the growth in banks. Since then, the sector has continued to grow. Accordingly, the large bank threshold would be increased from \$8 billion to \$12 billion to reflect the growth in the sector.

Again, this is mandatory and routine legislation that needs to move forward. The member across the way is one of my colleagues on the finance committee, and we will have the opportunity to look into some of the details that he is wondering about.

•(1205)

[*Translation*]

Mr. Jean Rousseau (Compton—Stanstead, NDP): Mr. Speaker, I would like to know why the Senate, an unelected chamber, was given the responsibility of examining and developing an extremely

complex bill when 60% of Canadians voted against this government. We deserve answers and we deserve to be able to debate this extremely complex subject. This morning, we heard the Leader of the Government in the House of Commons refer to the chaos that would ensue if we do not examine this bill. It does not make any sense.

Why was this bill introduced in the Senate rather than in the House?

[*English*]

Mrs. Cathy McLeod: Mr. Speaker, although the member is new to this House, I think he does recognize that legislation goes through the House into the Senate or from the Senate into the House. It is part of our Constitution, it is part of how we move legislation forward and it is how we make progress in terms of ensuring both Houses are kept focused on important legislation.

At this point, although new, I think the member should recognize how our Constitution works and how we move legislation through Parliament.

Mr. Glenn Thibeault (Sudbury, NDP): Mr. Speaker, I will be splitting my time with the fine gentleman and MP for Burnaby—New Westminster, who does a fantastic job on this file and many others.

I rise today to speak to Bill S-5, which looks to update the legislation relating to banking and financial institutions in Canada. Anyone who follows my interventions in the House will know that these issues are very close to my heart as the NDP consumer protection critic. I think it is very important for parliamentarians to have an opportunity to review legislation that relates to the banking sector.

Banks are vital to the Canadian economy. Canadian banks directly employ a quarter of a million people across the country and pay almost \$1 billion in payroll taxes each year. They also spend around \$15 billion on services and goods within the economy, thereby indirectly supporting even more jobs. Moreover, banks and other financial institutions provide a vital service to the economy as a whole. They provide lending services for individuals to buy homes and for businesses to invest and expand.

It is important to ensure that Canada has a world-leading system of banking regulation to allow our banks to stay strong and support the economy as we continue through a time of global financial uncertainty. Therefore, I will be supporting the bill at second reading to ensure that this important legislation gets the attention it deserves at committee.

Unfortunately, as has so often been the case since last year's election, the government is more interested in ramming through legislation than in the process of debate, which is the hallmark of Canadian democracy.

Government Orders

First, we again find ourselves limited in the amount of debate we can have on an issue before the House. By my understanding, the government has now shut down debate 16 times in just 80 sitting days and 4 times in the last 12 days. The bill would amend 13 pieces of existing legislation, including the Bank Act, all of which relate to the direct functioning of our economy, and yet the government is trying to push this review through without the dedicated analysis that these changes warrant.

Debate in this chamber is not just for show and it is not just some inconvenience for the government. It is fundamental to the proper functioning of our democracy. It allows various points of view representing the geographic, cultural, linguistic and social diversity of our great country. Being part of this legislative process is too important for us to continually have time allocation imposed.

Second, the bill was introduced in the Senate rather than here in the House of Commons before democratically elected representatives. Then, just as the case here, the bill was pushed through the Senate's legislative process without proper review. In fact, the whole process took just three weeks.

This is the second major economic issue the government has pushed to the Senate in order to marginalize the ability of democratically elected parliamentarians to take part in important debates. The other was the study of price differentials between the U.S. and Canada.

It also worries me that the government failed to widely consult on these changes before introducing this review. Given the important role of the banking sector in our economy, I find it disturbing that there were no coordinated national public consultations with consumer groups and small businesses to try to understand how the banking system could be improved from their perspective. In fact, the government's little publicized online review solicited only 30 submissions and 27 of those respondents opted to remain anonymous. While there may well be some important details to be drawn from these submissions, I find it highly doubtful that we can hope to understand the full range of opinions and debate on how to update our banking legislation from such a small sample size.

I will talk in detail about some of the issues addressed in this legislation, specifically those relating to my own area of focus, consumer protection.

•(1210)

As our consumer protection framework currently works, various government departments are responsible for consumer protection for specific issues. This makes it very difficult for consumers to know where to go when they are confronted with a consumer problem. Depending on the type of issue to be resolved, a consumer may be required to work with Industry Canada, Health Canada, or Transport Canada, or even with the Financial Consumer Agency of Canada, FCAC, if the issues relate directly to banks and financial institutions.

Ending this confusing framework would have gone a long way to ensuring that Canadians have more confidence in their day-to-day dealings with financial institutions. However, the government refuses to move in this direction, and so what is it offering consumers? First, this bill would extend the definition of consumer provisions in regard to financial institutions to include agents and

affiliates of banks that offer financial products. This would extend the scope of entities that come under FCAC's consumer protection provisions, which I support. It would also increase the ability of the government to introduce regulations and deferred legislation, giving the government the opportunity to introduce further consumer protection measures in the financial sphere. Furthermore, the bill would increase the maximum fine that FCAC can levy on financial institutions from \$200,000 to \$500,000.

All of these changes should be welcomed, but with some caveats. The increased ability to introduce consumer regulation is only noteworthy if the government utilizes that ability; otherwise, it is simply a nice talking point. The same can be said for increasing the maximum fine the FCAC can levy. When this bill was first introduced in the Senate, various stakeholder pointed out that FCAC very rarely levied its current lower maximum penalty. Given this fact, increasing the maximum penalty seems to be somewhat of a toothless change. In effect, these changes, while welcome, seem much more powerful in theory than in practice.

This bill is missing a change that would have incurred no cost for the government and massively increased the clout of both the consumer and small business protection regimes in Canada, namely, mandating that banks must be part of the Ombudsman for Banking Services and Investments complaints resolution process. OBSI offers a fair method for consumers and small businesses to address complaints to banks that cannot be dealt with by a bank's in-house complaint mechanism.

However, under the government's watch, both RBC and TD have been allowed to leave the OBSI system and instead use a Bay Street law firm to settle complaints. That law firm has been hired by the banks, and as the banks' customer its first priority is to please its clients, not to offer a proper method of redress for consumers and small businesses. This is simply unacceptable and the government should step in and mandate that banks use an impartial investigative process.

Moreover, there is nothing in this bill to look at the fees and charges levied by banks. I have heard from hundreds, if not thousands, of Canadians regarding ATM fees, credit card interest rates and current account charges. Banks obviously need to make a profit and be viable, but when we compare this bill to, say, the amendments tabled by Illinois senator Dick Durbin in the U.S., we can see there is room for discussion and debate on these issues.

In terms consumer or non-consumer related issues, this bill has some changes requiring some vigorous debate. For example, this bill would require Canadian banks to gain ministerial approval if they wished to purchase foreign entities. It would also increase the value a bank must reach before it is required to have its shares widely held, and it would allow Canadian financial institutions to sell their shares to foreign institutions ultimately owned by foreign governments.

Government Orders

I could go on and on about the importance of this subject and the debate that we need to continue to have, but I know my time is running out. In summary, if the government refuses to listen to these groups and insists on passing this bill in its current form, then at best this bill will have little positive change and, at worst, could end up doing more damage than good.

• (1215)

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Speaker, earlier today we had a motion limiting discussion on this particular legislation. We have observed how the Conservatives are controlling their own MPs, and now they are attempting to control other MPs in the House, which is unfortunate.

Does the member think that the review was broad enough? Did it take in enough? If not, there should probably be further commentary coming forward in this place on it, but that is going to be restricted now.

Mr. Glenn Thibeault: Mr. Speaker, I thank my colleague for all the great work he has been doing on pensions, a very important subject in my riding of Sudbury and right across the country.

As for the time allocation motion, the limiting of debate on such an important subject is truly worrisome because so many groups out there will be affected, from small businesses to consumer groups to consumers in general. They need to have their voices expressed in the House. That is our job as the opposition. We are here to make sure that the government is held accountable for its legislation and to make sure that businesses and consumers' voices are heard. Their online survey of 30 respondents, 27 of whom were anonymous, is just one aspect on how time allocation on this bill is wrong.

We need to ensure that we have debate. I would like to see the government allow us that.

[*Translation*]

Mr. François Choquette (Drummond, NDP): Mr. Speaker, I would like to ask my colleague a question about an issue that worries me. This bill does not address one element that is very important to the creation of a more stable economy: regulation of financial speculation and derivatives. I would like to know what my hon. colleague thinks about the billions of dollars that are regularly gambled on the stock markets. These transactions destabilize the economy and do not benefit the people at all.

Why is the Conservative government preventing us from talking about issues that would make for an interesting debate today?

[*English*]

Mr. Glenn Thibeault: Mr. Speaker, that is the thing that makes me scratch my head.

We here in the House have the opportunity and duty to discuss important subjects like the member mentioned, including the costs that would affect Canadians, including businesses; and what this legislation would do, how it would protect them and how it would continue to spur our development. Unfortunately, the door is continually being slammed shut on the voices of Canadians.

Imagine the individuals who need protection, who look to us to express their voices in the House. Unfortunately, not everyone who has the opportunity to speak in the House can speak because of time

allocation. Simply put, it is very bad if a member cannot speak on behalf of his or her constituents because of time allocation. We need to ensure that all voices are heard.

• (1220)

Hon. Lynne Yelich (Minister of State (Western Economic Diversification), CPC): Mr. Speaker, I would like to ask the member how the legislation would affect consumers of financial products and services. The government is making a number of changes to financial institutions that would enhance the protection of consumers. Could the member expand on how this legislation would affect consumers of financial products?

Mr. Glenn Thibeault: Mr. Speaker, I find it interesting when I hear the government claim that it knows best and then puts time allocation on the bill and does not allow debate on this subject. The Conservatives did not even speak to consumer groups but they will make the necessary changes they think are best without letting the members opposite comment on them or without letting the public speak to them.

I find the question ridiculous in the sense that the government is making changes even without speaking to those groups.

[*Translation*]

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, I would like to begin by talking about the farcical process that the Conservatives have set up. After a long wait, they finally introduced this bill a few days ago. After a day and a half of debate, the government says that it does not want to hear anything more from members, it does not want any more discussion, and it is invoking closure. That is out-and-out contempt of Parliament. Given the importance of this bill and all of the other bills, invoking closure time after time indicates a total lack of respect for Parliament.

[*English*]

Members of the Conservative Party will say that this is routine. That is what they have been saying over the last day and a half and the last few hours of debate. They have been saying that it is a routine bill and not to worry about it, that there is no need to examine it, just pass it. Given that Conservative members of Parliament routinely read from speaking notes handed out by the Prime Minister's Office, I simply feel that is not doing the required due diligence to look at legislation, particularly legislation as profound as the legislation before us.

As the member for Sudbury mentioned a few minutes ago, we are talking about legislation that amends 14 different pieces of current law. The legislation is 105 pages in length and has an impact on our banking system. Yet the government says that we are not going to have a debate on this legislation. It is not going to listen to concerns that have been raised about this; it is just going to impose closure for the 16th time, the 5th time in a matter of a few weeks, because it wants to get the legislation through.

Government Orders

The problem is that the government has not done its due diligence. There has not been due process. This is when problems occur. We have seen it before with the Conservative government. We saw it with the prisons agenda. We saw a bloated bill of \$19 billion because there was no homework or due diligence done. We see that as well with the pensions and the concerns that so many Canadians have because due diligence has not been done. The government is just throwing out ideas to cut into pensions.

There all these problems that have occurred with government legislation because due diligence was not performed. For the government to say there is nothing to see in the 105 pages, nothing to debate, that it is not concerned about this bill and to just ram it through, particularly in light of the process which the government has adopted on this legislation, is something that the NDP, the official opposition, simply cannot accept.

The bill was introduced in the Senate. The Senate paid lip service to providing due diligence. There was, as the member for Sudbury mentioned, a secretive little website announcement to say there was legislation coming and looked for a few replies from stakeholders and interested parties. In the Senate, there was no due regard for consumer protection, which is fundamental. There was no due regard for the changes and limitations around control of the banking institutions. There was no due diligence at all. It was brought to the House where, finally, light could be shone on these 105 pages and what each clause and paragraph would mean for ordinary Canadian families. The government says no, it simply will ram it through. That is absolutely unacceptable.

I think Canadians can see what is happening very clearly and systematically is the government is not doing its homework. It is not doing its due diligence. It is relying on its parliamentary majority to ram through often what is very problematic legislation. It is Canadian families that pay the cost of that.

What is in the bill? The government has said it will only allow a few more hours of debate. The member for Sudbury had to cut in half his declarations around consumer protection. Every other speaker will have to do the same. There are many members on this side of the House who want to speak to this 105-page bill but who will not get a chance to do so.

There are components in the legislation that we support. As the member for Sudbury mentioned earlier, the FCAC component, broadening the supervisory enforcement powers, is a component that we do support. We also support some of the changes that have been brought in. However, the reality is, the devil is in the details, and the government has not responded on some of the key components that we raised already in the House in the first few hours of debate.

One example is the increase in the maximum fine from \$200,000 to \$500,000. Increasing that fine only works if the regulatory powers are actually being exercised. We have been raising concerns about the fact that the FCAC has not been using the existing supervisory powers. It has not been using the powers it has already to raise those minimums in terms of fines. To raise that amount means nothing if we are still having regulatory problems with how consumers are being protected.

● (1225)

The other components that the member for Sudbury mentioned are important to note. Other speakers from the NDP have noted those as well. What we are not seeing is the kind of protection Canadians want to see built into the acts that cover our financial institutions.

For example, we look at clauses 446 and 447 and the whole concern about user fees and bank charges, something our former leader, Jack Layton, and the NDP caucus raised repeatedly over the last few years. Consumers are being gouged by financial institutions. There is little or no oversight over the scale and scope of those user fees and transaction fees that are imposed on Canadians. Often Canadians pay hundreds of dollars a year because there is not that oversight. Yet there is no regulatory authority that actually allows in some way for consumers' concerns around transaction fees and user fees to be addressed.

In fact, all that clauses 446 and 447 say is that the banks can increase and add those charges, but they only have to disclose the charges. That is not consumer protection. All that is doing is saying to consumers that they have to accept whatever the banks push on them. The banks just have to disclose that they are doing it. They are gouging consumers, but the banks have to tell consumers they are gouging them. For the Conservatives that is the solution. On this side of the House it surely is not.

Another concern we have raised repeatedly is the threshold provisions around complete control. Clause 883 says:

No person shall, without the approval of the Minister, acquire control, within the meaning of paragraph 3(1)(d), of a bank holding company with equity of less than twelve billion dollars.

That puts in the hands of the minister a blank cheque to approve any control over what are medium-size banks. Twelve billion dollars is a lot of assets. To our minds that raises concerns about how that amount was arrived at and why we have seen over the last few years a more than doubling of the threshold to allow more and more banks to be under that potential cloud of a takeover.

On this side of the House we have steadfastly, since our foundation, the previous CCF and the NDP, said very clearly and repeatedly that we do not believe having total control in one person is in any way helping to support our financial institutions and our banking industry.

We know the importance of the banking industry to the country. The member for Sudbury said it has a quarter of a million employees, and about \$15 billion in purchases of goods and services in Canada. We are talking about a very important industry.

However, the government has not responded on the raising of that threshold and why it has done it twice now in the space of a few years and what the consequences are.

Government Orders

We wanted to raise these issues in the House. We believe firmly that this process has been completely the opposite of what is required for the due diligence on a bill that is so extensive in nature and has such an impact over so many pieces of legislation that govern our financial institutions and our banks.

That is what we have raised in the House. What we have been told by the government is that it does not want any debate. It does not want to have due diligence. It does not want to do its homework. It just wants to ram the whole damned thing through.

On this side of the House we say no to that. We believe there should be due diligence on a piece of legislation of this nature.

• (1230)

Hon. Lynne Yelich (Minister of State (Western Economic Diversification), CPC): Mr. Speaker, I wonder if the member would like to expand on how he would suggest the bank threshold be increased.

In 2001 the government established a large, widely held bank requirement, and then in 2007, it was increased from \$5 billion to \$8 billion to reflect growth in large banks and continues with the sector and its continued growth.

I wonder if the member has a solution as to how he would have the threshold increased.

Mr. Peter Julian: Mr. Speaker, that is the question we have been raising with the government. It raised it from \$5 billion to \$12 billion in the space of a few years without due regard for the consequences, without any examination of what exactly all of this entails and what it means for our financial institutions. I would put the ball right back in the government's court. At this point, it has not adequately explained why it is raising it from \$8 billion to \$12 billion. It says that the banks have grown.

The reality is we all recall that the government wanted to cut our bank regulations a few years ago, in 2008, at a time when everything was rosy and the government did not believe we were going into a recession. We remember that. We were in this House raising these concerns and the government was pushing ahead and speculating about bank deregulation. We thought it was irresponsible at the time and held the government to it. Time has proven the NDP right on that account.

Now we are asking the Conservatives to prove themselves and explain why they are raising the threshold. Let us have a debate on that issue. That is all we are asking for.

[*Translation*]

Mr. Jean Rousseau (Compton—Stanstead, NDP): Mr. Speaker, I would like to congratulate my colleague from Burnaby—New Westminster. He knows a great deal about finance, unlike many of us. That is why I would like to ask his opinion.

How should we interpret the fact that the government wants to change extremely complex rules, laws and legal provisions? The government is changing five or six laws governing financial institutions and banks, laws that are 300 to 400 pages long. And the government says that we cannot even debate these changes. I would also like to know why the minister will now have the power to authorize things that were previously within the purview of objective

organizations. Now it will be subjective. These things will be subjectively interpreted however the Minister of Finance wants to interpret them.

• (1235)

Mr. Peter Julian: Mr. Speaker, I thank my hon. colleague for his question, because it is particularly relevant. We have already witnessed this government's decisions many times and in many different areas: we have seen fake lakes and we have seen departments being mismanaged. Now things are changing: the decision-making power that once belonged largely to independent agencies is going directly to the minister's office.

Even in the best-case scenario, is it a good idea to ask the government to decide certain questions that should go to an independent agency? Considering the government's actions in recent months, since the Conservatives won a majority on May 2, it has become clear that we cannot trust this government to make decisions in the interest of Canadians.

In these 105 pages, the minister is given veto powers several times, and that worries us. I am very pleased that the hon. member for Compton—Stanstead asked me this question. This is a very important point that demonstrates why we need more debate in this House.

[*English*]

Mr. James Lunney (Nanaimo—Alberni, CPC): Mr. Speaker, I would first like to advise you that I will be sharing my time with the hon. member for Palliser. I am pleased to enter the debate today and speak to Bill S-5, the financial system review act.

Today's act is important to Canadians because it would ensure the continued strength and stability of our financial system. That is a system that we all depend on every day, whether we are making a deposit at our bank, making a purchase at a store with a credit card or using a mortgage to buy a family home. Specifically today's act, while largely technical in nature, would reinforce stability in the financial sector. It would fine-tune the consumer protection framework and adjust the regulatory framework to adapt to new developments.

Bill S-5 would provide for a well-regulated framework that would allow Canadians to rest assured that our country's financial system will remain the safest and most secure in the world. Indeed, as many Canadians may know, for the fourth year in a row, Canada was recently ranked as having the soundest banks in the world, by the World Economic Forum.

Most Canadians are aware of this, and are justifiably proud. They are pleased that Canada did not go through the kinds of crises that many other developed democracies in the western G7 countries did, many of which had to nationalize banks and make huge taxpayer investments. Many consumers in other nations went through financial chaos because of a collapse in the financial system.

We are very fortunate to have the sound regulatory regime we have here in Canada. Before continuing, I would like to provide a bit of background on today's act and how it came before us today in the House.

Government Orders

In Canada our financial sector legislation is subject to a full review on a five year cycle. It covers all federally regulated financial institutions, including domestic and foreign banks, trust and loan companies, insurance companies and cooperative credit associations. This five year review practice sets Canada apart from almost every other nation in the world. It ensures that the laws and regulations by which our financial systems are governed remain at the forefront of the global financial system.

We are especially fortunate in Canada to have a well-regulated financial system, something that has been widely observed in recent years. The world itself has recognized Canada as a leader, as our banking system has been ranked the soundest in the world.

As the American magazine *Newsweek* wrote recently:

Guess which country, alone in the industrialized world, has not faced a single bank failure, calls for bailouts or government intervention in the financial or mortgage sectors. Yup, it's Canada.

Similarly, the Brookings Institution, a well-known American think tank, recently declared:

...the Canadian banking system has long been regarded by the IMF as a paragon of international best practices. The World Economic Forum recently ranked it the soundest in the world. And it looks better with every passing day...the overall system has remained solvent and solid amid the current global crisis.

I think this is something most Canadians are justifiably proud of, or at least pleased with. Even though we have gone through our challenges in Canada, we have not faced the crises that other nations have.

Even the president of the World Bank has noted that our strength is a model for the world, saying:

Canada's experience offers lessons to others, especially its strong financial and regulatory environment that is helping it manage the shocks of the downturn, particularly in the banking sector.

As the past few years have shown, international praise for our system is well founded. While Canada's financial system was not immune to the impacts of the global financial crisis, Canada's banks stood firm, bolstered by sound risk management and supported by an effective regulatory and supervisory framework.

In fact, Canada was the only country in the G7 that did not step in to bail out its major banks in the aftermath of the 2008 financial crisis. This Canadian resilience matters.

● (1240)

A strong financial sector plays a fundamental role in supporting a strong economy, and not just in times of crisis. As members know, and I think Canadians understand, the focus of our government is jobs and the economy. It is protecting Canada's prosperity and future employment environment that will maintain the tax base that we depend on and provide the services that Canadians look to us for.

Workers, retirees and pensioners count on a strong financial sector for the security and the growth of their deposits and investments and to maintain the standard of living that they worked so hard to build. Financial consumers rely upon it for competitive financial products to keep their mortgages or other household financing affordable. Business, large and small, also depend upon it for access to competitive financing to help them to invest and to grow.

The financial crisis highlighted the importance of evaluating the overall size of financial institutions, the intricacy of global linkages, and the impact those factors have on stability and the best interests of our financial system. The crisis also led to extensive changes in the regulatory framework, ensuring that Canada's financial sector remains the soundest in the world.

The financial system review act will build on these reforms and fine-tune the efficiency and effectiveness of the framework. It will improve the ability of regulators to share information efficiently with their international counterparts. This will help fulfill our G20 commitments at a time when financial institutions increasingly operate on a global scale. It would ensure effective supervision and regulation across borders.

Today's act also proposes to better protect consumers, chiefly by enhancing the supervisory powers of the Financial Consumer Agency of Canada, FCAC. The agency is mandated to ensure that federally regulated financial institutions adhere to the consumer provisions of the legislation governing financial institutions and their public commitments. It is also the government's lead agency on financial education and literacy. It has advanced an array of excellent initiatives in recent years.

I think, in terms of financial literacy, Canadians are starting to pay attention to something they more or less took for granted for many years. I think we have all had a wake-up call as to how important it is that our institutions are on a solid basis and that they are managed in a very secure way.

It has developed innovative tools to help Canadians, such as a mortgage calculator that quickly determines mortgage payments and the potential savings resulting from early payments.

I know that our government is concerned about the consumer debt in Canada, as well as in the U.S. We are advising Canadians to get a handle on debt and live within their means. Sound financial management is as important for our families as it is for our institutions. The innovative tools developed by the Financial Consumer Agency of Canada, such as a mortgage calculator, help Canadians accomplish those objectives.

The FCAC has also created innovative online information to help consumers shop for the most suitable credit card and banking package for their needs. There is a competitive marketplace out there. We hear a lot of talk from our colleagues opposite about the government telling the banks what fees to charge for services. However, there is competition between the institutions. This is a tool developed to help Canadians determine where they would get the services that fit their own needs best.

The financial system review act proposes to improve consumer protection by increasing the maximum fine that could be levied by the FCAC for violations of a consumer provision of the act. It would increase the maximum penalty to \$500,000, from \$200,000.

Government Orders

Finally, the financial system review act would build on the government's ongoing actions to cut red tape by reducing the administrative burden on financial institutions and adding regulatory flexibility. This would include scrapping duplicative disclosure requirements.

These measures will support a well-functioning financial system, meeting the needs of Canadians and supporting our future economic prosperity.

Today's legislation is extremely important because it concerns one of the key foundations of the global economy. Canadian's financial sector plays a pivotal role in fostering financial stability, safeguarding the savings of Canadians and fuelling the economic growth that is essential to our standard of living.

Mr. Speaker, I appreciate the opportunity to speak to this important piece of legislation. I hope all members will support it.

• (1245)

[*Translation*]

Mr. Sylvain Chicoine (Châteauguay—Saint-Constant, NDP): Mr. Speaker, I listened very carefully to the speech given by the hon. member across the floor, and I congratulate him on at least having recognized the importance of providing a good legislative and regulatory framework for banks. It is precisely because our banks are so well regulated that, here in Canada, we fared better than most countries when the global banking crisis occurred.

So, yes, it is important to properly legislate and regulate our banks, but a lot more products have become available in recent years, some of them somewhat toxic, poorly defined and poorly regulated, such as commercial paper.

Is the member not worried about the lack of regulation regarding commercial paper and that kind of products, which have increased in number recently?

[*English*]

Mr. James Lunney: Mr. Speaker, I must have missed something in that member's question. I am not sure how it relates to the banking bill that we are discussing today, Bill S-5. We know that this particular piece of legislation covers a whole range of issues that are important to our financial regulation. It would respond to changes to the financial sector and a rapidly changing global market, it would ensure access to banking, it would level the playing field and promote co-operation, it would enhance the supervisory powers of the Financial Consumer Agency of Canada and it would improve efficiency.

So I am not sure where the member opposite was coming from with that particular question.

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, as a former banker, I can certainly agree with the hon. member that our banks are in good shape, although I may take a bit of exception to his somewhat triumphalist tone.

However, my main point is to suggest that to the extent our banks are in good shape it has everything to do with previous Liberal governments and nothing at all to do with the Conservative Party. For one thing, it was the Liberal government that resisted the trend to bank deregulation which was evident in the U.S. and the U.K. It was

the Liberal government that said no to bank merges which the Conservatives favoured. And it was the Conservatives who introduced zero down payment, 40 year mortgages in 2006.

Would the member agree that while our banks are in good shape, it really has nothing to do with his party, which has been more a cause of the problem than a solution?

Mr. James Lunney: Mr. Speaker, the member for Markham—Unionville also has a selective memory. We do appreciate things that were done properly in banking regulation. What Canadians have not forgotten is the whole range of things that the government did not do well that got us into a lot of problems.

For example, when we went through a financial crisis under the previous administration, it managed to balance the books and was credited for doing so. However, it did so by cutting transfers to the provinces for health care and education. The Liberals promised to get rid of the GST, an unpopular tax, and somehow they forgot about that. Those are things that Canadians have not forgotten about.

• (1250)

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, despite the opposition commentary today, the U.S. financial and mortgage crisis was caused by massive government intervention in the mortgage and banking business. According to a 2010 World Bank report on the U.S. financial crisis, Freddie Mac and Fannie Mae, both government-sponsored enterprises, bought an estimated 47% of the toxic mortgages that ultimately led to the collapse between 1980 and 2007, and backed debt that went from \$200 million to \$4 trillion. If I could quote that World Bank report, it states:

In the mid-1990s, the government changed the way the Community Reinvestment Act was enforced and effectively compelled banks to initiate risky mortgages.

So it is important for us to remember when we are debating banking regulation that it was massive government intervention that led to the problems that occurred in the U.S. system.

Mr. James Lunney: Mr. Speaker, I thank the parliamentary secretary for that important reminder. Of course, he has been a point man in addressing many of these concerns. He rightly points out the excesses that happened in the United States, of government intervention, that contributed to the failure of institutions that people relied on and made unstable commitments to mortgages that were not sustainable and were not backed by real assets.

The changes that are being introduced in Bill S-5 are ones that would improve our system. They would make a very good system better.

Mr. Ray Boughen (Palliser, CPC): Mr. Speaker, I am pleased to have the chance to address the House in support of Bill S-5, the financial system review act. For the information of Canadians and members of the House, the financial system review act is a mandatory and routine piece of legislation.

Government Orders

To ensure the stability of the financial sector in Canada, the statutes that govern federally regulated financial institutions must be reviewed every five years, a long-standing practice that has carried over from previous governments. As I mentioned previously, it deals with federally regulated financial institutions and, for clarity, those include domestic and foreign banks, trust and loan companies, insurance companies and co-operative credit associations.

The last similar legislative review was completed through Bill C-37 in the 39th Parliament. Prior to that, a similar review was completed in 2001 through Bill C-8 in the 37th Parliament. As with the previous five year reviews, there is a timeline for the process to be completed, as the sunset date for the financial institutions statutes is April 20, 2012. The present five year review, which has led to today's bill, commenced in September 2010 when the finance minister launched an open and public consultation process that asked all Canadians to submit their thoughts and ideas on how we could best improve Canada's financial system to make it even more stable and secure.

During the consultation process, I understand that many Canadians provided their feedback and much of that is seen in today's bill. Moreover, the public consultation process itself has been praised. For example, the Canadian Life and Health Insurance Association told the Senate banking, trade and commerce committee during its study of the bill, "The consultation process was very positive and reflected the technical nature of this review".

The financial system review act, while largely technical, would take important steps to help guarantee that Canada's fiscal system is securely regulated and remains strong and stable for the sake of our economy. Among the bill's highlights are measures to: First, bring up to date financial institutions' legislation to support financial stability and ensure that Canada's financial institutions continue to operate in a competitive, well-regulated and secure environment; second, better protect consumers with an improved protection framework, including reinforcing the powers of the Financial Consumer Agency of Canada; and third, improve effectiveness by reducing unnecessary administrative red tape on financial institutions and adding prudently regulated flexibility.

Again, today's bill is tremendously important in supporting the continued strength of our economy, the main priority of our Conservative government and an area where we are getting results. Indeed, while there are challenges ahead, Canada's performance during the recent global downturn has been strong when compared to other industrialized countries. First and foremost, since our government introduced the economic action plan to respond to the global recession, Canada has recovered more than all of the output and all of the jobs lost during the recession. Some 610,000 more Canadians are working today than when the recession ended, resulting in the strongest rate of employment growth by far among all G7 countries.

Furthermore, about 9 out of 10 positions that have been created since July 2009 have been full time and more than three-quarters of the jobs created over this period have been in the private sector. Fortunately, Canada has fared far better than the U.S. in this regard. Indeed, Canada's unemployment rate has been lower than that of the U.S. since October 2008, a phenomenon not seen in nearly three decades.

On top of Canada's solid performance on jobs, the real gross domestic product is now significantly above pre-recession levels, the best performance among the G7 nations. It is clear that Canada has weathered the economic storm relatively well. It is also clear that this resilient performance in a climate of global uncertainty has not gone unnoticed.

• (1255)

Both the International Monetary Fund and the Organisation for Economic Co-operation and Development forecast that we will be among the strongest economic growth in the G7 over this year and next. *Forbes* magazine has ranked Canada number one in its annual review of the best countries in which to do business. Three credit agencies, Moody's, Fitch, and Standard & Poor's, have reaffirmed their top ranking for Canada. Most significant, for the fourth year in a row, the World Economic Forum rated Canada's banking system as the soundest in the world. That is something we would reinforce with today's bill.

Clearly, this is a solid performance in volatile times and it will serve this country well. Indeed, in the recent words of Scotia Bank's chief economist, Warren Jestin, "When you look at what exists in Canada, this is still the best country in the world to be in.

To truly understand the strength behind this performance, we need to consider the hard work that took place through the actions that our Conservative government took to pay down debt, lower taxes, reduce red tape, promote free trade and innovation and ensure a stable financial system.

To start with, our government paid down significant amounts of debt when times were good and kept our debt to GDP ratio well below our G7 counterparts. As a result, when trouble hit, we had the ability to respond.

The International Monetary Fund projects that Canada's net debt to GDP ratio for the last year will come in at just under 35%. A net debt to GDP ratio of under 35% is excellent considering that these rates for other G7 nations are much higher. In contrast, Germany is projected to be over 57%, the United States and the United Kingdom at over 72%, France at 81%, Italy at 100% and Japan just over 130%.

Along with this strong fiscal performance, we introduced the tax relief required to create jobs and growth in all economic conditions. In 2007, prior to the impact of the financial crisis, Canada passed a bold low tax plan that helped to brand Canada as a low tax destination for business investment. This low tax plan, along with our sound and safe financial system, plays and will continue to play a crucial role in supporting economic growth and jobs.

Our Conservative government is under no illusions that our work is finished. Major challenges remain both here and around the world. As we know, the global economic outlook remains highly uncertain and the situation in Europe is still very fragile. The changes facing our global economy are far from over and Canada will not be immune.

Government Orders

Despite solid job creation since July 2009, too many Canadians remain unemployed. That is why our Conservative government's main focus will be the continued implementation of the next phase of Canada's economic action plan to support jobs and growth as we prepare for budget 2012. That includes today's bill, which would help to ensure the continued strength and security of our financial systems.

Once more, we will continue to focus on improving the well-being of Canadians by sustaining the economic recovery, eliminating the deficit and making investments that will fuel long-time growth. I strongly urge all members to support and vote in favour of this important legislation and help it progress in a timely manner to passage.

• (1300)

[*Translation*]

Mr. Alain Giguère (Marc-Aurèle-Fortin, NDP): Mr. Speaker, with all due respect for my distinguished Conservative colleagues who just spoke, if I were to compare their economic reasoning I would say they are like a herd of cows watching a train go by. They are about as intelligent as that. I would not go so far as to say that they are ready to be put out to pasture, but pretty close.

How can they compare themselves to the most mediocre of the G9, the G7, to countries that have gone completely bankrupt through ultraliberalism? They should not be comparing themselves to the lesser countries, but to the best countries. Let them compare themselves to Norway, Sweden or even Germany, but not to the most mediocre countries that followed exactly the same policy they are following.

I will wrap up quickly. How can they say that their hero, George W. Bush, was anything short of a moron?

[*English*]

Mr. Ray Boughen: Mr. Speaker, I am not sure I heard what the hon. member had to say. He was kind of going in two directions from the middle and then ended up sinking.

We are not comparing ourselves to the lowest. We are comparing ourselves to the whole spectrum. We are saying that we are number one on that spectrum, ahead of all other countries. Unless we have data and numbers to validate that, as we had in the speech, then we cannot say that.

We are saying it like it is. You may not like it but it is what it is.

The Acting Speaker (Mr. Bruce Stanton): I would just remind hon. members to direct their comments and questions through the Chair.

Questions and comments, the hon. member for Brossard—La Prairie.

Mr. Hoang Mai (Brossard—La Prairie, NDP): Mr. Speaker, my colleague spoke about the fact that there was some issue with what happened in the U.S. with the banking sector. Some argue that some Canadian banks were bailed out in Canada. Obviously, it was not done directly. It was not a failure. However, the federal government, through the Canada Mortgage and Housing Corporation, offered to trade the banks up to \$125 billion in mortgage debt for safety in T-bills during the height of the financial crisis.

What is my colleague's position regarding that?

Mr. Ray Boughen: Mr. Speaker, it was a banking situation and the banks dealt with it in a manner that all people did not like. Nevertheless, that was the financial institutions' prerogative to deal with it as long as they fell within the regulations of the Bank Act, and they did.

Again, we may not like everything we see with banking but the banking program is in place, is regulated and is what we have to rely on.

Hon. Lynne Yelich (Minister of State (Western Economic Diversification), CPC): Mr. Speaker, there were some comments this morning about the consultation process and that there was not a sufficient response. Would the member care to expand on the consultation process that was made available for comments?

• (1305)

Mr. Ray Boughen: Mr. Speaker, we know that the finance minister and finance in general consulted with over 30 different groups that submitted positions around the Bank Act when that was done back in 2007. From that input, the new bill is on the table here this morning. As to whether the bill was it well-consulted, it was indeed. Many groups presented their positions on it and we that here with the new bill.

Ms. Jinny Jogindera Sims (Newton—North Delta, NDP): Mr. Speaker, there is no doubt that for every Canadian across the country the health of the banking sector is critical. The banking sector plays a critical role in all our lives, whether we are buying a house or applying for a credit card. Also, many of us get paid through our banks. Many people, not just those with a lot of money, have a vested interest in ensuring our banking sector is stable.

Knowing that a five year sunset clause was included in the legislation and knowing that the deadline for that review was April 20 this year, it interesting that my colleagues across the aisle would wait this long to table such critical legislation. Not only did they wait so long, but at the same time they tabled the legislation, they moved time allocation on it. Out of one side of their mouths they are telling us that this is critical and timely legislation and we must get it through the House. Out of the other side of their mouths they are telling us that they will not have open and transparent debate, where the opposition gets to take a look at the bill and could, and probably would, make some useful amendments.

I sat here for half an hour this morning and listened to the debate on the critical nature of the need to move time allocation. Once again, I would argue that time allocation is not needed. The bill requires thoughtful consideration because it would impact many Canadians. It would impact their savings as well as the homes in which they live.

Instead of us being given a reasonable amount of time to debate the legislation, the majority in the House once again used the duct tape approach of muzzling the voice of the opposition. Let me assure my colleagues that they might be able to move time allocation in the House, but we will send a message to our communities that we were not allowed to debate the bill in the thoughtful way we would have liked.

Government Orders

I am a new MP so the House will have to beg my forgiveness for saying this, but I was really taken aback this morning when a speaker on the government side said that the NDP opposing time allocation was like us bringing chaos into people's lives.

I am beginning to wonder what my colleagues across the way want. Do they want the opposition to just support any legislation they bring in? I am sure they would like that, but that is not the role of the opposition. If members of the opposition have things to say, we are immediately labelled, and some language is used that I find disturbing.

I am not a supporter of chaos, either in Parliament, in my personal life or back in my community. When I want to debate a legitimate piece of legislation, it is not because I want chaos. It is because I want to give thoughtful input as the representative of my community.

The government shows a lack of respect toward members of the opposition. I should not be puzzled by that; I should expect that. The legislation had its first unveiling in the Senate. It is a bill that would impact so many Canadians. I find it really disturbing that it was first put before an unelected, unrepresentative Senate. Why? What prevented that bill from being in the House first?

● (1310)

It also interesting to note that despite the patronage appointments and the payola that has gone into many of the appointments to the Senate, even that house commented that it had to look at a significant piece of legislation, with many technical components, and had concerns that with three weeks it did not have enough time and that the government was trying to rush the bill through.

We have until April 12, What is the rush? If the government knew it had until April 12 as the sunset clause, why did we not start talking about this last May, or June, or October, or November or December? Instead, we are today looking at this significant piece of legislation.

Despite all of those things, the NDP welcomes the review of the financial systems review act. We should be very proud of the banking regulations that are in place. It is because of those regulations that Canada was buffered from the worst aspects of the economic meltdown.

I also think there is an irony that has to be pointed out. We have a majority in the House that is absolutely committed to deregulation. When we look at almost everything else, like the gun registry, the Wheat Board and many of the other issues that have come before the House, they have all been for deregulation. Yet when it suits the Conservatives, they wax eloquent about the existing banking regulations. However, those regulations exist because of the work of some other governments. It was the opposition that prevented my colleagues across the way from deregulating our banking system at a certain time in our history.

When I look at the need to review the area of banking and banking regulation, I am also hit by what is missing from the legislation. I am not sure if members have read some of the newspaper articles and emails. There is nothing in the bill to limit and regulate user fees charged by banks.

Recently a senior citizen came to my constituency office. I have many of them coming in these days because they are getting very

disturbed. This is what the senior citizen told me. She put her money in the bank, and when the bank wanted to automate and introduce the ATM machine, she started to use that thinking it would save the bank and her money. Remember, bank profits are very high now, yet there is always a threat of new user fees or increased user fees. This senior citizen is so puzzled because she believes she has saved so much money for the bank by it not needing the personnel in place, which I think is a huge mistake, and it being so automated. However, her fees keep going up.

This was an opportunity, with this legislation, for the government to start looking at regulating user fees that banks are gouging their customers. Some banks are even beginning to introduce fees for people to get their own money out of their bank accounts. At one time, it was only if they went to a different ATM. Now one of the banks has put out the idea that there could be user fees even if customers uses their own bank's ATM machines. That makes no sense. Canadians look to us to regulate things like that.

● (1315)

The other concern I have is the interest rates on credit cards. It is time the government put regulations in place that are tighter and more closely regulated to ensure banks do not charge the kinds of rates they are. People who put their money in banks are lucky to get 1% interest. With that money, the banks get to play with it and make money on it. On the other hand, if people use their credit cards, which are banking credit cards, banks charge interest rates from 12% up to 22%. If that is not gouging, I do not know what is. As far as I am concerned, a critical component that is missing in this is tackling the area of user fees for citizens who are being hurt by them. We also have to look at the rates banks charge for people who use those credit cards.

I know some people will say that people should not use credit cards. However, in today's reality some people live from paycheque to paycheque. They often end up having to spend on their credit card, hoping they can pay part of it back if they get some money coming in within the following month. I am talking about just a few people. A lot of people survive like that and not because they go out to buy some big fancy toys or go on big holidays. They are trying to make ends meet from month to month.

I would be the first one to argue that if we are getting into luxury items, then we are looking at choices. I am talking about credit cards people are using because they have no other choice. They need that flexibility to survive. Because of that, I feel the scope of this bill is really limited and needs to be widened.

I was also interested in finding out what kind of consultation occurred. I heard that 30 groups were consulted. For a country the size of Canada, only 30 groups were consulted, and 27 of those were anonymous. What kind of consultation is that? Was this consultation open and transparent?

Government Orders

One thing I do not like about anonymous submissions, or whatever, is people get to say whatever they want and they are never held accountable. I have a primary rule that if I get something that is not signed, I put it aside. The government has had consultations with three groups, three groups for a country the size of Canada on an issue as important as banking.

The other area we do not often talk about is the co-operative banks in our communities and how we need to support them and find ways to do that. The co-operative banks in my area do an amazing job of giving back to the community in many different ways. I am a bit saddened that this is not being addressed in the bill.

Once again, Bill S-5 is being used by the government as a prop to hold up the banks. It is being rushed through the House. From what I have read, the profits of banks has increased incredibly. It has not really gone down. We should take a look at the consumer debt, which is at a record level of 151% of disposable income. I want every one of us in the House to take a second to comprehend that. Consumer debt is at record levels of 151%, which is so high.

• (1320)

It is because this debt level is so high that we are becoming increasingly concerned about some risky mortgage lending practices and home equity credit lines by banks and other lending institutions.

Currently, if I go through websites or look at some of the mail that comes through my door, it is clear that a person can actually get his or her house financed fairly easily for up to 90%. That is an advantage for some, but in the long term it is also the basis for potential instability. Right now our interest rates are fairly reasonable and low, as many would say, but if they were to go up by even half of 1%, that would put many of these people in jeopardy.

To avoid the kind of housing slump that happened in the United States, surely we should be taking the time with this legislation to put protections in place. When we take a look at our regulations, we absolutely must take our time.

Mr. Speaker, how much longer do I have?

The Acting Speaker (Mr. Bruce Stanton): There are three and a half minutes remaining.

Ms. Jinny Jogindera Sims: Mr. Speaker, I am appealing to my colleagues across the way. Not often is there much love in this House, but this is Valentine's Day, so I am pleading with them to let us take the time to fix this legislation in a way that would give Canadians more security and assurances about their financial houses, so they can keep their places straight and so that seniors, for example, who come into my office and are being gouged through credit cards or user fees will not have all of those complaints. Remember the banks involved are the same ones that get incredible tax breaks from us as well.

Mr. Speaker, it is Valentine's Day, so with the indulgence of everyone in the House, I will wish the constituents in my riding a wonderful day with their loved ones, their families, their friends and their neighbours.

I would also like to say that I am thinking a lot about my three wonderful grandchildren, Jacob, Jessica and Emily, and that I wish them a happy Valentine's Day. I wish I were there to eat the cupcakes

they have made, because when they phoned me this morning, they told me they had made me a cupcake. It is going in the freezer for when I go home, and I will enjoy it at that time.

As I was saying earlier, there are a number of problems with this piece of legislation, including in the process or way it is being rushed through this House with unseemly haste, and substantively with some problems with it. I believe this is our opportunity as parliamentarians to address issues like the very high interest rates and to have some regulations around those, and to address issues around user fees and issues around foreign takeover of some Canadian assets.

With that in mind, Mr. Speaker, I want to thank you.

• (1325)

Hon. Lynne Yelich (Minister of State (Western Economic Diversification), CPC): Mr. Speaker, I would like the member to clarify that the purpose of the bill derives from the government having to review the statutes governing federally regulated financial institutions every five years and that the bill will ensure that Canada remains a global leader in financial services and will maintain the safety and soundness of the sector.

It is the government's commitment and need to look at the bill, particularly its implications and timing, which is important. I would like the member to recognize that the timing of the legislation is very important. It is not a time to review domestic policy as much as policy that makes us global leaders, so that the financial sector does indeed remain a stable sector globally and so that we do not confuse the debate with day-to-day regulations involving credit cards and financing.

I just want to see if the member really understands the legislation she is talking about today.

Ms. Jinny Jogindera Sims: Mr. Speaker, I absolutely understand that this piece of legislation has a sunset clause of April 12. The government has known for five years that this legislation has a sunset clause, and since May 2, when this newly constituted Parliament was put in place, the government has had the opportunity to introduce this bill and discuss it in a thoughtful manner. However, once again the government has used bullying tactics to shut down debate, to push through a piece of legislation using the argument of the sunset clause to do so. I would argue that it is doing this so that we do not have time for a detailed debate.

Mrs. Carol Hughes (Algoma—Manitoulin—Kapusking, NDP): Mr. Speaker, my colleague talked about the fact this bill was actually introduced in the Senate. Here, the question of transparency is something that we on this side of the House and members of the general public are always asking ourselves about. Was this important bill tabled in the House via the Senate because the Conservative government was trying to avoid transparency?

Government Orders

Even more, the Conservatives have tried to tell us that they had heard from plenty of witnesses on this. Instead, the government conducted online consultations and collected about 30 submissions, which it cannot make public because it did not acquire the necessary permissions. Of the 30 submissions, 27 respondents remained anonymous and only 3 identified themselves.

Could my colleague talk about the transparency aspect? How can we accept such testimony without being able to tell the public where we got it from?

Ms. Jinny Jogindera Sims: Mr. Speaker, we hear a lot from the other side of the House about the need for transparency and accountability. When we look at the online consultation, I know that in this age of technology we think that everyone is online, but I would argue that they are not.

There were 30 submissions and we did not get permission to share them, not even with parliamentarians. That causes me concern. Out of those 30 submissions, 27 are anonymous. As far as I am concerned, these should be set aside, because no one should be able to have that kind of an input and be given that kind of weight when they are not willing to put their names to the submissions they are making. How can we hold people accountable for these?

Once again, this is an example of the lack of accountability and transparency by the government, and a real push by it to rush legislation through with the pretext of it having held consultations already. However, when we look underneath the layers, very little consultation has taken place.

• (1330)

[*Translation*]

Mr. Jean Rousseau (Compton—Stanstead, NDP): Mr. Speaker, I would like to congratulate my colleague on her speech.

What does she think about the fact that the middle class has been forgotten once again? As she put it so well, a slight increase in the interest rate in Canada could have a disastrous impact on the middle class. The middle class has also been affected by the financial scandals of the past few years and, yet again, we are not talking about including these sorts of crimes or monitoring the banks. What does my colleague think about that?

[*English*]

Ms. Jinny Jogindera Sims: Mr. Speaker, I think if I were not a parliamentarian today and were instead sitting at home in my riding listening to this debate and looking at the significant piece of legislation we are debating, I would be shaking my head and saying, these are the problems I am facing day to day.

We know that the ratio of consumer debt to disposable income is a critical factor in the stability of a nation's well-being, and we can see that is very high now. We can also look at the kinds of practices out there for granting mortgages, which are actually resulting in a play on the housing market, a market that has not slowed down at all. In this regard I would point out that most young people in my community cannot even afford to buy a house because house prices are so high.

When I look at all of these things, I keep thinking, why do my colleagues across the aisle not want to take the time to do a

comprehensive and meaningful review but just deal with technicalities instead, and why do we not want to hold the banks more accountable for their actions?

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, we recognize the importance of the legislation and how critically important it is that it pass by April. It is in the industry's best interests for that to occur. Just as the member stated in her comments, we expressed disappointment at the government taking so long to bring the bill forward and now at it bringing in time allocation.

However, I want to pick up on one of the points the member made, that being the other alternatives such as credit unions. I want to take the opportunity to at least acknowledge that in Winnipeg North, the Assiniboine Credit Union has really filled a significant need in the north end, in providing alternative banking opportunities for people. I think this industry has great potential in communities throughout Canada.

Perhaps the member might want to comment on how important our credit unions are to the population as a whole.

Ms. Jinny Jogindera Sims: Mr. Speaker, when I look at the credit unions I have had experience in dealing with, as well as other credit unions in my riding and province, I am so impressed with the incredible amount of work they do in their communities. I call them the heart and soul of my community because of the way they support not only programs for seniors but also for youth by way of scholarships. They also give their members a real say in the operations of the credit union. I have looked at, for example, the Vancity Credit Union and the many others in my riding that do an amazing job.

We absolutely need to support credit unions right across the country.

• (1335)

Mr. Costas Menegakis (Richmond Hill, CPC): Mr. Speaker, I will be splitting my time with the hon. member for Yellowhead.

I stand today to speak in favour of Bill S-5, the financial system review act, at second reading. The bill, while largely technical in nature, is nonetheless a very important development as it is fundamental to ensuring the security and strength of the Canadian financial system. This is important not only because we depend on our financial system for day-to-day transactions like purchasing something from a store with a debit card or making a deposit in one's savings account, but because of the tremendous economic impact the financial sector has on the Canadian economy.

Indeed, Canada's financial sector is a key jobs driver providing employment to over 750,000 Canadians. This is especially important in my home province of Ontario and my riding of Richmond Hill where the financial services industry is a crucial part of the provincial economy.

Government Orders

The financial services sector employs nearly 400,000 people in Ontario directly. In addition, as noted by the Ontario minister of finance, the sector “supports an estimated 280,000 ancillary jobs, including in high-paying business service jobs, such as software design”. Its positive impact is especially important in the greater Toronto area where I live.

As stated by the Toronto Financial Services Alliance:

Toronto is the business and financial capital of Canada. It is the hub of Canadian commerce with a financial services infrastructure that has a reputation for safety, soundness and stability.

Toronto is home to the vast majority of Canada's largest financial services companies...and makes one of the largest contributions to the local economy.

In fact, according to Invest Toronto, the city's financial services sector contributes 13.2% directly and 7.9% indirectly to the GDP of the entire Toronto region. What is more, between 1999 and 2009 alone, the financial services sector added almost 70,000 jobs in the greater Toronto area, a cumulative growth rate of 42% or 4.2% per year on average.

Clearly, a strong and secure financial sector is vital to the economy and good, well-paying jobs in the greater Toronto area. The financial system review act would help to ensure the continued stability of the sector and the significant jobs and economic growth that depend on its health. It would accomplish this by undertaking a series of chiefly technical but very important modifications to the framework governing our already well-regulated financial system to further guarantee its stability.

I want to emphasize that these modifications and indeed this bill are the result of a mandatory process. Specifically, it is a direct product of Canada's long-established practice of undertaking mandatory five-year reviews of Canada's financial sector legislation. This review started in September 2010 when the finance minister initiated a public consultation process, open to all, where he sought the views of Canadians about our financial system. The regular review of the financial sector statutes allows the government to amend the framework so that the financial sector legislation and regulations continue to be as effective and efficient as possible.

Canada's practice of conducting such mandatory five-year examinations has been one of the key reasons we have maintained our reputation of having the safest and most secure financial system on the planet. Indeed, as we all recall, for four straight years the World Economic Forum has declared our country's banking system to be the soundest in the world. This has been a tremendous advantage for Canada and Canadians, especially during the recent global economic turbulence. While the United States, the United Kingdom and Europe has had to nationalize or bail out many of their banks, Canada's financial system has remained strong and secure.

• (1340)

Because of our resilience, Canada's financial system continues to be singled out as a model for other countries. As noted *Toronto Sun* columnist Peter Worthington remarked:

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

This is what the Irish newspaper, *The Independent*, had to say:

[Ireland's] financial regulatory system is in line for a radical overhaul, with the Canadian system being held up as a model.

The Canadian system is undoubtedly an excellent model....

Even U.S. President Barack Obama has admitted that Canada's system is far superior, noting:

Canada has shown itself to be a pretty good manager of the financial system in the economy in ways that we haven't always been here in the United States.

Finally, this is what Great Britain's Prime Minister David Cameron declared when he addressed Parliament last year:

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

Indeed, the financial system review act would build on and further reinforce Canada's sound and safe financial system with a range of important modifications. Specifically, the legislation would: modernize financial institution legislation to further assure financial stability and ensure that Canada's institutions continue to operate in a competitive, efficient and stable environment; provide important protection to consumers by boosting the powers of the Financial Consumer Agency of Canada; improve effectiveness both by cutting down on duplicative administrative red tape burdens on financial institutions and adding much needed regulatory flexibility.

The financial system review act contains numerous important measures that would make our financial system stronger which I would like to briefly highlight. They include: improving the ability of regulators to share information efficiently with international counterparts while respecting the privacy of Canadians; ensuring that Canadians, especially those who may be disadvantaged, are able to cash government cheques under \$1,500 free of charge at any bank in Canada; promoting competition and innovation by enabling co-operative credit associations to provide technology services to a broader market; reducing the administrative burden for federally regulated insurance companies; and, offering adjustable policies in foreign jurisdictions by removing duplicative disclosure requirements.

In summary, the financial system review act would further strengthen our already world-leading financial system by reinforcing stability in the financial sector, fine-tuning the consumer protection framework and modernizing the regulatory framework to adapt to new developments.

As I mentioned earlier, the financial services sector is of critical importance to the economic health and jobs in the greater Toronto area and indeed for all of Canada. That is why I strongly urge all members of the House from all parties to vote in favour of this bill, in favour of a strong financial sector, and in favour of the jobs it supports for Canadians.

I have appreciated the opportunity to speak to an issue important to my riding and to the economic well-being of all Canadians.

Government Orders

• (1345)

Mrs. Carol Hughes (Algoma—Manitoulin—Kapuskasing, NDP): Mr. Speaker, I listened intently to my colleague who spoke about the importance this will have for jobs, but the government is actually reducing jobs at Service Canada, the department that helps Canadians who find themselves unemployed at this time.

We have known for quite some time about the sunset clause, so why is it that the government took so long to send this bill to committee? Why did the government send it to the Senate as opposed to the House of Commons committee, where it should have been? There was only a three-week window of opportunity for the Senate to study this, and the Senate also said it was not enough time.

Why is the government in such a rush to pass a piece of legislation without really taking into consideration the impact it will have and without further debate on the issue?

Mr. Costas Menegakis: Mr. Speaker, I would like to remind the hon. member that this review is mandated by law. It is legislation that we need to do. It must be renewed by April 20, 2012 to allow the financial institutions to carry on business.

Indeed, the consultation process began in 2010. The government invited the views of all Canadians on to how to improve our financial system. Approximately 30 submissions were received from a wide range of stakeholders. The proposed bill takes into account the concerns of major interest groups, including consumer groups, stakeholders, policyholder groups and financial industry associations.

I would urge the hon. member to consider how important it is to have a strong financial system in our country. By supporting this bill—

The Acting Speaker (Mr. Bruce Stanton): Order. There may be other hon. members who wish to put a question. The hon. member for Winnipeg North.

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, there has been a great deal of concern in terms of the government's management of this particular file and why it has chosen to bring in time allocation. I understand that the deadline is April 20 of this year. That is when the legislation has to have passed.

Given the member's background and what he has commented on, why is it that the government waited so long before bringing forward this legislation? In fact, with respect to many of the points the member referred to, we probably could have better legislation had the government been more co-operative in bringing forward the legislation, thereby allowing for more input and debate inside the House, as opposed to it being brought forward at the last minute.

Why did the government wait so long before it brought the legislation to the House?

Mr. Costas Menegakis: Mr. Speaker, I would like to thank the hon. member for the good work he does on the committee. I certainly appreciate his input.

The government wanted to allow enough time for the consultation process to take place. In fact, today we are debating the bill at second reading. Once this bill is passed, and I hope it will be passed unanimously by this House later today, it will go to committee for

further study. There will be plenty of opportunity for the bill to be studied further in committee.

It is very important that we understand our role as parliamentarians. We must put partisan politics aside and support important legislation like this that keeps our financial system and our financial sector strong and stable for Canadians.

Hon. Lynne Yelich (Minister of State (Western Economic Diversification), CPC): Mr. Speaker, I would just like clarification. Some of the questions the opposition is asking I believe are outside the scope of the bill. I understand that the statutes that govern the financial sector are reviewed every five years. It appears that some of the opposition to this bill is outside the scope of the bill.

I wonder if the member would clarify that for the benefit of those listening.

• (1350)

Mr. Costas Menegakis: Mr. Speaker, the only response I can offer is that the opposition has voted down every significant piece of legislation the government has brought forward in this Parliament. This is the first time I have been elected. I am sure that is their goal and their objective. That is the only answer I can offer as to why the questions are outside the scope of what it is we are actually discussing today.

Hon. Rob Merrifield (Yellowhead, CPC): Mr. Speaker, it is a privilege to speak to Bill S-5, the financial system review act.

The bill has cleared the Senate and is now in the House. Some of my colleagues on the other side are asking why now and why so fast. It is not really fast. The consultation process started in September. We had to use that process to be able to get it to this place. Then we need to get it to committee and move it through so that it can actually be implemented by April of this year. That is very simple to understand.

We have a very strong and stable financial system in Canada. In fact, we came through the financial crisis with flying colours as a country, as did our financial institutions. Why? It is because we do these regular reviews. We ensured we made changes as we moved along and that nothing would be left on the back burner. We are actually moving forward and doing something with it to accommodate Canadians and their interests in the changing world in which we live.

Bill S-5 would make a number of improvements to key areas in the Canadian economy. The financial sector is very stable, and there are reasons for that. It is stable because of these mandatory reviews we are doing. It is also very big. We must realize that 750,000 people work in the system, all in well-paying jobs. It makes up about 7% of the GDP of this country. A lot is made up of the oil sands in my province, being 6% of the GDP in this country, and yet the financial institutions are larger than that and is doing very well.

Statements by Members

The bill is not only big but also good. Why would it not be good when we have the number one Minister of Finance in all of the world? That is something that has never happened before to Canada. In fact, we are rated number one in the world in many different areas, especially in the field of financial management. In fact, the World Economic Forum has ranked Canada as having the soundest banking system in the world. *Forbes* magazine has ranked Canada number one in its annual review as the best country to do business with as we move forward. Bloomberg has recently listed our five big banking institutions in Canada as the world's strongest banks, more so than in any other country in the world.

There is a competitive environment in this place and opposition members do what opposition members do, they oppose.

I have a quote here from a past Liberal finance minister, the now president of the Canadian Council of Chief Executives, John Manley, who said:

Our financial system and institutions were tested during the financial crisis and have proved sound. Canada's banking system is now widely viewed as the most stable and efficient in the world.

That is high praise from a former opposition individual who knows the financial system very well.

Last month, an independent financial stability board appeal review praised the government's swift and effective response to the global financial crisis. We did come through it quite well. In its review, it highlighted the resilience of the financial system that we have as a model for other countries to follow. As Canadians, we should be proud of that.

We must realize that as we went through the financial crisis in Europe there were many problems with a lot of the banks there, as well as south of the border in the United States. If we compare ourselves to our number one trading partner, there was a meltdown of the financial systems. Not one of the financial institutions in Canada failed. Not one failed or required direct government support in the form of cash injections or debt guarantees during the global financial crisis. That is something that did not and does not happen by accident. It happened because there was good management of the Canadian financial systems and it is directly related to what we are doing here today with this legislation.

In fact, the report stated:

This resilience, which was achieved in spite of Canada's relatively complex regulatory structure, highlights a number of key lessons for other jurisdictions.

What are those lessons that Canada can teach other jurisdictions? The first is to be proactive with targeted macroeconomic policies supported by adequate fiscal space and flexible exchange rates that will help absorb the external shocks.

The second is a prudent banking system management so that we do not become over-leveraged, as has happened in Europe, the United States and other banking systems and sectors. This is particularly important if we are to go through a crisis, such as what is happening around the world. We hope that we are through it now and that we will not revisit it, although what is happening around the world should make us a bit cautious, particularly the debt crisis in Europe and perhaps some overspending in the United States that could impact us in years to come.

• (1355)

The third thing is the comprehensive regulatory supervisory framework that effectively addresses the domestic prudent concerns including, when necessary, adopting regulatory policies that go beyond the international minimum standards.

Those are three lessons that other jurisdictions can learn from.

As the board noted, since 2008, the Conservative government has taken significant steps to make our financial system more stable and to reduce systematic risk to Canadians and to the system. In fact, the first thing we did in the 2008 budget was to modernize the authorities of the Bank of Canada to support the stability of the financial system.

We came through it in glowing fashion, as far as our financial institutions, but in budget 2009 we suggested other changes. Just in case we were to run into problems with our banking system, we wanted to ensure we were able to capitalize our banks so that they would not go into receivership. This is very important. What it really allowed for was, if there was an injection needed into our banking system to sustain it, the Canadian Deposit Insurance Corporation would have the flexibility to do that. That is actually a very wise thing. We did not need it, thankfully, and, hopefully, we never will. A bridging institution was what we needed. In banking terms it is called a bridged bank. Bill S-5 includes a number of technical refinements to ensure that the efficient implementation of those bridged bank tools are there.

Budget 2011 also announced our government's intention to establish a legislative framework for covered bonds, which are debt instruments secured by high quality assets, such as residential mortgages. This bill would make it easier for Canadian financial institutions to assess the low cost sources of funding and help to create a robust market for covered bonds in Canada.

Let us look ahead. We have this five year review. It is very important that we do this review, mainly adding to some of the changes that we have made over the last number of years, chiefly technical. One of the changes that would actually make it a little stronger goes back to one of the changes that was made by Liberals in 2001. It would back that off so that any bank that invests in more than 10%—

The Speaker: Order please. I will stop the member there. He still has two minutes left to conclude his speech.

STATEMENTS BY MEMBERS

[*Translation*]

BLACK COMMUNITIES IN QUEBEC

Mrs. Maria Mourani (Ahuntsic, BQ): Mr. Speaker, for more than 300 years, Quebecers from the black communities have been sharing their know-how and talents with Quebec. As a child of Africa, I am proud to honour the memory of those who have distinguished themselves.

In 2011, two remarkable persons passed away. There was Ousseynou Diop, a pioneer of African and Senegalese Montreal, and a host for 25 years at Radio-Canada International. He played an active role in creating the Vues d'Afrique festival in the early 1980s. And there was Papi Djo, a cultural revolutionary who left Haiti for Montreal in the 1960s. He was involved in creating a new Haitian folklore group, Mapou Ginen. In 1979 he returned to Haiti and became a host at Radio-Soleil, a station whose broadcasts helped bring about the fall of the Duvalier regime.

Long live the black communities of Quebec and Happy Valentine's Day to all Quebeckers.

* * *

● (1400)

[English]

VALENTINE'S DAY

Mr. Bruce Stanton (Simcoe North, CPC): Mr. Speaker, today we should take the time to give extra attention to our loved ones, wanting them to be our valentine and hoping, with every measure of our being, that they will want us to be theirs.

Today I would like to express my love and gratitude to my incredible family: our eldest daughter, Stephanie, whose determination is there at every turn, and her wonderful children, Sienna and Carter; our only son, Jason, whose kindness and laughter are contagious to everyone he meets, along with his devoted wife, Amanda, and their bright young daughter, Lyla; our daughters, Lauren and Valerie, who grace each and every day for both of us; and finally, Heather, a wife who is without equal, who is an incredible strength for our family and who holds us together.

I am so proud of each and every one of them. I humbly ask on this special day that they be my valentine.

* * *

PUBLIC TRANSIT

Mr. Mike Sullivan (York South—Weston, NDP): Mr. Speaker, on this Valentine's Day I just want to tell the House that I love public transit. Too bad about Toronto.

Three years of construction has started on the air rail link between Union Station and Pearson Airport. It was a Liberal scheme for a private train that would not cost taxpayers one nickel. It will now cost federal and Ontario taxpayers well over \$1 billion and the private operator is long gone.

Is public transit not good for the environment and good for the poor and the middle class to get home quicker from work? Not this one. It is designed to be a premium service for business-class passengers to the airport. Those people do not want to rub shoulders with ordinary Torontonians going to work, so the fares will be high enough to discourage ordinary folk from using it. It will have only two stops, so it will whiz by transit-starved neighbourhoods in Toronto.

We will be the only country in the world running diesel trains to an airport. They will actually pollute more than the cars they replace.

Statements by Members

The federal government needs to step in, demand that it be electric and that it serve the taxpayers who are paying for it.

It is a great opportunity for the government to help Mayor Ford put in rapid transit that does not take up roadways.

* * *

AGRICULTURE

Mr. Dan Albas (Okanagan—Coquihalla, CPC): Mr. Speaker, this past summer I was excited to represent the hon. Minister of Agriculture in presenting a \$261,000 grant for a new innovative program occurring in my riding of Okanagan—Coquihalla.

The funding helped support a new food packaging technology developed in partnership with the Pacific Agri-Food Research Centre. This technology can greatly extend the shelf life of fresh fruit and produce. A longer shelf life also means more economical shipping options will soon be available to fruit growers throughout the Okanagan Valley.

Why is that exciting? On February 9, our Prime Minister was in China and I was pleased to learn that a new trade agreement was signed that will open up the Chinese market to many Canadian foods, including cherries. In my riding, we not only make some of the greatest wines but we also grow some of the world's best cherries.

This is great news for my riding and a great example of how our government supports innovation and technology in the agricultural sector. This leadership creates jobs and helps grow our local economies.

* * *

OCEAN RANGER

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Mr. Speaker, thirty years ago tonight a tragedy began to unfold. Thirty years ago a winter's gale spawned itself on the North Atlantic sending sea states to 70 foot waves, pushed up by winds of over 100 knots.

As evening rolled into night, the semi-submersible drill rig, the *Ocean Ranger*, capsized in the North Atlantic 267 kilometres east of Cape Spear, Newfoundland. Eighty-four souls were lost, taken forever. None were spared.

To remind us of our responsibility to the lost, we still wear the scar of that tragedy even though it was inflicted a generation ago. It was a tragedy that could have been prevented, or so found a royal commission on the sinking.

So, today, as we in this Parliament assemble to discuss what is reasonable, what is responsible and what is needed to live up to the promise we made to those 84 souls, expediency can never be allowed to trump safety; no man, woman or child can ever be lost to a cold calculation of financial efficiency; and, if we fail, we prove that we can be more brutal than the sea could ever prove to be.

*Statements by Members***FIREARMS REGISTRY**

Hon. Rob Moore (Fundy Royal, CPC): Mr. Speaker, our government is committed to ending the long gun registry. We are moving forward by abolishing this wasteful and ineffective program that has left Canadian taxpayers on the hook for close to \$2 billion.

Over the last decade, we have seen that the registry does not stop criminals from committing acts of violence because, as we know, it targets the wrong people. It targets law-abiding Canadians. Since its creation, the long gun registry has unfairly targeted the residents of my riding of Fundy Royal and has done nothing to prevent the serious crimes that have taken place in many of our communities. Instead, it targets hunters, farmers and sports shooters.

Our government is committed to putting the safety of Canadians first with real action on crime that delivers real results. We will continue to fight for safer streets and safer communities and we will do that by targeting real criminals.

Our government has always been clear. We will end the long gun registry and we will focus on real criminals who commit real crimes.

* * *

• (1405)

[Translation]

BATHURST REGIONAL HOSPITAL

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, I am pleased to rise today to recognize the 40th anniversary of the regional hospital in Bathurst. Over the years, the hospital has expanded and has diversified its services to the public. In 1972, the hospital employed 17 doctors and 525 other staff members. In 2012, it has 103 doctors and 1,077 other staff members, not to mention the volunteers who have provided support to hospital staff over the years.

The Bathurst regional hospital offers a broad range of health care services, including the provincial cochlear implant follow-up program, the bariatric clinic and the surgery program for morbidly obese patients. The hospital is also home to the Joslin Diabetes Center, which is the only clinic of its kind in Canada.

I would like to thank all the employees and volunteers at the Bathurst regional hospital for their dedication to serving the people of Acadia and the Chaleur region.

* * *

[English]

I LOVE ME CLUB

Mr. Patrick Brown (Barrie, CPC): Mr. Speaker, on January 25, 12-year-old Mackenzie Oliver from my riding of Barrie, Ontario was named as one of the 12 final recipients for the 2011 Ontario Junior Citizen of the Year Award out of 176 nominees.

When Mackenzie was just seven years old, she found a grade three student crying in the school washroom. Bullied by other children and called fat, the little girl was trying to force herself to be ill. Mackenzie comforted her and told her there was nothing wrong with her, she was beautiful and she was loved. Mackenzie went home that night and told her mom about the girl and how she wanted

to reach out to others being bullied. Her mom suggested starting a club at the school. Therefore, Mackenzie started her own organization and called it the I Love Me Club.

I am proud to announce that the I Love Me Club currently has 621 members in Barrie and since 2007, Mackenzie has raised over \$35,000 for local charities. Currently, she has been focusing on fundraising to finance a school in Kenya. It is my pleasure to pay tribute to this remarkable young lady.

* * *

SCOUTING

Mr. Chungsen Leung (Willowdale, CPC): Mr. Speaker, I am happy to stand today to welcome Scouts Canada and L' Association des Scouts du Canada which are in Ottawa today on their 100th anniversary.

Scouts is one of Canada's leading youth organizations, offering programs for boys and girls in towns and cities across this great land. Scouts Canada has experienced three successive years of significant growth. Today, Scouts Canada is a highly diverse co-educational organization with over 100,000 members nationwide, representing many faiths and cultures. Scouts offers programming in over 19 languages reflecting Canada's multicultural landscape.

Scouting is both a program and lifestyle that has a positive impact on the lives of thousands of children and youth, focusing on the integrated physical, intellectual, emotional, social and spiritual development of the individual. Scouts Canada has made an enormous contribution to its communities and in the process, its members are learning valuable life skills and becoming better citizens.

I was a scout for eight years, involved in the scouting movement in Taiwan, Japan, Canada and the United States. Scouting has certainly enriched my life.

I ask all parliamentarians to rise today to recognize Scouts Canada and L' Association des Scouts du Canada, their service to our nation, and to remind members of the reception later today.

* * *

POVERTY

Ms. Megan Leslie (Halifax, NDP): Mr. Speaker, more than 20 years ago the House pledged to eradicate poverty among Canadian children by 2000. We are now 12 years past our deadline and one in ten children still live in poverty in Canada. While we have doubled the size of our economy, the income of Canada's poorest families has stayed the same.

Tomorrow I will be tabling a motion, seconded by MPs across party lines, denouncing the shameful failure of the House to fulfill its pledge, due to a cruel and selfish lack of political will for which all members should apologize. There is clear evidence that poverty, particularly child poverty, increases the cost to our health, education and justice systems by a sum greater than the cost of eliminating it. We are all culpable.

Today many of our colleagues are taking part in a discussion about how to address poverty in Canada at an event hosted by the Dignity for All campaign. All members of the House should join in the conversation about how and why we should eliminate child poverty and all poverty as soon as possible.

* * *

• (1410)

INTERNATIONAL TRADE

Mr. Ron Cannan (Kelowna—Lake Country, CPC): Mr. Speaker, following the Prime Minister's successful trade mission to China, where several agreements were reached, including a foreign investment protection promotion agreement that would deepen the trade and investment ties between Canada and China, the hard-working Minister of International Trade is yet leading another trade visit in Malaysia, Singapore and Brunei.

This visit is part of Canada's interest in joining the negotiations for the Trans-Pacific Partnership, otherwise known as the TPP. At the same time, Canadian officials are also meeting with their U.S. colleagues in Washington, D.C., regarding the trans-Pacific partnership.

Our government is committed to opening new markets for Canadian businesses in Asia, which we know will sustain and create jobs and prosperity for Canadian workers and their families.

We are increasing Canada's ties in the economies of the Asia-Pacific region through our pro-trade plan in order to bring more jobs and opportunity and greater prosperity to hard-working Canadians in every region of our country.

* * *

OCEAN RANGER

Mr. Ryan Cleary (St. John's South—Mount Pearl, NDP): Mr. Speaker, my statement begins with a question. "And whose wish never fails to find my vacant heart on Valentine's?" That question was written by the great Newfoundland songwriter, Ron Hynes, in his song, *Atlantic Blue*. The song is a tribute to the 84 men who went down with the *Ocean Ranger*. It is their wishes that never fail to find vacant hearts on Valentine's.

In the early morning hours of February 15, 30 years ago this evening, the indestructible *Ocean Ranger* went down off the coast of Newfoundland in a vicious storm. The sinking of the *Ocean Ranger* resonates to this day among the family and friends of those who were lost among people who were strangers to them.

Marine tragedies are a reality of life for people who live and die by the sea, but the *Ocean Ranger* is a reminder of the danger of lax regulation, of the danger of assuming the unthinkable could never happen, a reminder of the importance of search and rescue because, 30 years later, needless tragedies continue to mount off our coast.

I end with a quote from another great Canadian songwriter, Gordon Lightfoot, "Does any one know where the love of God goes when the waves turn the minutes to hours?"

Statements by Members

CANADA-U.S. RELATIONS

Mr. Pierre Poilievre (Nepean—Carleton, CPC): Mr. Speaker, before Christmas travel began this season, our government announced that passengers travelling to the United States would soon be able to use NEXUS cards in order to expedite screening at Canada's eight largest airports.

[Translation]

The Minister of Transport, Infrastructure and Communities announced that, as of tomorrow, Nexus program participants will be able to use their Nexus cards in designated, faster security lines when flying to the United States. This announcement comes as part of the action plan on perimeter security and economic competitiveness announced by the Prime Minister and President Obama.

[English]

This agreement will expand competitiveness, reduce hassle and costs and create jobs for Canadians.

We have signed trade agreements with nine different countries. In the next two years we hope to conclude agreements with Europe and India, making us one of the most competitive, free trade environments in the entire world.

* * *

VACLAV HAVEL

Hon. Irwin Cotler (Mount Royal, Lib.): Mr. Speaker, I rise to pay tribute to the heroic memory of Vaclav Havel, an inspirational colleague and friend for over 30 years, the architect of charter 77, the human rights manifesto that inspired not only the Velvet Revolution in Czechoslovakia, but the march of democracy in Eastern Europe and the Soviet Union, and more recently, charter 08 of human rights defenders in China, whose words and writings moved and mobilized the powerless as they exposed and brought down the politburos of the powerful, who chaired a dissidents gathering five years ago that inspired prospective dissidents of the Arab awakening, who wrote movingly and compellingly of the responsibility to protect, not only in terms of the responsibility to prevent, but the responsibility to remember, le devoir de memoir, as he wrote recently in the introduction to a book I co-edited, *The Responsibility to Protect*.

May his memory serve as a blessing for us all.

* * *

MEMBER FOR PAPINEAU

Mr. Merv Tweed (Brandon—Souris, CPC): Mr. Speaker, the member for Papineau grew up hearing about a strong, united Canada, but just last week he said he would favour Quebec independence. When asked if he would consider it, he said, "oh, yes, absolutely".

While our Conservative government is committed to keeping Canada strong, united and free, the member opposite is contemplating reasons for Quebec to separate from Canada.

Our country is more united than at any time since the centennial year. We are proud to be Canadians and proud to live in the greatest country in the world.

Oral Questions

Since 2006, our government has strengthened national unity by recognizing that the Québécois form a nation within a united Canada, restoring fiscal balance with the provinces and establishing a formal role for Quebec at UNESCO.

Our government will continue to ensure Canada remains strong, united and free.

Will the member opposite clarify his position or recant his support for an independent Quebec nation?

* * *

•(1415)

GOVERNMENT APPOINTMENTS

Ms. Olivia Chow (Trinity—Spadina, NDP): Mr. Speaker, Valentine's Day came early for Tim O'Connor and Gary Valcour.

Tim, who was the campaign manager for the finance minister's wife, was appointed to the Farm Products Council of Canada. Gary, who is the minister's Conservative riding president, will be heading up the new Oshawa port authority.

In return for these patronage roses, it looks like these Conservative insiders will rubber-stamp the construction and receive \$25 million for an ethanol refinery on the Oshawa waterfront. This plan is opposed by local councillors, but the owner of the company, Tim and his brothers, are big Conservative donors.

The people of Oshawa are asking this. How much money does it take to get on the finance minister's valentine's list?

Rewarding friends and political insiders is what the government does best. It is just too bad it does not have more love for the citizens on this special day.

* * *

FIREARMS REGISTRY

Ms. Candice Hooppner (Portage—Lisgar, CPC): Mr. Speaker, it may be Valentine's Day, but the NDP really has gone too far with its hug-a-thug ways. It has no problem standing up for criminals while at the same time punishing law-abiding farmers, hunters and rural Canadians in every region of the country who use firearms for legitimate purposes.

The NDP has a chance to vote with its constituents. In fact, the NDP leadership candidates from Churchill and Skeena—Bulkley Valley have a chance to vote with their constituents and vote to scrap the long gun registry, a registry that needlessly and unfairly targets law-abiding Canadians while doing absolutely nothing to reduce crime or strengthen our efforts to keep guns out of the hands of criminals.

Since it was created, the long gun registry has done nothing but waste taxpayer dollars. This money could have been used to crack down on real criminals and real crime.

Our government will vote to scrap the long gun registry. The NDP should listen to its constituents and do the same.

ORAL QUESTIONS

[Translation]

PUBLIC SAFETY

Mrs. Nycole Turmel (Leader of the Opposition, NDP): Mr. Speaker, when the cat's away, the mice will play. While the Prime Minister was out of the country, the Minister of Public Safety let it be known that Canada is in the market for information obtained through torture.

Does the Prime Minister realize that the message here is that Canada does not think torture is all that bad?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, we have a highly detailed protocol for ensuring the safety of Canadians under any circumstances. That is this government's policy.

[English]

Mrs. Nycole Turmel (Leader of the Opposition, NDP): All right, Mr. Speaker. We will understand it is torture, no problem.

While the Prime Minister was away, a Conservative minister told Canadians to fire warning shots if someone tries to steal their ATVs. Does the Prime Minister agree with the justice minister? Does he believe that Canadians should start firing warning shots?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, there is legislation before the House. I do not know if this is what the member is referring to. There is legislation before the House to deal with the Chen case to make sure that Canadians have a full right of self-defence. The NDP used to support that legislation. I would urge it to support the self-defence rights of people like Mr. Chen.

* * *

GOVERNMENT PRIORITIES

Mrs. Nycole Turmel (Leader of the Opposition, NDP): All right, Mr. Speaker, fire at will. No problem again.

[Translation]

There is more. First, a Conservative senator reopened the death penalty debate. Then, a Conservative MP reopened the abortion debate. After that, a Conservative minister accused those who are concerned about unjustified government intrusion into people's private lives of supporting child pornography. That seems like a slippery slope to me.

My question is this: is the Prime Minister orchestrating the slide down that slope?

•(1420)

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, as we have said repeatedly, we do not intend to reopen certain debates. With respect to child pornography, our party is very much against it, and I encourage the NDP to join us in taking that stand.

PENSIONS

Mrs. Nycole Turmel (Leader of the Opposition, NDP): Mr. Speaker, while the Prime Minister was away, his Minister of Finance confirmed that cuts to old age security would be made starting in 2020. However, there is still some confusion.

Can the Prime Minister confirm to us and to the 27 million Canadians who are 57 or younger that his Minister of Finance told the truth and that they will have to wait until they are 67 before they can retire?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I think that the government has been very clear in this regard. We will not cut our seniors' pensions. At the same time, we are reviewing the old age security program in order to ensure that it is viable for future generations.

* * *

[English]

NATIONAL DEFENCE

Mrs. Nycole Turmel (Leader of the Opposition, NDP): Again, Mr. Speaker, that was not very clear.

Another thing that is not clear is what Conservatives will do about the F-35. For months Conservatives ignored warnings from the NDP. They claimed the program was on track. Suddenly the second defence minister says it is ludicrous for Canada not to reconsider the purchase. The defence minister will not say if Canada will modify its order.

Can the Prime Minister confirm that Canada is reconsidering the F-35 purchase?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the Government of Canada has been working with its allies for a decade on the construction of the F-35 as the replacement to our CF-18 aircraft when they reach the end of their useful lives. There is a budget for that. The government has been clear. It will operate within that budget. We will make sure that when the current planes come to the end of their useful lives, our men and women in uniform will have the best equipment.

I hope this answers all of the questions the Leader of the Opposition has. I am sure they were all answered while I was gone as well.

* * *

PUBLIC SAFETY

Hon. Bob Rae (Toronto Centre, Lib.): Mr. Speaker, in the last week, those of us who have taken issue with the government on certain changes to the Criminal Code have been described as Hitlers. We have been described as friends of child pornography.

Now that the Prime Minister is here, I would like to ask him how he would respond to the comments of a Superior Court judge in Ontario who stated that the use of a mandatory minimum sentence of three years with respect to the Smickle case would be "fundamentally unfair, outrageous, abhorrent and intolerable". What is his response to that?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, what I would do, first of all, is note that those particular

Oral Questions

changes passed by this government were in fact supported by the Liberal Party and the New Democratic Party.

I think Canadians believe that the courts have not been tough enough in dealing with gun crime. This government is determined to make sure that we have laws that can deal with serious gun crime.

[Translation]

Hon. Bob Rae (Toronto Centre, Lib.): Mr. Speaker, the problem is that those of us who have opposed the government's positions have been described as Hitlers. These are the words used by a member of the Prime Minister's caucus. Yesterday, the Minister of Public Safety said that those who oppose or ask questions about the issue of Internet access are friends of pedophiles. That is the government's approach.

The question remains the same: what is the Prime Minister going to do to finally bring some civility to this House so that we can have a real discussion about issues relating to the Criminal Code, such as—

The Speaker: The right hon. Prime Minister.

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, once again, this government's main objective is to make sure that our streets and communities are safe. When the leader of the Liberal Party criticizes a policy on crimes committed with firearms that his party supported, the real question is what is the Liberal Party's position? I will let the party answer that question.

[English]

Hon. Bob Rae (Toronto Centre, Lib.): Mr. Speaker, the question of allowing access by police to Internet records without a warrant and the whole question of access to information, which has previously been considered to be private, is now raising questions from the privacy commissioner of Ontario, the federal Privacy Commissioner and many editorial writers, including those at the *National Post*.

I would ask the Prime Minister if he considers these people to be like Hitler. Does he consider these people to be the friends of child pornographers? Does he consider them to be the friends of pedophiles? This is exactly the approach—

Some hon. members: Oh, oh!

● (1425)

The Speaker: The right hon. Prime Minister.

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the changes in the lawful access legislation have not only been sought by police to protect our young people from pedophiles, but they have in fact been supported by every single provincial government and every single attorney general, including those who are Liberal. It might be relevant to the hon. member, that includes those who are NDP as well, depending on which side he is on these days.

It is important that among the provinces there really is an all-party consensus on this. I hope Parliament will study this bill carefully and make sure we do what is best for our children and our law enforcement agencies.

Oral Questions

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, the Conservatives think it is okay to spy on ordinary Canadians and treat law-abiding citizens like criminals and that it is okay for the police to track one's cellphone or follow one on the Internet however they want, whenever they want. The government is going to force companies to build elaborate spyware so that it can track the activities of any ordinary citizen. This would be like putting an electronic prisoner's bracelet on everyone with a cellphone.

Why is the government turning against ordinary citizens? Why is it attacking the rights of privacy of ordinary, law-abiding Canadian citizens?

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, I can clearly state that everything the member said is false. There is nothing in the bill that would allow police to snoop on an individual's private conversations or even to follow a person's activities on the Internet. All that has to be done through a judicially authorized warrant.

If the member had stayed for the technical briefing that was provided for him, he would have heard that.

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, I wrote the minister a letter asking why he was breaking the promise of Stockwell Day. Stockwell Day promised Canadians that the government would protect privacy rights and judicial oversights. The minister wrote me back and said that times have changed. Yes, times have changed. Stockwell Day is gone and the Conservatives have a majority.

The basis of a free and democratic society is the right to due process and the right to privacy. The government has declared open season on average Canadians. The minister needs to come clean with Canadians on why he wants to snoop and spy on them.

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, all I am asking the member to do is actually read the bill and then be honest with Canadians. That is something he is actually incapable of doing. He is either incapable of reading or incapable of being honest.

[*Translation*]

Ms. Françoise Boivin (Gatineau, NDP): Mr. Speaker, we feel the love coming from the other side of the House, that is for sure.

A minister of public insecurity has introduced a Conservative bill on lawful access that treats law-abiding citizens like criminals. I think I have heard that somewhere before. I agree we need to protect those who are more vulnerable, but we could do so without giving the government the power to spy on all Canadians.

Why are the Conservatives so eager to protect the personal information of hunters, while giving themselves the power to infringe upon the personal freedoms of all Canadians?

[*English*]

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, if the member is not feeling loved over there, tell her that she can come over here. She will be loved here. We will explain the legislation that we are bringing forward.

As I have made clear, we are ensuring that there is judicial oversight and there is accountability by the police when they obtain information. For any private information there is a warrant system.

Ms. Françoise Boivin (Gatineau, NDP): Mr. Speaker, it is so sad because I had the same offer for him from our side, although I have doubts about that.

[*Translation*]

Once again, the government will not listen to anyone who contradicts it. Quebec's information and privacy commissioner clearly said that this bill goes too far. The rights and freedoms of Canadians will once again be flouted by this government.

Why is this government being so stubborn and refusing to listen to the experts? What about transparency? Is the government waiting for a court challenge?

● (1430)

[*English*]

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, every provincial attorney general, including two NDP attorneys general, supports this legislation as being necessary in order to stop the proliferation of child pornography on the Internet. It does not intrude on an individual's privacy without judicial authorization.

As for love in that caucus, I understand the member just left that caucus for the third party.

* * *

ABORIGINAL AFFAIRS

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, perhaps the Conservatives could find love for aboriginal children.

At today's Have a Heart for First Nations Children Valentine Rally on Parliament Hill, children called for a better world for first nations children. They recognize that the needs of first nations children are the same as all children.

The Minister of Aboriginal Affairs and Northern Development has dubbed the national panel's plan of action to address the long-standing inequities in education merely "aspirational".

Will the government listen to the children, commit the needed resources and put students first?

Hon. John Duncan (Minister of Aboriginal Affairs and Northern Development, CPC): Mr. Speaker, our government will keep building on our progress to improve first nations education.

We are engaged with first nations. Our government has signed five education partnership agreements with provinces and first nations. I was proud to sign the first nations education framework agreement three weeks ago with B.C. first nations and the province.

We will review the national panel's recommendations and continue working for first nations students.

Oral Questions

[Translation]

Mr. Jonathan Genest-Jourdain (Manicouagan, NDP): Mr. Speaker, that is not enough. First nations children need real action, not empty promises. First nations leaders have been clear: the only acceptable action plan is one that addresses all educational needs, from early childhood to post-secondary education. What is missing is partnership with the federal government.

So will this government commit to working in partnership with first nations, beginning immediately, to address the educational needs of youth with an education system that is properly funded and respects first nations' language and culture?

[English]

Hon. John Duncan (Minister of Aboriginal Affairs and Northern Development, CPC): Mr. Speaker, we have been working in partnership. That is why we launched the joint action plan with the national chief. That is why that joint action plan prioritized K-12 education.

Our government continues to build on our progress to improve first nations education. Since we have been in office, we have built 22 new schools. We tendered the new school in Attawapiskat last month.

We will review the national panel's recommendations and report in due course.

* * *

[Translation]

NATIONAL DEFENCE

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, the Conservatives keep making bad decisions and Canadians are paying the price. Workers are not receiving their employment insurance cheques on time and seniors are worried about cuts to the old age security program, but this government is determined to waste \$30 billion on jets that do not meet our needs. Lockheed Martin has confirmed that the price of the F-35s is going to go up some more. That is what the NDP has been saying for months.

Why penalize Canadians with such bad decisions? Why not put families first, seniors first, people first?

[English]

Hon. Julian Fantino (Associate Minister of National Defence, CPC): Mr. Speaker, the Royal Canadian Air Force plays an important role in protecting our sovereignty and defending our interests at home and abroad. Canada's CF-18s are nearing the end of their life cycle and we will ensure Canada's air force is properly equipped for the job we ask of the air force.

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, yesterday the minister said on TV that it would be "ludicrous" not to consider the F-35 order because it may become too expensive. What is ludicrous is the minister's repeated denial that he has a problem.

The NDP has been warning about this for months. Our allies are cutting their orders. The Americans are cutting billions. Even Lockheed Martin confirms that costs will rise.

Conservatives are in panic mode. Will they now tell Canadians what their plan B is for these failed jets and their failed problems?

Hon. Julian Fantino (Associate Minister of National Defence, CPC): Mr. Speaker, that is a classic example of taking things out of context. The one thing that is in context is that unlike the NDP, Canadians want our air force to have the ability to protect our sovereignty and defend our interests at home and abroad. Canada's CF-18s have to be replaced in the coming years. We will ensure that our air force has the right equipment, unlike what the NDP would propose.

● (1435)

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, what is ludicrous is the government's blind devotion to the failed fighter jets.

The government is pouring billions into planes that cannot fly and subs that will not float. Damage to the HMCS *Corner Brook* is much worse than the government claimed. This was no fender bender. The damage is so bad that the sub may never be safe in the water again. The Conservatives are letting down our navy. Why did the government cover up the damage to this sub?

Hon. Peter MacKay (Minister of National Defence, CPC): Mr. Speaker, nothing could be further from the truth. In fact, the navy released information about this when it happened back in June, and we put out a press release about it in December. I do not know where the hon. member is coming from. The information is there. The damage itself was to a fibreglass cone that covers the front of the submarine. There has been an inquiry into what happened. The sub is now under repair.

Why does the NDP not want our men and women in the forces to have the best equipment possible? That is the question Canadians need to ask themselves.

* * *

PUBLIC SAFETY

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Mr. Speaker, a national newspaper editorial came down hard on the Minister of Public Safety today. In relation to Bill C-30, the editorial states, "This type of legislation brings us one step closer to George Orwell's dystopian vision of a totalitarian state that keeps its citizens under constant surveillance". The editorial goes on to say that there is no evidence the new law will achieve its public policy objective.

Why is the minister threatening civil liberties without solid evidence of the need to do so?

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, 10 years ago the member's party brought forward the predecessor bill. What we have done is we have refined it to ensure there are privacy protections, that any observations of people's personal web surfing habits are in fact authorized by a judge.

Oral Questions

[Translation]

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Mr. Speaker, under section 184 of the Criminal Code, the government already has the power to intercept communications without a warrant when lives are at risk, in order to prevent a terrorist attack, for example. What is more, criminals will be able to install encryption software, which will allow them to get around the law.

Is that why some of the minister's officials denounced in writing some of his arguments to justify his bill? Again, why is the minister jeopardizing civil liberties when nothing really seems to justify it?

[English]

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, we have put into place a mechanism by which police will have to go to a judge to get the authority for a warrant before any intrusive action is taken. Not only that, but there is an accountability system where all of the information that the police acquire, in terms of the indicators, are then compiled in a report presented to all the ministers and to the privacy commissioners.

Hon. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, the Supreme Court has ruled that those accused of crimes must be tried within a reasonable time or be set free.

The government's crime bill creates new offences that would add greatly to the already lengthy backlog awaiting trial. It takes a special brand of incompetence to develop a justice bill that would grind the system to a halt and allow more criminals to walk free.

Why will the government not listen to the experts and rethink its narrow ideological approach to justice in Canada?

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, the hon. member may have forgotten we have brought forward legislation already to assist with the backlogs in courts, getting rid of the two-for-one credit that was completely supported by provincial attorneys general.

This bill is very specific. The bill goes after those who sexually molest children, people with child pornography, people in the business of drug trafficking.

I urge her to go back to British Columbia and talk with law enforcement agencies. They will confirm that drug trafficking is a problem in this country that has to be addressed, and that is what we are doing.

* * *

[Translation]

NATURAL RESOURCES

Ms. Megan Leslie (Halifax, NDP): Mr. Speaker, the only sector escaping the Conservatives' budget cuts is the oil industry and its lobbyists.

The Conservatives are cutting services for Canadians, but spending thousands of dollars for the oil companies to give Canadian diplomats lobbying training. In other words, the oil companies are getting paid to do the job for them.

Will the Conservatives offer the same advantages to renewable energy producers?

● (1440)

[English]

Hon. Joe Oliver (Minister of Natural Resources, CPC): Mr. Speaker, this government has spent over \$10 billion investing in clean energy, alternative energy. We are proud to continue to do that.

However, we are also proud to support an industry which will create \$3 trillion in economic activity, hundreds of billions of dollars for government services to Canadians. This is a government which supports employment, over 700,000 jobs a year over the next 25 years.

Ms. Megan Leslie (Halifax, NDP): Mr. Speaker, the minister vilifies his critics, but he is willing to spend thousands of taxpayer dollars to sponsor a retreat for his oil industry friends.

The PMO has told the minister to believe in climate change, but clearly he does not believe it is actually a problem.

The Conservatives' inaction on climate change hurts Canada's reputation. That is the message from his own diplomats in Europe and from industry. These are his friends, not the so-called radicals the minister imagines are hiding under his bed at night.

Will he take the advice of his friends and clean up his act, yes or no?

Hon. Joe Oliver (Minister of Natural Resources, CPC): Mr. Speaker, the condescension and sarcasm will not change the facts. In its ongoing battle against jobs, the economy and the national interest, the NDP takes the side of foreigners against the side of Canadians.

The fuel quality directive, which is the subject of that particular meeting, is an unscientific—

Some hon. members: Oh, oh!

The Speaker: Order. I am sure the minister appreciates the help answering the question, but he has the floor and members should be silent while he is giving his answer.

The hon. Minister of Natural Resources.

Hon. Joe Oliver: Mr. Speaker, the fuel quality directive is an unscientific attempt to stigmatize the oil sands and is trying to subject Canadian interests to discriminatory treatment, which we oppose, and increasingly other European—

The Speaker: Order. The hon. member for Burnaby—Douglas.

Mr. Kennedy Stewart (Burnaby—Douglas, NDP): Mr. Speaker, the Conservatives came back from China congratulating themselves for selling off Canadian raw resources. With the Enbridge CEO in tow, they told the Chinese not to worry about Canadian opposition because they will just ignore it. The northern gateway will ship 21,000 refining jobs out of Canada for two pandas.

Would the minister confirm that according to his government's calculation, one panda is worth more than 10,000 Canadian jobs?

Oral Questions

Hon. Joe Oliver (Minister of Natural Resources, CPC): Mr. Speaker, the trip to China was extraordinarily successful in building a relationship with the largest consumer of energy in the world, a country which, 25 years from now, will represent one-quarter of energy demand globally.

We are going to have an opportunity to sell our resources and exchange investment opportunities in both countries, which will generate hundreds of thousands of jobs and billions—

The Speaker: The hon. member for Nickel Belt.

[*Translation*]

Mr. Claude Gravelle (Nickel Belt, NDP): Mr. Speaker, the Conservatives are not listening to the public. They prefer to conspire with oil lobbyists on building new pipelines. Canadians and the first nations do not want new pipelines. Experts have said in committee that this approach was harmful to Canadian refineries, which have lost 10,000 jobs since 1989.

Why give priority to the interests of the major oil companies, but refuse to listen to the concerns of Canadians?

[*English*]

Hon. Joe Oliver (Minister of Natural Resources, CPC): Mr. Speaker, it seems the NDP wants to build refineries but does not want to build pipelines, so the oil would presumably just stay there. That is a plan, I guess.

Greenhouse gas emissions from the oil sands represent one one-thousandth of global emissions. We should be proud of the fact that greenhouse gas emissions have been reduced by 30% over the last 10 years.

Canada is doing the right thing and is proceeding responsibly.

* * *

●(1445)

CITIZENSHIP AND IMMIGRATION

Mr. Wladyslaw Lizon (Mississauga East—Cooksville, CPC): Mr. Speaker, I was shocked to learn that last year alone, Canada received 5,800 refugee applications not from Africa or Asia, but from the European Union. Almost all of these claims were found to be bogus. These bogus claims cost taxpayers almost \$170 million in just one year.

The increasing number of unfounded refugee claims is causing a lot of concern among Canadians, including my constituents in Mississauga East—Cooksville.

Could the minister inform the House of what the government is doing to address this important issue?

Hon. Jason Kenney (Minister of Citizenship, Immigration and Multiculturalism, CPC): Mr. Speaker, it is peculiar that Canada is receiving more asylum claims from the democratic rights-respecting European Union than from Africa or Asia.

Nearly all of these claims are determined to be unfounded. Over 95% of these claimants withdraw or abandon their own claims. The evidence before us suggests that most of these claimants are taking maximum advantage of generous Canadian social benefits, such as provincial welfare and welfare federal cash transfers. There has been

a criminal prosecution into human trafficking and welfare fraud in Hamilton.

We must take action to protect the integrity of Canada's immigration system and to avoid our generosity being—

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

* * *

VETERANS AFFAIRS

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, last year Jennifer Stoddart, the Privacy Commissioner, said department officials at Veterans Affairs broke the law and breached the Privacy Act with respect to Sean Bruyca and other veterans. We were told by the Conservatives that no longer happens, that it cannot happen again.

In the news the other day we found out that the private information of Harold Leduc, a 22 year veteran who serves on the Veterans Review and Appeal Board, was recently scattered throughout the department, denigrating him in front of all of his peers. How the government could do that to veterans is beyond me.

Will the Minister of Veterans Affairs stand in his place, look into the camera, and apologize to Harold Leduc? Will the Prime Minister now call for a judicial inquiry into—

The Speaker: The hon. Minister of Veterans Affairs.

Hon. Steven Blaney (Minister of Veterans Affairs, CPC): Mr. Speaker, as a government we care every day of the year for our veterans and we will continue to do so. Any show of disrespect toward our veterans is unacceptable and actually shocking.

As the member knows, the Veterans Review and Appeal Board is an arm's-length organization. When privacy breaches occur, I expect corrective measures to be put in place according to the most stringent policy.

Let me be clear. When the board renders decisions which affect our veterans' lives, fairness and equity are and have to remain the sole criteria.

[*Translation*]

Ms. Annick Papillon (Québec, NDP): Mr. Speaker, it is shameful. The government has violated the privacy of yet another veteran. Harold Leduc served for over 20 years and is a member of the Veterans Review and Appeal Board. Yet this same board allegedly waged a campaign to discredit him by using his confidential medical information. It is unacceptable.

Why are veterans being intimidated in this manner? If the board is really concerned about protecting privacy, it will apologize and conduct an investigation immediately.

Hon. Steven Blaney (Minister of Veterans Affairs, CPC): Mr. Speaker, on this side of the House, we speak and act on behalf of veterans. That being said, any show of disrespect toward our veterans is unacceptable and actually shocking. The Veterans Review and Appeal Board is an arm's-length organization that renders decisions for veterans.

Oral Questions

Any time there is a breach of confidentiality, it is important that our action plan be applied, both here and by the board. What is clear to me is that on this side of the House, we support veterans. What is unacceptable is that the New Democrats have filled 13 pages with votes against veterans. On this side of the House, we will stand up for veterans.

* * *

[English]

INTERNATIONAL TRADE

Mr. Mike Sullivan (York South—Weston, NDP): Mr. Speaker, municipalities are concerned that the secretive Canada–Europe trade deal could threaten local jobs. Toronto's city council weighed in yesterday. It is worried this deal could reduce its ability to promote local Canadian jobs and use public spending for stimulus and to support local small business.

Toronto and other cities are asking the federal government to listen. Will the Conservatives ensure that municipal autonomy is not negotiated away in their back-room trade talks with Europe?

• (1450)

Mr. Gerald Keddy (Parliamentary Secretary to the Minister of International Trade, for the Atlantic Canada Opportunities Agency and for the Atlantic Gateway, CPC): Mr. Speaker, I reject the premise of the hon. member's question but I will tell him what the CETA with Europe will do. It will offer a 20% boost in bilateral trade between Canada and the European Union. It will add a \$12 billion annual boost to Canada's economy. It will result in a \$1,000 increase in the average Canadian family income and create almost 80,000 new jobs.

For the life of me, I will never understand why the NDP is against all the good things that trade can bring to this country.

Mr. Mike Sullivan (York South—Weston, NDP): Mr. Speaker, we agree with good trade deals, just not ones that kill good Canadian jobs.

Some hon. members: Oh, oh!

The Speaker: Order, please. The hon. member for York South—Weston has the floor.

Mr. Mike Sullivan: Despite what the minister says, the Conservatives are ignoring legitimate municipal concerns and cities like Toronto are not buying it. They do not trust the government to protect their interests and they deserve more respect. Why are the Conservatives tying the hands of cities like Toronto? Why is the government negotiating away their rights and interfering with their ability to freely purchase local goods?

Mr. Gerald Keddy (Parliamentary Secretary to the Minister of International Trade, for the Atlantic Canada Opportunities Agency and for the Atlantic Gateway, CPC): Mr. Speaker, the reality is that the municipalities have been fully briefed on the CETA negotiations. They are represented at the table by the provinces and there is nothing new here. There is no outrageous underlying current of evil in this negotiation. These negotiations are good for Canada and will be good for the municipalities, and I totally reject the hon. member's question.

JUSTICE

Hon. Irwin Cotler (Mount Royal, Lib.): Mr. Speaker, this year we celebrate the charter's 30th anniversary, a landmark occasion to demonstrate respect for the Constitution and the rights of all Canadians. Yet the government continues to enact and enhance mandatory minimum penalties even though, as an Ontario judge said yesterday, they may violate the charter's prohibition against cruel and unusual punishment.

In this 30th year of the charter, will the government respect the Canadian and international evidence that mandatory minimums are unfair, injurious, ineffective, unconstitutional and a failed criminal law policy?

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, this government respects all of our constitutional documents, including the Canadian Bill of Rights of 1960. That being said, if the hon. member has a problem with mandatory penalties why did he support them as justice minister and why did he support the bill that is currently before the courts?

In 2008, they all jumped to their feet. I know, being a Liberal, he can change his opinion on anything at any moment, but perhaps we could ask why the Liberals supported that if they now have a problem with it.

Mr. Frank Valeriote (Guelph, Lib.): Mr. Speaker, the Conservative government has never met a fact it will not ignore and recently, in a further leap from evidence-based policy, the Conservative Minister of Justice is asking Canadians to shoot first, ask questions later, possibly in an attempt by the government to justify some of the extra, unnecessary jail cells it is building.

Countless experts, like correctional officers, judges and police officers, are arguing that the Conservative justice agenda is dumb on crime, but everyone knows that firing a shot over someone's head is dangerous and wrong. Will the government please take a step back from inciting violence and vigilantism?

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, that is a complete bunch of nonsense. The bill before Parliament requires everyone to ask reasonably in the circumstances. We clarified the situation when individuals are protecting themselves and their property, and we have come forward with citizen's arrest. They supported that before. What is their problem today?

Oral Questions

[Translation]

INFRASTRUCTURE

Ms. Rosane Doré Lefebvre (Alfred-Pellan, NDP): Mr. Speaker, the federal funding promised for the Laval arena was to be used to build a sports complex consisting of an arena for large sporting events and two skating rinks for the Laval community. The government had agreed to fund the project and then it backed out. Honestly, it is difficult to understand the government's reasoning.

Will the minister stop hiding behind false pretexts and excuses and finally honour the commitment he made to the people of Laval?

Hon. Denis Lebel (Minister of Transport, Infrastructure and Communities and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC): Mr. Speaker, as we have already said, this project was accepted on the basis that the work was to begin on January 1, 2010, and end on December 31, 2011. I do not know who broke their promise, but we certainly kept ours. Since then, we have decided that we will not be investing in sports facilities to be used by professional teams in any sport. The deadline has passed. Had the Province of Quebec wanted to, it could have re-submitted an application, which was not done.

• (1455)

Mr. Robert Aubin (Trois-Rivières, NDP): Mr. Speaker, once again, the government is using false pretexts to refuse funding for the next phase of the Alphonse-Desjardins complex. I would like to mention that the facility is not being built for a professional hockey team, but to make Trois-Rivières a hub of sports tourism. The Alphonse-Desjardins complex, as its name indicates, is much more than just an arena; it is an economic lever for the entire region.

Can the minister work with the region's stakeholders, who are putting a great deal of effort into innovations to develop sports tourism?

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 clearly heard my colleague, but we also heard loud and clear from the mayor of Trois-Rivières. The mayor addressed every forum in the region—he spoke to the Chamber of Commerce, for example—and said that not only does he want to have a Major Junior Hockey League team in Trois-Rivières, but that he would also like to have an American Hockey League team. I did not say it, the mayor of Trois-Rivières did.

We now have a program that prevents us from investing in professional sports facilities. We were asked to fund the skating rink, not the other facilities of the complex that could eventually be home to a professional sports team.

* * *

[English]

AIR CANADA

Mr. Ray Boughen (Palliser, CPC): Mr. Speaker, Air Canada plays a vital role in the Canadian economy, providing both passenger and cargo service to 59 large and small Canadian communities. The current labour dispute between the Air Canada Pilots Association and Air Canada is troubling to many Canadians who are planning to travel or depend on the cargo services of Air Canada.

The Minister of Labour met with both parties in the labour dispute late yesterday. Could the Minister of Labour please give the House an update on the status of the labour negotiations at Air Canada?

Hon. Lisa Raitt (Minister of Labour, CPC): Mr. Speaker, our government believes that a work stoppage at Air Canada would be contrary to the best interests of hard-working Canadians and Canadian companies, and to the already fragile economy. As I have said before, the best solution is the one that the parties find for themselves. That is why when I met with the parties yesterday, I told them I would be appointing a third-party mediator and extending their mediation process for another six months, and that in that period of time I wish they would return to the table and commence free bargaining and get themselves a deal.

* * *

[Translation]

ABORIGINAL AFFAIRS

Ms. Lise St-Denis (Saint-Maurice—Champlain, Lib.): Mr. Speaker, the chief of the Obedjiwan Atikamekw has raised the alarm with the federal and provincial governments about the lack of funding for public safety. The government has not made a decision about additional funding for this reserve.

In light of the sharp increase in violence and attempted suicides reported by the Sûreté du Québec, can the government respond to the public safety needs of this community, today, by granting emergency funding?

[English]

Hon. John Duncan (Minister of Aboriginal Affairs and Northern Development, CPC): Mr. Speaker, the situation in that community is one that my officials will certainly address. They will be having a conversation on that and I will take that question under advisement.

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[Translation]

HOMELESSNESS

Ms. Marie-Claude Morin (Saint-Hyacinthe—Bagot, NDP): Mr. Speaker, homeless shelters are overflowing. An increasing number of Canadians are homeless. Many organizations rely on the homelessness partnering strategy, which will end in 2014. The loss of this program will be a setback for the fight against homelessness.

Will this proven program, which is meeting the most pressing needs of the most disadvantaged, come to an end in 2014? Will this government finally understand the urgency of the situation and increase funding right now?

Point of Order

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, of course, we want to help the homeless. That is why we signed five-year agreements with the provinces. For the first time in many years, there was stable funding to help the homeless. We have invested in Quebec and, thanks to our government, there are now more than 600 projects to help Quebec's homeless people.

* * *

• (1500)

[English]

FOREIGN AFFAIRS

Mr. Bernard Trottier (Etobicoke—Lakeshore, CPC): Mr. Speaker, yesterday we learned that three Canadian doctors arrived in Kiev as part of a medical mission to Ukraine to see former Ukrainian Prime Minister Yulia Tymoshenko.

For months our government has shown leadership in her case, and we are pleased by reports that she is one step closer to receiving the medical attention she deserves.

Would the Minister of Foreign Affairs please update the House on Canada's latest work in Ukraine?

Hon. John Baird (Minister of Foreign Affairs, CPC): Mr. Speaker, I thank the member for Etobicoke—Lakeshore for his advocacy in this regard.

I am pleased to report that earlier today three Canadian doctors began their examination of Ms. Tymoshenko. I would also like to thank the member for Dauphin—Swan River—Marquette and many others, including my friend from Wascana, for their advocacy in this regard.

Her well-being should be an issue that is truly non-partisan. Canada remains committed to supporting efforts to build a peaceful, democratic and prosperous society in Ukraine. Again, we are pleased that Ms. Tymoshenko is one step closer to receiving the medical care and assistance she deserves.

* * *

[Translation]

CANADA POST

Mr. Pierre Dionne Labelle (Rivière-du-Nord, NDP): Mr. Speaker, in my riding, Rivière-du-Nord, repeated admail price hikes have had unfortunate consequences for the Prévost community newspaper. These price hikes have put the paper and dozens of other community papers in Quebec in a precarious financial position that jeopardizes their very survival. Community newspapers are the primary source of information for small communities.

Will the government take action to protect community newspapers? On Valentine's Day, it would be nice of the Conservatives to show a little love for our community newspapers.

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, we have already taken action. We are working with community newspapers across the country. The member must know that things have changed with consumers and the new electronic media. We are working with these organizations. The member and his colleagues voted against the

latest budget. We reinvested unprecedented amounts of money to protect these newspapers. We listened, we reacted, and we will keep going in that direction.

* * *

[English]

FOREIGN INVESTMENT

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, last week I put a question to the Minister of Industry relating to the Chinese takeover of Canadian resources.

He said I was unfamiliar with the Investment Canada Act changes of 2009. In fact, the *Canada Gazette* of September 30, 2009 said:

The term national security should be explicitly defined and national security reviews should take place according to concrete, objective, and transparent criteria. This recommendation was not accepted—

Would the minister care to amend his answer?

Hon. Christian Paradis (Minister of Industry and Minister of State (Agriculture), CPC): No, Mr. Speaker.

It is pretty simple. Following budget 2009, as I said, we introduced a national security review mechanism by regulation in the act. That is what happened. Why? It was to make sure that Canada's national security interests would continue to be safeguarded.

I urge the member to stand up with us in welcoming foreign investment that will benefit Canada, instead of rejecting virtually every single economic opportunity in this country.

* * *

PRESENCE IN GALLERY

The Speaker: I would like to draw the attention of hon. members to the presence in the gallery of the Hon. Manmeet Bhullar, the Minister of Service Alberta.

Some hon. members: Hear, hear!

* * *

[Translation]

POINT OF ORDER**ORAL QUESTIONS**

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, yesterday, in response to a question from one of my colleagues to the Minister of Public Safety about a bill that was to be and actually was introduced this morning concerning police powers with respect to the Internet and the need to investigate, the minister told all members of the House—including myself—that if we do not support the bill, we stand with child pornographers.

I have three grandchildren, and I find these comments insulting and offensive. I believe that this applies to all members of this House. You cannot say to someone that if they do not support a bill, they are siding with child pornographers.

Does the minister intend to withdraw his remarks and apologize to his colleagues in the House?

Government Orders

We will recall that when the hon. Ed Broadbent and the right hon. Joe Clark left the House they complained about the low level of debate. It goes without saying that I have no problem debating a bill. However, in light of the dishonourable insults addressed to members of this House, I believe that you must intervene, Mr. Speaker.

• (1505)

[*English*]

The Speaker: I will take the matter under advisement and get back to the House if necessary.

[*Translation*]

SHORT TITLE OF BILL C-30—SPEAKER'S RULING

The Speaker: Further to the point of order raised by the member for Saanich—Gulf Islands, I would like to provide clarification concerning the introduction of the government bill during this morning's routine proceedings.

[*English*]

Following the introduction of Bill C-30, An Act to enact the Investigating and Preventing Criminal Electronic Communications Act and to amend the Criminal Code and other Acts, there was an error in a limited number of courtesy copies distributed to the House. These have since been replaced with the correct version. I want to reassure the House that the bill, as introduced, was in its correct form and, therefore, is properly before the House.

[*Translation*]

I regret any inconvenience this may have caused members.

GOVERNMENT ORDERS

[*English*]

FINANCIAL SYSTEM REVIEW ACT

The House resumed consideration of the motion that Bill S-5, An Act to amend the law governing financial institutions and to provide for related and consequential matters, be read the second time and referred to a committee.

The Speaker: The hon. member for Yellowhead has two minutes left to conclude his remarks.

Hon. Rob Merrifield (Yellowhead, CPC): Mr. Speaker, this is important legislation that we have before us. As I only have a minute and a half, I will reiterate some of what I have said. I mentioned how important the financial system is to Canada, how well we are actually doing compared to other countries and that some of the changes are a tweaking and of a technical nature of the Financial Systems Act.

One of the issues I was talking about before the question period break was that no financial institution can invest more than 10% of its assets in another international jurisdiction. That is to make certain that the system is protected and Canadians are not overly exposed. In fact, the Canadian Bankers Association, which we would think would be a bit concerned about this kind of imposition, said that it fully supports it.

We do have a great system in Canada. It is the best in the world. We have the greatest finance minister in the world. We have been

recognized by international agencies in countries around the world as having done our job and done our job well. We have low taxes, stable finances and great opportunities. I believe that our best years are yet to be realized in this country if we just continue the course.

This legislation should meet with the approval of all members of the House as we move forward. I encourage everyone to consider this bill for what it is worth and the importance of it so that it can be completed in time for the April 20 deadline.

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, it is with pleasure that I rise today to speak to this legislation. The legislation does not make extraordinary changes to the Canadian banking system but I would like to speak to some of the changes that it would make.

I will be sharing my time today with the hon. member for Markham—Unionville.

The reality is that the Canadian economy is doing better than some of the other global economies with which we compete. There are three principal reasons for that. One is the fact that we do have a somewhat stronger fiscal situation than other countries, and I will speak to that in a moment. Second, we are riding a global commodity boom as a country that has a remarkable amount of natural resource wealth in oil and gas and minerals. Third is the prudential strength of our banks and our banking system.

I have heard throughout the debate today the Conservatives taking credit for all three. First, in terms of the fiscal situation, when the Conservatives were elected in 2006 they inherited the best fiscal environment of any incoming government in the history of Canada with a \$13 billion surplus. The Conservatives spent through that surplus at a rate of three times the rate of inflation and put Canada into a deficit position even before the downturn of 2008.

Second, it is very hard for the Conservatives to take credit for the fact that we are benefiting as a country from an oil and gas and mining boom. The recovery, as it exists in Canada, is largely focused in a couple of provinces. Over 60% of the new jobs created in the last year were created in one province, Alberta. We know that we are hemorrhaging jobs in other parts of the country. We are seeing a bit of a Dutch disease where a commodity boom is shoving our dollar higher and is driving out and crowding out value added jobs in some of the other provinces, like Ontario, Quebec and the Maritimes. However, the Conservatives almost seem to be taking credit for the strength of the overall numbers, which would be a little like saying that they were responsible for putting the oil and gas under the ground or the potash under the ground in Saskatchewan. They cannot take credit for that, obviously, and they cannot take credit for the oil and gas under the water off Newfoundland because everyone knows that was Danny Williams.

The fact is that it gets a bit silly in the House sometimes when the Conservatives go on and on taking credit for where the Canadian economy is when they did not really have a lot to do with the decisions made or the good fortune we have as a country in terms of our natural wealth.

Government Orders

The third area where the Conservatives have been doing this throughout the day is when they take credit for the prudential strength of the Canadian banks. It was, of course, in the nineties when Paul Martin, as finance minister, and Jean Chrétien, as prime minister, fought the global trend of deregulation of the financial services sector. At that time, people in the Reform Party were critical of the Liberal government and said that we were missing out on the global trend of deregulation and that—

● (1510)

The Speaker: Order, please. Someone has left a phone behind again and it seems to be ringing. It seems to have stopped now. If members hear a phone going off again they can bring it up to the front and we will hold it for whomever it belongs to.

Hon. Scott Brison: Mr. Speaker, the reality is that, in opposition, the Reform Party fought vigorously against the decision of the Chrétien government to maintain strong regulations around Canadian banks, the very regulations that kept Canadian banks from following the global trend and off the cliff like the lemmings in Europe, in the U.K. and in the U.S.

What did the Conservatives do in government in terms of the prudential management of banks? One of the first things the Minister of Finance did in 2006 in his first budget was to bring in 40 year mortgages with no down payments. This created the loosest approach to mortgage lending in the history of Canada.

Furthermore, in 2007, the Conservatives went further. Under the Liberal government, Canadians needed mortgage insurance if the down payment on their mortgage was less than 25%. In 2007, the Conservatives changed that and lowered the threshold to 20%.

Those were just some of the changes they made to create looser mortgages, looser regulations, which led to, among other things, what many economists are now referring to in Canada as a housing bubble, certainly a personal debt bubble. We have the highest level of personal debt in Canada today, which is \$1.53 of personal debt for every dollar of annual income. That is the highest in our history and it is higher than that of our neighbours to the south in the U.S.

The February 4 edition of *The Economist* magazine states:

When the United States saw a vast housing bubble inflate and burst during the 2000s, many Canadians felt smug about the purported prudence of their financial and property markets.

It went further and cited the Prime Minister at that time boasting in 2010. It then states:

Today the consensus is growing on Bay Street... that [the Canadian Prime Minister] may have to eat his words.

The Economist then said that Canada's housing prices had doubled since 2002. This has coincided with a massive growth in our personal debt levels. We see a great increase in speculation in the housing markets, particularly in some hot markets, such as Toronto and Vancouver, among others, and we see this growth having occurred, in part, in a response to the deliberate decisions by the Minister of Finance to loosen up debt and mortgage regulations back around 2006 and 2007.

The government must be held to account for those decisions, which actually helped create what we hope is not a housing bubble

that ends badly but is certainly a personal debt bubble that needs to be managed.

It is important to realize that the Conservative government cannot take credit for the prudential decisions made by the previous Liberal government, and that the current government must be held to account for some of the foolhardy decisions it made as a government to loosen banking regulations and to loosen mortgage rules early in its term.

I want to note a couple of other things about Bill S-5 because some of the changes would have an impact on Canada's incredibly strong banking sector and its role in the world. One change is requiring the minister, in order to approve foreign acquisitions by a Canadian entity, under certain circumstances, for instance if the foreign entity being acquired has equity of at least \$2 billion and if the acquisition of the entity would increase the size of the Canadian entity by at least 10%.

Under those circumstances and conditions in this legislation, it would mean that the Bank Act would require the minister to approve the acquisitions of these foreign financial institutions by Canadian banks. That is a change. The previous rules simply required that the Superintendent of Financial Institutions, OSFI, would approve those within the public service, within the bureaucracy.

● (1515)

Recent deals that would have triggered this mechanism of ministerial approval would have been the Manulife John Hancock deal, the TD Commerce Bancorp deal, the BMO Marshall & Ilsley deal and Sun Life. There are other large acquisitions that have occurred in the last couple of years: Scotia Bank bought Banco Colpatría, Colombia's fifth largest bank, and it also bought the Royal Bank of Scotland's Colombia assets as well 20% of the Bank of Guangzhou.

I want to raise as a concern, that the government consider the politicization of these foreign investments by our Canadian banks and the potential risk to the capacity that we have in doing so. The fact is we now have some of the largest banks in the world that are world leaders in terms of governance and success. With the capacity to significantly increase Canada's influence in the world in terms of a very important financial services sector, this politicization could lead to some highly political and potentially bad decisions in the future which would limit the role of Canadian banks in the world.

I raise that as a concern and I look forward to questions from my colleagues.

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, when I listened to my colleague, I was reminded that there seemed to be a chapter missing, and that was the chapter where John Manley tried to deregulate our banks. We heard this for years and years.

Government Orders

I had representatives of the banking association in my office. They talked about how they saved the Canadian financial system. I asked if we should get the deck after deck that I was given year after year, saying that we had to become like the American banks. If the NDP had not pushed back against John Manley at that time, the banking system would have been deregulated. I would like the member to address that time and error.

A big debate took place in the House of Commons. The Conservatives, the Alliance, were in favour of this, cheerleading it all the way through the process. However, a small band of individuals, and I see one of the members now, came into this chamber day after day telling the Liberals and John Manley that they were wrong and that they should not allow the banks to become Americanized.

• (1520)

Hon. Scott Brison: Mr. Speaker, at that time there was a Liberal majority government. It was also a Liberal majority government that made the decision not to deregulate Canadian banks and to follow the global trends. It was a Liberal majority government that did have respect for all parties in the House of Commons. Certainly, in the spirit of co-operative and constructive engagement with all parties, the Liberal government would have meaningfully engaged and listened to members of Parliament from all parties.

That is in stark contrast to the current Conservative government. It clearly does not listen to even its own backbenchers, perhaps even some of its ministers, and certainly not members from any other political party in the House of Commons.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I thank my colleague for Windsor West for reminding the House of that important piece of Canadian history.

There was a movement afoot from the unofficial prime minister of Canada, Thomas d'Aquino, chief executive and president of the Canadian Council of Chief Executives. He was saying that we must allow the banks to merge so they could be competitive and play on this larger marketplace. They were dying to jump into this sub-prime mortgage fiasco, but they were not really big enough therefore they should be allowed to merge.

There was a national campaign, "Purge the Urge to Merge". People were crashing the shareholder meetings of the national banks trying to stop this runaway freight train of Canadian banks merging.

Had it not been for the sober second thought of the NDP in exposing this, as the official opposition was all for it, those banks would have merged and dove right into the big leagues in which they wanted to play. They would have brought upon our country the catastrophic outcomes that they exposed other countries to, specifically the United States.

I would ask my colleague to perhaps reflect for a moment on his own party's position on banking as it pertains to Bill S-5.

Hon. Scott Brison: Again, Mr. Speaker, it is the practice of the Liberal Party of Canada, both in opposition and in government, to always listen to members of Parliament from all political parties and to consider carefully and respectfully their contribution to the debate. Certainly we would listen and take it seriously.

However, there was a strong group of Liberal caucus members, led by Tony Ianno, a member of Parliament at that time, that mobilized, that did cross-country town halls and round tables on this issue. It met with small business and community organizations, heard from Canadians and made some very strong recommendations to then Prime Minister Chrétien and finance minister Paul Martin. It said that we should not follow the global trend of deregulation.

What the hon. member is describing, however, is the way parliaments ought to work, where members of Parliament from all parties, including the governing party, contribute constructively and meaningfully to public policy debate and decisions ultimately reached by a government. Hon. members have described a Liberal government that listened to all members of Parliament from all parties and its own backbenchers.

There is no such thing as a bad seat in the House of Commons. We are all chosen and given the privilege to serve the people who elect us and have the responsibility to defend our interests. Mature governing parties recognize the importance of enabling that and respecting that Parliament will ensure it happens.

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, I will pursue some of the themes pursued by my colleague in a somewhat different way.

One of the things I have noticed in the debate today, and I have listened to Conservatives and New Democrats, is a kind of triumphalist tone, that everything about the Canadian banking system and the economy is not only wonderful, but every job created has to be because of the economic action plan and no job loss has anything to do with the policies of the government.

As my colleague pointed out, this is totally ridiculous. As he pointed out, do the Conservatives really believe they are responsible for the oil and minerals in the ground and the high commodity prices around the world today? Obviously not. Do the Conservatives really believe they are responsible for the strong fiscal position which they inherited and, in large measures, squandered? Evidently not.

The third area, which is where I will focus the rest of my remarks, is the banking system.

• (1525)

[*Translation*]

I believe I can speak about the banking system because I am a former banker. I was involved in the debate on the proposed bank mergers.

We can say that today's banking system is robust, but that this is not due to measures taken by the Conservative government or the Conservative Party. On the contrary, the banking system remains strong in spite of the Conservatives' actions.

I would like to talk about three areas that prove this point.

Government Orders

[English]

The first of these areas is the area of bank regulation. As we know, in the 1990s there was a strong trend toward bank deregulation in the United States. The Liberal government of the day, in the 1990s and early 2000s, resisted the temptation to go the route of deregulation. It may be true, as my colleague from Winnipeg Centre pointed out, that Tom d'Aquino wanted to go that route, but Tom d'Aquino was not the government. The government was a majority Liberal government and the Liberal government of the day decided not to go that route notwithstanding the statements by Tom d'Aquino or by certain Reform Party politicians.

That is the first point because there is a consensus view that the 2008-09 global financial crisis was in large measure the result of this deregulation, this idea that we now know to be false, that if we just allow the banks to regulate themselves, everything will be okay. Canada said no to that under the Liberals. The U.S. and the U.K. said, yes, and that is a big part of the explanation for why we are where we are.

[Translation]

The second area is bank mergers. I must admit that when I was the chief economist at the Royal Bank, I supported the proposed merger. I had to support the merger if I wanted to keep my job.

[English]

To be honest, I was also in favour of bank mergers because at that time, in the late 1990s, I had been persuaded that the benefits of bank mergers were greater than the costs. At that point, before I went into politics, I was aligned with the Reform Party, which was pushing for bank mergers with the banks and with Mr. Thomas d'Aquino who was also pushing for bank mergers. Perhaps he was not because he had to play both sides of the banking field. I do not remember that. In any event, that is how it was.

Then fast-forward 10 years and we have the global financial crisis. I realized at that point that I had been wrong. For Mr. Chrétien to say no to bank mergers was the right decision. I only realized that after the world financial crisis. When I think back to when I was at the Royal Bank, the mentality of the day within the bank was that it wanted to grow up fast, kick global butt and grow up to be like Citibank or Citigroup. We saw what happened to them. Having observed the financial crisis, I became completely converted to the view that Mr. Chrétien was right, that bank mergers were bad for Canada and it was in spite of the Reform Party, not because of it, that Canada said no to bank mergers.

If I can admit now that I was wrong and that the government was right about bank mergers, perhaps members representing the government could stand one day and make similar admissions, that they were wrong back then to advocate bank mergers and that what Mr. Chrétien did was the right decision.

Finally, I come to mortgages. We have a more modern and recent example of the current government's tendency to favour deregulation. What did it do in 2006, soon after being elected? Before it was elected, the rules for mortgages under Liberal governments were that they could be no longer than 25 years with a 5% down payment. What did the Conservatives do? They went from 25 years to 40 years

with a zero down payment. Imagine, this is like U.S. sub-prime mortgages. That is what they did in 2006.

Essentially, it is like deregulating mortgages, just like they wanted to deregulate banking. Potentially, this is a very bad and risky decision. If we go back to 2006, we find that no less than 60% of first-time home buyers took advantage of these rules and had a 40-year mortgage. Now that we have this high level of debt, now that we have talk of the housing bubble possibly bursting, people who took out those 40-year mortgages with zero down payment, thanks to the actions of the current government in 2006, may be seriously at risk.

We do not know if this housing bubble will burst. We never know if a bubble will burst or whether it is even a bubble until after it has burst. No less a magazine than the *The Economist* has suggested that Canada is first among the countries eligible to experience that. It has pointed out that Vancouver has the highest housing prices-to-income-ratio of anywhere in the English speaking world.

Then, on the other hand, CMHC comes out with a rosy projection that housing prices will continue to rise over the next two years.

Therefore, we do not know whether this will come to pass, but based on our knowledge of history and what we see in other countries, that there is a risk. If it does come to pass, if the housing bubble does burst, if we see banks having major losses and Canadians suffering because of major foreclosures, then a part of the reason for this will have been that decision taken by the Conservative government in 2006 to allow 40-year mortgages with zero down payment. If that comes to pass, I think Canadians will legitimately lay part of the blame for that at the feet of the government.

• (1530)

[Translation]

In closing, I basically said that Canada is in a relatively strong position, but not a perfect one as they sometimes claim. This relatively strong position has nothing to do with the actions of this government and the Conservative Party. On the contrary, this success is the result of the actions taken by the Liberal governments in the 1990s. The actions of the Conservative government, particularly with regard to mortgages, have created more problems, not solved our problems.

[English]

Mr. Joe Preston (Elgin—Middlesex—London, CPC): Madam Speaker, to you, my wife Geri, and all members, happy Valentine's Day.

Madam Speaker, I will be splitting my time with the great member for Yukon.

I truly appreciate the opportunity to lend my voice to today's debate in favour of the timely passage of Bill S-5, also known as the financial system review act. While very technical, this is a critically important piece of legislation.

Government Orders

This bill is the right thing for Canadians and the right thing for Canada's economy. It builds upon and complements the range of initiatives our Conservative government has introduced and will continue to introduce to improve the security of our financial system and to strengthen consumer protection for Canadians.

Indeed, Bill S-5 supports those principles in many important areas, including modernizing, strengthening and clarifying the consumer provisions in the Bank Act, the Cooperative Credit Associations Act, the Insurance Companies Act, and the Trust and Loan Companies Act, as well as others.

Members can rest assured that our Conservative government understands the importance of protecting consumers and the importance of protecting the larger financial system. During the global financial crisis, we came to appreciate the very real consequences of poor financial sector regulations around the world, especially in the United States and in Europe.

In particular, we saw that the interconnected structure of global finance demands a comprehensive and effective regulatory regime able to prevent problems in one area from spilling over into others. We also saw that ignoring these problems may bring unpredictable and often catastrophic results to a country's economy.

For this reason, it is important to take into consideration the strength, effectiveness and security of the broader financial sector in the regulatory framework when we discuss the positive attributes of Bill S-5.

Our Conservative government recognizes the importance of a stable and well-functioning financial system to the overall Canadian economy. Indeed, Canada has received high praise for our well-regulated financial system during a time of global economic turmoil. Even the *Toronto Star* was forced to admit:

Canada has won international accolades after the World Economic Forum ranked its banking system as the soundest in the world...Canadian banks...have largely skirted the worst of the turmoil. Unlike in the United States and Europe, no banks collapsed or had to be rescued in Canada during this financial crisis.

The *Irish Times* declared:

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

In my remarks, I would like to highlight the housing market in particular. The housing sector warrants particular attention in light of its role in the 2008 financial crisis and the ongoing pressures arising from the U.S. housing bubble that are still being felt by the American financial system and have slowed that country's economic recovery.

In order to protect our housing market from the worst excesses seen abroad, our Conservative government has acted repeatedly and decisively to ensure its stability, especially with regard to mortgage financing.

Mortgage financing plays a key role in providing a reliable source of funds for prospective Canadian homeowners. Prudent mortgage lending standards and mandatory mortgage insurance for high ratio loans allowed Canada to avoid the housing crisis that occurred in other countries, especially the United States.

Since 2008, our Conservative government has taken prudent and measured steps to ensure that this system remains stable over the long term while maintaining economic growth.

In July 2008, February 2010, and January 2011, we announced a series of sensible adjustments to the rules for government-backed insured mortgages. The measures include: reducing the maximum amortization period for new government-backed insured mortgages to 30 years; requiring a 5% minimum down payment, and a 20% down payment on non-owner occupied premises; lowering the maximum amount lenders can provide when refinancing insured mortgages to 85% of the value of the property; requiring buyers to meet a five year fixed rate mortgage standard; and withdrawing government insurance backing on home equity lines of credit.

• (1535)

These adjustments will significantly reduce the total interest payments Canadians make on their mortgages, promote long-term sustainable home ownership, and limit attempts by banks to repackage consumer debt into mortgages guaranteed by Canadian taxpayers. Taken together, they would go a long way toward strengthening the regulatory oversight of the mortgage insurance industry. Many of these improvements to the mortgage insurance guarantee framework have helped to encourage Canadians to use their homes as a way to save responsibly for their families and their futures.

This would help to ensure that Canada's housing market remains strong. It has been applauded by numerous commentators and economists. Credit Canada's executive director, Laurie Campbell, called the most recent moves a "step in the right direction because it means more money in consumers' pockets".

An editorial in Waterloo's *The Record* added, "The federal government has done the right thing in tightening up the rules for mortgages in this country".

In a similar vein, a recent *Calgary Herald* editorial applauded the government's proactive approach and added, "It's good to see the government continue to be vigilant on this file".

Furthermore, as the Minister of Finance has said repeatedly, our government will continue to monitor the housing market very closely and take further action if it is necessary.

We all recognize there is always work to be done to ensure the continued stability of the Canadian financial system and that ongoing vigilance is vital. That is why we are pushing for the timely passage of the financial system review act. The bill would provide the framework that would benefit all participants in the financial services sector, not only financial institutions but, more importantly, everyday Canadians. It would maintain the long-standing practice of ensuring regular reviews of the regulatory framework for financial institutions, a unique practice that sets Canada apart from almost every other country in the world.

Government Orders

Bill S-5 would play a key role, together with other strong links we are forging in areas like mortgage insurance, in protecting consumers and building a more efficient, effective, sound and competitive financial system for all Canadians. Renewing the Canadian financial institution legislation on a regular basis has resulted in a robust and effective financial system that is aligned and responsive to developments in financial markets and the broader global economy.

In summary, I would encourage all members to join in our efforts to ensure the strength and stability of Canada's financial system and support the financial system review act.

• (1540)

Mr. Mike Sullivan (York South—Weston, NDP): Madam Speaker, a number of things are missing from this review. I wonder if the member opposite would like to answer why, for example, there is no review of the fees that are charged to ordinary consumers and the way those fees are promulgated by the banks. Nor is there a review of the ability of the big banks to speculatively invest in such things as sub-prime mortgages which our banks were involved in through the unregulated nature of their ability to invest. Would the member opposite like to comment, please?

Mr. Joe Preston: Madam Speaker, I thank the member for York South—Weston for his attention today during this debate. He has asked many questions.

The first part of the question was about how simple banking fees affect consumers, whether it is the cost of mortgages, fees on a chequing account or ATM fees. Those are consumer-driven costs and are not covered by this Bank Act review. Consumers have the choice to go from bank to bank to find out what the fees are.

The other part had to do with whether the banks can put mortgages and other lending into one pile. Some of the act does cover how the banks deal with mortgages in that way. It certainly is a reason for review every five years. If new items like this do come up, they could be reviewed.

Mr. Kennedy Stewart (Burnaby—Douglas, NDP): Madam Speaker, last week I asked a question on this bill to get more of a general answer about the economy. When Paul Martin was finance minister, he declared the natural rate of unemployment in Canada to be about 7%. The U.S. Federal Reserve reports it to be 7% and rising. Last week, the member for Wascana reported that it was only 4% in Canada. I wonder if the member opposite could report what his government believes the natural rate of unemployment in Canada to be.

Mr. Joe Preston: Madam Speaker, I am not certain I can speak for the whole world as to what I think the natural percentage of unemployment is. I know that in my area of the country, even during the best times when things were really booming, there was unemployment.

However, I will tell members what my personal views are. Any person who is unemployed, looking for work and wants a job, should find it. If that person cannot, then there is one too many people unemployed in our country.

• (1545)

Mr. Brian Masse (Windsor West, NDP): Madam Speaker, one of the things that Bill S-5 does not address is the patriot act. Canadians' personal information could be accessed in the United

States through the patriot act. We need an international treaty to deal with that.

I wonder if the member supports the need for an international treaty. Without it, banking records and information and credit card information could be used by the U.S. government through its patriot act.

Mr. Joe Preston: Madam Speaker, I know the member works very hard on U.S. issues, being in a border community. I thank him for that work.

My answer to the question is, if it is affecting Canadian consumers, we should look at it. If at all, we should be working as much as we can in a collegial manner with the Americans. We will continue to discuss with them the problems Canadians have and, hopefully, they will bring to us problems Americans have and we can work together on a solution.

Mr. Ryan Leef (Yukon, CPC): Madam Speaker, I am pleased for the opportunity to speak at second reading of Bill S-5, the financial systems review act.

I want to begin by noting that this legislation is vital to the stability of Canada's financial sector, and explain how it came before the House today. Every five years the government reviews the policy framework that governs federally regulated financial institutions. The last review was completed in 2007.

Launched on September 20, 2010, the current five year review began with the Minister of Finance inviting Canadians to share their views on how to improve our financial system through an open consultation process. This process has helped to ensure that Canada remains a global leader in financial services. Making sure that Canadians continue to have a strong and secure financial system, one that has been a model for countries around the world during the recent global turmoil, is a key priority for our Conservative government.

This bill would help ensure that our system continues to be recognized.

For the fourth year in a row, Canada was ranked as having the soundest banks in the world by the World Economic Forum. This strength has been widely recognized by independent observers, both here and abroad. An *Ottawa Citizen* editorial acknowledged that, and I quote:

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

In the *Toronto Sun* columnist Peter Worthington has said:

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

Government Orders

We have also been recognized beyond our borders. Indeed, we have heard from voices around the world.

When it recently renewed Canada's top-tier, AAA credit rating, Fitch, the world renowned credit rating agency, pointed out:

Canada's banks proved more resilient than many peers thanks to a conservative regulation and supervision environment.

The influential *Economist* magazine recently stated that:

Canada has had an easier time than most during the recent global recession, in part because of a conservative and well-regulated banking system.

The Irish Times commented recently that:

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

U.K. Prime Minister David Cameron praised our system:

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

I echo that high praise.

Moreover, I would like to add that the financial services sector is a constant presence in the daily lives of Canadians. The industry employs over 750,000 people in good, well-paying jobs. It represents about 7% of Canada's GDP. The sector is a key pillar of our economy through its role in fostering financial stability, safeguarding savings and fuelling the growth that is essential to Canada's economic success.

Canada is set apart from almost every country in the world through the implementation and practice of the mandatory five year review that produced the bill we are discussing today. This practice ensures that the laws governing our financial institutions are updated and responsive to a constantly changing global marketplace.

I would also add that the recent financial crisis helped us recognize the importance of a stable and well-functioning housing market to the economy and the financial system. While our banks and financial institutions remained sound, well capitalized and less leveraged than their international counterparts during the crisis, in order to ensure stability in our housing market our government proactively moved three times to adjust our mortgage insurance guarantee framework.

These adjustments included reducing the maximum amortization period to 30 years from 35 years for government-backed insured mortgages with loan-to-value ratios of more than 80%. We also reduced borrowing limits in refinancing and withdrew government insurance from home equity lines of credit.

These adjustments have been applauded by observers and economists alike. *TD Economics* praised the changes highly, stating that "these policy changes were prudent and act to help limit risk in Canadian real estate".

Our government is committed to renewing the key elements of our financial system and bolstering it with new tools. We are committed to fine-tuning, clarifying, harmonizing and modernizing the existing framework. We are doing just that through the financial systems review act.

● (1550)

Canadians recognize that the current framework functions well. Canada's financial system continues to be recognized as one of the soundest in the world. From that solid foundation, the proposed legislative package includes measures that would modernize financial institutions' legislation to encourage financial stability and ensure Canada's financial institutions continue to operate in a competitive, efficient and stable environment. Measures would fine-tune the consumer protection framework, including enhancing the supervisory powers of the Financial Consumer Agency of Canada and improve efficiency by reducing the administrative burden on financial institutions and adding regulatory flexibility.

Other measures contained in this bill include: improving the ability of regulators to share information efficiently with international counterparts while respecting privacy laws; guaranteeing that all Canadians have the right to cash government cheques under \$1,500 free of charge at any bank in Canada; and promoting competition and innovation by enabling cooperative credit associations to provide technology services to a broader market. The bill would reduce the administrative burden for federally regulated insurance companies offering adjustable policies in foreign jurisdictions by removing duplicative disclosure requirements.

I am happy to report that many public interest groups have shown strong support for today's bill. For example, the Canadian Life and Health Insurance Association proclaimed:

It is important that legislation be periodically reviewed so that it keeps up with the changing environment... The industry welcomes a number of measures outlined in [the financial system review act].

In summary, today's act would reinforce financial sector stability, fine-tune consumer protection provisions and adjust the regulatory framework so it can better adapt to new developments. It would provide for a framework that would benefit stakeholders in the financial services sector, financial institutions, as well as all Canadians who rely on our banking system daily. Our Conservative government recognizes that in order to remain an international leader in the area of financial sector stability, we must continually consider what regulatory changes are needed to foster competitiveness and to ensure the safety and soundness of our system.

Today's bill would maintain the long-standing practice of frequently reviewing the regulatory framework for financial institutions, ensuring that Canada remains the leader in this regard. I therefore urge all members to support the financial system review act, along with the sensible regulation of our banking system that has served us so well.

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Mr. Mathieu Ravnagat (Pontiac, NDP): Madam Speaker, I share the concerns of many people in my riding and many other Canadians about the power the banks have over our lives, particularly when there is a large concentration of capital. One worry that I have is the process through which this bill came forward. It surprises me that the other place had a greater kick at the can. I wonder why the government decided to restrict the scope of the review of this particular bill to technical issues.

Given the extraordinary nature of the banking industry and its influence on us, it would have been better to go ahead with broader public consultation on this bill. I wonder if the member has any comments as to why the government has taken this approach.

Mr. Ryan Leef: Madam Speaker, the consultation started in September 2010. We heard from Canadians about their recommendations for adjustments and input on this bill. We are looking at fine-tuning something that is working quite well right now. The timeframe we have before this regulation sunsets would not necessarily lend us the opportunity to open it up. There are other regulatory regimes where we can adjust consumers' concerns. The finance committee is an area where the opposition would be able to express concerns and suggestions.

• (1555)

[*Translation*]

Mr. Jamie Nicholls (Vaudreuil—Soulanges, NDP): Madam Speaker, I would like to talk about the part of the bill that touches on foreign bank subsidiaries in Schedule 1. The changes mean that foreign banks will be subject to the same operating restrictions in Canada as other banks. This measure will eliminate tax evasion, one of our biggest problems.

Therefore, I ask the member what penalties will be imposed for tax evasion, for example, if someone transfers funds to a tax haven such as Switzerland or the Cayman Islands.

[*English*]

Mr. Ryan Leef: Madam Speaker, I apologize to my hon. colleague, as I was trying to catch up with the translation. I think the question was: What are the penalties levied on foreign entities under this regulation if they are involved in tax evasion?

Although I do not know the specific penalties in terms of dollars and dimes, there is a host of legislation in our country allowing regulatory enforcement agencies to deal specifically with that. When investigations are conducted, the penalties imposed are going to be dependent on the investigation and the evidence presented of the violations that have come forward.

While we can talk about a range of penalties or maximums and minimums, we know that in any process the actual penalty meted out depends on the weight of the evidence provided by an investigation.

Mr. Mike Sullivan (York South—Weston, NDP): Madam Speaker, I asked the member who spoke previously a question about speculation in derivatives and other speculative instruments and why the bill does not deal with that. Could the member comment on that, please?

Mr. Ryan Leef: Madam Speaker, as has been addressed a few times in the House today, when we get down into things that can be dealt with in a regulatory regime, that is where they belong.

We are looking at a high-level of fine-tuning of something that is working quite effectively. From the consultation process we have heard the adjustments that Canadians want to see made. We know from debate within this House and from what will come forward from committee that we are looking at things that are designed to deal with the fine-tuning of a very technical aspect.

I believe there will be other opportunities and occasions to deal with things that are probably outside the scope of this review and would be a better fit for the regulatory process.

Mr. Pat Martin (Winnipeg Centre, NDP): Madam Speaker, thank you for the opportunity to enter this debate on this comprehensive and sweeping piece of legislation regarding our financial institutions, both their well-being and their duty and obligation to provide adequate service to Canadians.

I need to preface my remarks by noting that the bill is entitled Bill S-5, the *S* meaning that it does not originate in the House of Commons, the chamber of the duly elected representatives of the people. It has its origins in the other place, the Senate of Canada. As democrats, each and every one of us should take note, pause and reflect on the significance and meaning of the bill. More and more, we are finding bills originating in the Senate, when in fact all pieces of legislation should find their origins in the duly elected chamber of the House of Commons, not the unelected, undemocratic Senate. I profoundly resent this chamber being seized with a bill that has originated there. I will state that for the record.

The other thing comment I would say before discussing the substance of this legislation is the fact that once again we are faced with a debate on a bill with a gun to our heads, under pressure, under the time limitation placed on our democratic review, scrutiny, analysis, and due diligence of the bill, the very reason we were sent here as representatives of the people. We are being denied that right systematically once again by a government that introduces a closure motion almost on the same day it tables a piece of legislation. This is the 16th time in a row, in this short session of this 41st Parliament, that we are being denied our democratic right to give full study and examination of the bill and to have our comments within this place recorded in *Hansard*.

I do not want anyone in the country who has been observing the activities of our Canadian Parliament to think for one minute that these are normal circumstances. These are anything but normal. These are extraordinary. This is the most appalling abuse and undermining of the democratic process that anyone has ever seen.

Government Orders

I have been a member of Parliament for six terms. I have sat in majority and minority Liberal governments. I have sat in majority and minority Conservative governments. No one has ever seen anything like this before. This cannot be allowed to continue without condemning it in the strongest possible terms. I hope the people of Canada take note that the Conservative government of the day, and I do not say this lightly, is undermining the integrity of our parliamentary institutions by systematically denying the right of members of Parliament to study bills, per our constitutional parliamentary democracy. It offends the sensibilities of anyone who calls himself or herself a democrat to see this happening systematically.

While I am on the subject, I would also note that I just came from a committee meeting earlier today, where there has been a systematic denial of the public's right to know what its government is doing with its money, in its bills and policy development, by invoking the shroud of secrecy over the otherwise ordinary activities of parliamentary committees that have traditionally been held in public. The government has moved to put these in camera. For any ordinary Canadian watching, this means that the doors will be shut, everyone will be asked to leave, and there will be no cameras and no one will have any right to ever divulge what happened behind those closed doors. That is the in camera rule.

In times gone by, three or four years ago, it used to be the rare exception if the activities of a parliamentary committee were held in camera. It would be in matters of national security, or of profound commercial sensitivity where someone's right to privacy in a commercial setting would otherwise be violated.

• (1600)

Now in camera meetings are being used willy-nilly for any little issue that may be controversial or potentially embarrassing to the government. The government slams down the in-camera rule and shuts down the cameras, ironically. Everyone is kicked out of the room and no one in that meeting is ever allowed to divulge anything that happened behind those closed doors under the rule and penalty of the Speaker of the House of Commons. It is a very serious violation to contradict the in camera rule. There is no justification for this whatsoever. I cannot even divulge the matter we were discussing at today's in camera meeting, because it was in camera.

This has been a systematic undermining of the democratic procedures and the processes that have evolved over time to make our Westminster model of parliamentary democracy the best in the world. However, I caution the members across and anyone listening that our parliamentary democracy is a fragile construct. It exists only by virtue of both sides stipulating that they agree to abide by a set of rules that includes openness to the greatest possible, and respecting the role of the opposition to test the merits of the proposals put forward by the government before they are implemented into legislation.

Again, I caution the government of day. It may in fact be doing irreparable harm to our democratic institutions. I think that if it allows pendulum to swing too far this way, it will never get it back to the norm. The toothpaste might never go back into the tube; the genie might never go back into the bottle. The government has pushed the limits of the integrity of our system. It is like pulling a

thread on a sweater: the whole sweater can unravel if we keep yanking on that thing. That is what the government is doing. It is testing not only our patience but also the integrity of our whole fragile, yet precious, parliamentary democracy.

I resent profoundly that we are facing closure once again on this bill for the 16th time since we returned to work after the parliamentary summer recess. It is an absurd situation that we find ourselves in. We are being systematically denied the ability to do our job as agents of the people who elected us here to provide scrutiny, oversight and due diligence and to hold the government to account. That is the very function of Parliament and it is what is being denied to us.

We are talking about banks. If there were any subject in the country that warranted a greater examination by the elected representatives of the people, it is the way banks are, or are not, serving the best interests of Canadians. It warrants enhanced scrutiny. It warrants not only a thorough examination but also a royal commission. The failure of banks to meet the needs of Canadians, and their gouging us in the process, is almost ridiculous. The biggest PR campaign in the country right now is not to sell cars, not to promote the oil sands, but the PR job of banks trying to peddle themselves to Canadians as warm, fuzzy and benign institutions that have our best interests at heart.

I challenge that. I would have welcomed the ability to challenge it in a much more thorough way as we go through the bill to amend the law governing the financial institutions of this country. I say this because in the riding of Winnipeg Centre, which I represent, chartered banks are closing like crazy. They are disappearing. They are going the way of the dodo bird. Whereas we used to have a bank, an accessible institution, on the street corner, they are all shutting down and are being merged into one conglomerate. There were 14 bank closures in my riding alone.

Do members know what is filling the void left behind? It is the fringe banking institutions, the Money Marts and payday loan outfits that are charging not the 60% that the usury laws of this country allow them to charge, but which should have been reviewed in this process, but 1,000% to 1,500%. The Government of Manitoba did an investigation and one example it found was a payday loan charging 10,000% interest.

Do members not think that warrants a bit of debate and analysis and scrutiny by the elected representatives of the people, the fact that people are being gouged because of the unwillingness of our chartered banks to live up to the terms and conditions of their charters to provide reasonable financial services to Canadians no matter where they live?

Government Orders

● (1605)

Because of their failure in that department, they have left a void that is being filled in by these predatory lenders. I do not know what can be done to make a 10,000% profit. Selling cocaine does not even give, I presume, a 10,000% profit. However, they are springing up like mushrooms all over the inner city and preying on poor people and gouging them in the most egregious way. The Parliament of Canada is silent on it because we are being denied the right to even do a thorough analysis of the job that financial institutions are doing to provide basic services.

We need to remind ourselves that we granted the chartered banks their charter and what comes with the charter is the exclusive monopoly for certain very lucrative financial transactions, the credit cards, cheque cashing and all of these things, that are enormously profitable. In exchange for the exclusive monopoly on these lucrative transactions, they were to provide at least the basics that financial consumers might need.

We in the NDP have been trying to rectify this for a decade or more, which is why these rare, once every five years, opportunities are so precious. Myself and the former leader of the NDP actually got some proxy shares and used to crash shareholder meetings of the big chartered banks. We would go to the Royal Bank shareholders meetings, as well as the Bank of Montreal, the Toronto Dominion Bank and the CIBC meetings. We would move motions at those shareholders meetings trying to bring these big institutions to account, to stop the gouging and to make them responsible.

Exactly. I see my colleague gets it. He seems as perturbed as I am about this situation.

I will give an example. This is quite an experience. Everybody here should do this. Members should go to a shareholders meeting of one of the chartered banks, such as the Royal Bank of Canada. My good friend, John Cleghorn, was the CEO of the Royal Bank. I had just enough proxy shares to move some motions. Nine motions were moved that year at the shareholders meeting of 1,500 people and I moved all nine of them. Everybody else just goes there to find out how much money they made. I went there to try to introduce some democratic reform to these appalling undemocratic organizations.

One of the motions I moved even my colleague from Nepean would enjoy. I moved a motion to limit the CEO's salary to 20 times that of the average employee. Now the average employee salary, if anyone did the math, is about \$47,000 a year, and 20 times that is almost \$1 million year, which is pretty good. Sadly, however, the motion was defeated.

Another motion, however, that we moved was for gender parity on the board of directors. This motion was what scared John Cleghorn. Matthew Barrett was not nearly as amused by all of this but John Cleghorn was a good sport. The motion for gender parity on the board of directors failed by this ratio, the exact same as the last Quebec referendum, 49.4% to 50.6%. We almost got it.

There is a lesson here. The shareholders' democratic movement should be inspired by this. A room of 1,500 people who did not come there to talk about amendments to democratic reform or corporate governance had an appetite for corporate governance. There was an interest.

Again, when we did the same thing with Matthew Barrett, he had a hissy fit and was openly wondering how Alexa McDonough ever got in there with any shares in his bank.

Other people are interested in this and, believe me, on behalf of those people who are being victimized by fringe banking in low income neighbourhoods like mine, we owe it to them to give a far more thorough analysis of our once in five year opportunity to amend the laws governing financial institutions and to provide for related and consequential manners. We should not be having it rammed down our throat by a bunch of unelected senators, hacks, flaks and bagmen in the Senate, many of them recently appointed by the government.

With all due respect for the Senate of Canada, it has no business introducing legislation for the House of Commons to have to deal with. It is supposed to be the other way around.

● (1610)

I have talked briefly about the importance of charter banks. I will talk at length, if given the opportunity, on the importance of charter banks and their obligation to provide basic financial services to ordinary Canadians. They have renegeed on that deal systematically over the last many decades, to the point where they are now charging money at an ATM. First, they brought in ATMs, presumably to save money so they could lay off bank tellers. Finally, when they got people used to the idea that they had to use ATMs, they started introducing service fees. So they are not only saving a fortune and posting record profits every quarter, even through the economic downturn, but they are gouging ordinary Canadians for \$1.50 each way to take \$20 out of their bank account. I would like to see the percentage charge on that, extrapolated over the lending fees associated with the usury provisions. I think in the Criminal Code of Canada, if more than 60% is charged they are guilty of usury.

Therefore, how is it that the Money Marts, the payday lenders and the title loan lenders in my riding are charging 1,000%, 1,500% and, in this one egregious example, 10,000% interest and the government of the day and the enforcement agencies regarding financial institutions are silent on the matter? Clearly something is fundamentally wrong.

I have notes about Bill S-5 but many of the observations and points being made here are so narrow and specific that they miss the big picture. More often than not in this place we do not see the forest for the trees and the fact is that we are not being well served by our financial institutions. We are being gouged by our financial institutions. We should be screaming from the rooftops condemning the treatment of ordinary Canadians by the gouging that is going on.

I have talked about the shareholders' rights efforts that we used to make. We should probably mention that again but I want to talk about one other thing in the global picture of how we view the relationship we have with the financial institutions that seem to have such great influence over this country.

Government Orders

I hear time and time again the government side bragging that we have the best banking regime in the world, that it is due to the wizardry of our Minister of Finance and that somehow everything is rosy in this regard.

I want to remind anyone listening today that were it not for the Herculean efforts of the NDP, not five or seven years ago, the charter banks of Canada would have been allowed to merge into massive institutions, as they wanted to do. They were dying to merge. They were asking permission. They were knocking on the door. The John Manleys and the Paul Martins of the world were eager to receive the message. Do members know why they wanted to merge? It is because they wanted to play in the big leagues in the biggest game in town. The biggest game in town at that time was the sub-prime mortgage industry. Our banks were too small to play a meaningful, realistic role in that industry sector but they were dying to merge so they could dive in there and we would have been in just as much trouble as the big institutions in the United States, crashing and burning in this catastrophic notion of bundling the sub-prime mortgages and marketing them as a financial product.

Fortunately, we managed to prevail and block the urge to merge. I remember the national campaign was purge the urge to merge. It was Lorne Nystrom's campaign, the NDP finance critic of the day, criss-crossing the country. I see he is outside here today. We should recognize and pay tribute to Lorne Nystrom because we owe him a great debt of gratitude. He is a big businessman and he knows something of these things.

It is our job and our obligation to ensure the financial institutions meet the needs of Canadians, not to have it rammed down our throat in a bill put forward by the undemocratic, unelected Senate.

• (1615)

Mr. Pierre Poilievre (Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities and for the Federal Economic Development Agency for Southern Ontario, CPC): Madam Speaker, I am pleased to learn that my hon. friend is a believer in shareholders' rights. Shareholders across Canada are our next door neighbours, our moms and dads, and our pension funds. In fact, one of the biggest shareholders of all is the Canada pension plan or the Canada Post pension plan. Blue collar workers, many of them unionized, are shareholders. They can only be paid a return on their shareholding investment on after tax corporate profits. There is literally no other way that a shareholder can get a dividend than for a company to pay that dividend out of the after tax profits.

The member and his party want to raise taxes on those profits, leaving less for the dividend receiving shareholder, meaning that all of the people for whom he purports to fight on behalf of would have less of a return, our pension funds would be less funded and the people who invest in companies to create jobs in the initial stage would receive a smaller return.

As a shareholders' rights advocate, I am curious how the member can advocate raising taxes on those same shareholders.

• (1620)

Mr. Pat Martin: Madam Speaker, as a former trustee of employee benefit plans, I concur that employee benefit funds and union pension plans are one of the largest single investors out there. In fact, over 50% of all of the trading that goes on at the New York Stock

Exchange, and, in fact, the TSX, are employee benefit plans and union pension funds being moved around; the buying, selling and representing the beneficiaries of those plans.

One of the biggest things that has backfired in the Conservatives' zeal to keep lowering corporate taxes is that it has become obvious that businesses and corporations that are the beneficiaries of these lower taxes, such as the banks and the oil companies, are not reinvesting the money and are not paying it out as dividends to their shareholders. They are hoarding the money and stockpiling it. It is like Scrooge McDuck rolling around in his bank vault with all of his coins and dollar bills. They seem to be basking in all this dough.

The logic has not really played out. I understand their reasoning that if we allow businesses to make more profits they will reinvest and create more jobs. However, they have not been doing that. Their own analysts have been telling them that. The minister himself has expressed his frustration. They are not putting that money into circulation. It is not having the desired effect and, therefore, is a bit convoluted. It is Conservative pretzel logic that keeps this blind fundamentalist orthodoxy that lower taxes will trickle down to the average consumer. If anything, the companies that need help are not getting it because they are not paying taxes anyway if they are in dire straits.

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Madam Speaker, I always appreciate the interventions by my colleague from Winnipeg. I also appreciate the history lesson. I do not disagree with the fact that maybe John Manley and Paul Martin were leaning toward a merger at the time. That had been discussed. I know we had an admission from my colleague, a former economist himself and a supporter of deregulation at the time, who saw the light.

However, I thought maybe Jean Chrétien and the 161 Liberals who were in the House at the time had something to do with that. I did not realize that the NDP had punched so far over its weight with the 19 members that it had, so I appreciate the history lesson from my colleague.

After the current government took power, it came forward with two changes, one being the extension of mortgages to 40 years and the other being the zero down payment, both of which led to the devastation of the banking industry in the United States. This was the road that the government began to take this country down.

With the implosion of the economy in the United States, does the member believe that maybe this was the first indicator? Those guys were sort of bailed out by the implosion that took place south of the border and perhaps, with further endeavours by the government, we would be in a similar situation as the United States now had the time period they had at the controls been a little bit longer. I ask my colleague for his comments on that.

Government Orders

Mr. Pat Martin: Madam Speaker, as I understand the question of the member for Cape Breton—Canso, I, too, remember the early days of 2008 when the current Minister of Finance was in complete denial that there were any clouds on the horizon. In fact, he was predicting surplus budgets. It was such a head-in-the-sand attitude that it led the opposition parties to come together and form the coalition that almost led to the defeat of that government. It was an irresponsible, reckless attitude.

It is galling to me to hear the endless praise heaped on the Minister of Finance. I do not recognize him as any kind of sorcerer. If anything, I see him as a road-weary magician pulling sedated bunnies out of a tattered top hat and thinking that he is impressing Canadians, when he is not.

• (1625)

Mr. Jamie Nicholls (Vaudreuil—Soulanges, NDP): Madam Speaker, the House leader earlier today said that this bill had to be passed before April. I seem to remember at the beginning of the session that the first priority of the Prime Minister was to appoint his buddies to the Senate: Fabian Manning, Josée Verner and Larry Smith. Rather than telling the Senate that we needed to pass this important banking legislation, he was putting his buddies into the Senate.

How long does he wait until he finally lights up and says this is important? It was November when he said that we needed to get this through the House. There are important things in this legislation that we have to look at, like tax evasion. Our country loses millions, maybe billions, per year by people who put their money in offshore paradis fiscaux, as we say in French. They are places where people can evade their taxes. This bill starts to address these things, but we have more questions, such as what the enforcement will be like.

We can see that the priority of the government was to put its buddies in places of importance rather than pass important legislation. Now we are stuck with not being allowed to debate. There are 300 ridings in the country. Each MP was elected to speak for his or her constituents. Unfortunately, due to the lack of planning of the government, we are not able to do so.

Would my hon. colleague elaborate on this point?

Mr. Pat Martin: Madam Speaker, I thank my colleague for raising an important aspect of our financial institutions review that will not get the attention it deserves. That is something chartered accountants call tax-motivated expatriation. New Democrats call it a sleazy, tax-cheating loophole when people can put their money offshore so it is out of reach of the taxman. The former prime minister, unfortunately, was the undisputed champion of this when he closed down 11 tax havens with which we had tax treaties. He left one significant one, where the prime minister of the day happened to have 13 shell companies.

There has been an appalling lack of due diligence. We leave money on the table that should rightfully be paid in taxes. It is estimated that as much as \$7 billion a year slip through the fingers of Revenue Canada due to these tax-motivated expatriations. Plugging these loopholes should be the simplest first thing that any minister of finance would do when trying to balance the budget. Yet when New Democrats introduced a bill to that effect, we were not allowed to introduce it in the House because, apparently, it would have the

effect of increasing a person's taxes. Plugging a tax loophole Conservatives equates to increasing a tax and the bill was thrown out as being deemed non-votable for that reason.

There is a lot of work to do and we are not going to get it done because Conservatives keep ramming through legislation using closure. It is undemocratic and wrong. We should condemn them in the strongest possible terms.

Mr. Deepak Obhrai (Parliamentary Secretary to the Minister of Foreign Affairs, CPC): Madam Speaker, it is a great pleasure for me to speak to this bill, especially after my friend for Winnipeg Centre has just given an empty lecture. He is very well known for his flowery words. I was quite pleased to hear my friend from Cape Breton join him in trying to praise what they had been doing. However, if we really look at what has happened, it is no wonder they are a smaller party than before because those members were totally out of touch with Canadians. That is why they find themselves in that corner.

I will correct what the member for Winnipeg Centre has said. He has been using his flowery words and theatrics to say that the bill has come from the Senate and that it is not needed. He forgets why we are debating the bill. To be clear, it is because of the regulations and financial safeguards that the government introduced for the country's financial institutions that have allowed them not to be affected as other global institutions have been. It was because of strong regulations.

We have a bill that looks at financial institutions. This bill is a common sense thing. That is what I want to say for the member for Winnipeg Centre who was debating the bill and talking about shareholders.

I will be sharing my time, Madam Speaker, with my colleague for Calgary Northeast

It is natural when we have an act that contains dynamic factors toward financial institutions, that we have a sunset clause so we can come back and review what has happened. Therefore, we would have the best institutions and be able to change to meet the demands of the day.

The previous member talked about being a shareholder. He should be doing very well if he is one. He wants to make money from his investments. Talking about making money and investing by the anti-trade and anti-business party called the NDP, Lorne Nystrom was a strong financial critic. I was in the opposition when he was here. Today he is a big businessman. I met him outside in the corridor and he is doing trade. By the way, we heard all about trade with China. Members can talk to him.

Government Orders

There was talk about going to Shanghai, doing business with China and profiting. This is something I would think should be alien to NDP members. However, when it is time to make money, those members are right there. As the member said, he went to a shareholder meeting of a bank. Then he stands in the House and calls them gougers and all kinds of names. He is as shameless as anyone else when it comes to making money. That he is a shareholder of a bank is even more surprising.

Coming back to the act, after every five years, it has to be reviewed. It has a five-year sunset clause. We can then put the latest changes and address what is happening in the economy for the benefit of Canadians.

I was listening to a member from Winnipeg talk about ATM fees. The ATMs are used by thousands and thousands of Canadians because it is a wise, cheap and convenient alternative to going to the bank tellers. That is why it is so popular. The member did not recognize that.

• (1630)

Coming back to this fact that this has been brought forward, it is because we are now coming to the end of the five year sunset clause. That is why we are debating it in the House. Whether it comes from the Senate or wherever it comes from, it is necessary and it is required by law for us to debate the bill. If we do not debate the bill and review the sunset clause, then the act would die and we would be unable to address the changes in the financial institutions. It is a requirement by law.

That is what we are talking about it, not about the NDP members crying about the Senate and everything else. Their argument is to abolish the Senate. It is a very great argument. I just love their argument. Why is there argument is wrong? Because they know under the Constitution it is not possible to do it. They know that very well. What is so great about a proposal which we know will never pass? That is the NDP, giving a proposal which will never pass.

If we look at other countries, Canada stands as a beacon of financial stability during the recession. We have heard about sub-prime mortgages and what has happened to the banks in America and in the European Union.

All the banks had to be saved, even the German banks, British banks and American banks. Did anything happen to the Canadian banks? No. Why? Not because of the party and not because it took credit, it is because we had sound financial regulations under which the Canadian banks worked. However, as things change, we want Canadian banks to going out and showing the Canadian strength, not what the member opposite calls about gouging and all these things.

If the Canadian banks are making profit in the world market, as the NDP's former finance critic is trying to do now with a business arrangement with China, what is wrong with that? As long as the Canadian banks are making money, they are paying their taxes and at the same time they are employing Canadians. That is a plus for Canada. There are jobs for Canadian. The NDP should understand that corporations make this happen.

We just heard from a member who talked about the teachers' pension plan and investments. Does the member think the teachers' pension plan will invest in a company that is losing? Absolutely not.

How many pension plans of unions are invested in the banks, strong banks. We do not want weak banks in which to invest. Therefore, it is important that these financial institutions be accommodated.

The Liberal member mentioned 2008. The Liberals have their heads in the sand. In 2008 there was a recession. Did he not hear about the G20? It is a collective effort by the G20, which agreed to do the stimulus package so the world would not go into recession and that there would be jobs. Any time this government has presented anything, the opposition parties have opposed it. That is why the Liberal Party sitting at the corner.

At the end of the day, what happened? The Canadian economy withstood those shocks because of the sound financial input of this government.

The reduction of the GST, which was promised by the Liberals and has now been fulfilled by this government, gave extra money to companies to get across to consumers to spend money so the economy would move on, something the NDP members should learn and move on from the anti-trade and anti-business agenda so they can move forward.

We have an example with the 2008 recession. Where is Canada today, as it has been said by the Minister of Finance? I am really glad my friend from Winnipeg does not like the finance minister. If he did, I would be worried for the economy of Canada. It is his kind of business idea, so I am glad he made it very clear that he does not like the finance minister.

The Minister of Finance said that this government, since coming into power, and for my friend from Cape Breton—Canso, has created 600,000 full-time jobs for Canadians. Under your government, it would probably have been cutting transfers—

• (1635)

The Deputy Speaker: Order. The hon. member's time for debate has expired. I would remind him to address his comments to the Chair and not to members directly.

Mr. Brian Masse (Windsor West, NDP): Madam Speaker, that was a rather surreal speech by the parliamentary secretary. I would like to return to some real facts that do matter to Canadians.

This is about fairness. That is the balance the Conservatives are missing with regard to their approach to the banking sector. We have seen an incredible increase in bonuses and salaries to CEOs of banking institutions. In 2009, the CEOs of the top five banks received salaries and bonuses of \$8.3 billion. This is where Canadians are onside and understand there has to be a redirection of that balance.

I would ask the parliamentary secretary to address the issue of CEO compensation of \$8.3 billion. In 2009, the bonuses increased by record amounts. How does that justify the increasing fees Canadians have to pay for services?

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•(1640)

Mr. Deepak Obhrai: Madam Speaker, precisely what I want to tell everyone is the difference between that party and this party. Those members would like to interfere with the running of private corporations and put their own stamp on them.

Private corporations are accountable. The member should understand how a private corporation is run. As the member's friend from Winnipeg said, the CEOs are accountable to the shareholders as to how much compensation they receive. They are not accountable to the NDP. The shareholders put money into the banks. The NDP did not put any money into the banks. The shareholders are the owners of the banks. They will decide the amount of compensation for the CEOs.

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Madam Speaker, my friend from Calgary is right with regard to the government seeing the global economic downturn coming in 2008, but the government saw it in the rear view mirror. It certainly did not see it out the windshield. While every economist was telling the Conservatives that it was coming, that it was inevitable, they did not see a problem. They said things were going to be wonderful. At that time the government had a surplus budget and a balanced budget, and we know what happened. Forgive Canadians if they do not have a great deal of confidence in the government's ability.

I will ask my colleague to use some foresight. What does my colleague see as the next big issue the government will fail to recognize?

Mr. Deepak Obhrai: Madam Speaker, let me say in very clear and certain terms that the Canadian public makes the decision because it affects them. Canadians responded in the last election to how we handled things in 2008. Canadians gave us a majority government and those members are sitting in the corner because Canadians did not trust them.

Mr. Brad Butt (Mississauga—Streetsville, CPC): Madam Speaker, there has been a lot of revisionist history in the chamber this afternoon over which parties believe in a strong banking system in Canada, which parties want to nationalize the banking system, and which ones want to fully deregulate them.

Maybe the member could give us a bit more history and remind us which party stood up for a strong banking system in Canada.

Mr. Deepak Obhrai: Madam Speaker, it was the proud record of this government under the present Prime Minister. The Canadian people gave this government a majority for that.

The Deputy Speaker: Before I recognize the hon. member for Calgary Northeast, 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 Rimouski-Neigette—Témiscouata—Les Basques, Science and Technology; the hon. member for Alfred-Pellan, Pensions; the hon. member for Avalon, Government Loans.

Mr. Devinder Shory (Calgary Northeast, CPC): Madam Speaker, I am pleased to have this opportunity to address Bill S-5, the financial system review act. I would like to take a moment to say a few words about how this bill came to be before the House.

This bill is the outcome of the mandatory five year review of the framework that governs federally regulated financial institutions, which began in September 2010. Such regular reviews help to ensure that Canada remains a global leader in financial sector stability.

I would also note that this bill needs to be passed and its supporting legislation renewed by April 20, 2012 to allow financial institutions to carry on with their business and provide the services that Canadians depend on.

I was pleased to hear in some previous speeches in the House that members opposite are willing to send the bill to committee for further study. I hope they will support swift passage of the bill.

I want this piece of legislation, as technical as it is, to be understood by ordinary Canadians so they know how it affects them in real terms. Key measures in the bill are aimed at protecting consumers of financial services, building on important consumer protection actions our Conservative government has taken in recent years.

I will briefly explain the rationale for these initiatives while providing a bit of context. Throughout our time in office, our Conservative government has aggressively focused on helping Canadian consumers identify and take advantage of the best possible financial products and services for their needs. For example, in the next phase of Canada's economic action plan, we will further strengthen Canada's financial system by moving forward on the recommendations of the Task Force on Financial Literacy and announcing the government's intention to appoint a financial literacy leader. We will be enhancing consumer protection by banning unsolicited credit card cheques and developing measures related to network branded prepaid cards. In doing so, we are making a strong system even stronger.

Canada has many advantages that have mitigated the impact of ongoing global economic turbulence. For instance, Canada has a prudent and well-regulated banking system, ensuring that our lenders demonstrate responsibility and restraint. The result is Canada did not suffer a single bank failure or need to bail out any of its financial institutions.

As the *Toronto Star* said, "Unlike in the United States and Europe, no banks collapsed or had to be rescued in Canada during this financial crisis". On the contrary, Canada's financial system remains strong, based on effective risk management and supported by a very effective regulatory and supervisory framework.

Some of the remarks I have heard in the House in relation to Bill S-5 allege that Canada's fortunate position during the global financial crisis was in spite of our Conservative government's policies, not because of them. What they say is that as Conservatives we tend to shy away from regulations in favour of competitive markets when it comes to the financial sector. Let me be clear on a couple of points.

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First, it is true that we tend to favour less government intervention where possible, but we keep a close eye to ensure the system remains strong, thanks to the work of the hard-working, world's best finance minister that we have.

Second, our Conservative government, under the leadership of the Prime Minister, recognized early on that prudent regulations and supervision were necessary in the financial sector. In fact, we witnessed that other nations had to massively intervene in their markets as a result of under-regulation, and effectively nationalized their financial institutions.

Let me be blunt. Canada has emerged from this financial crisis as the only true free market financial system in the world. Indeed, Canada's strong economic and fiscal fundamentals have been recognized internationally. Today our country has the world's soundest banking system, as ranked for the fourth year in a row by the World Economic Forum. In fact, our five Canadian financial institutions were recently named to Bloomberg's list of the world's strongest banks, more than any other country.

● (1645)

Before I focus on our Conservative government's commitment to consumer protection, I want to address another aspect of the bill.

Bill S-5 gives authority to the minister to approve the acquisition of major foreign entities by federally regulated financial institutions where that acquisition would increase that institution's assets by more than 10%. Some in this House during earlier debates have suggested this could politicize the process. In fact, this is a historical oversight provision that was repealed in 2001. We are merely restoring that authority. There is a good reason for that. We understand that a regulatory and oversight balance is necessary to keep our markets healthy.

Let us say, for example, that a Canadian bank or federally regulated institution acquires a foreign company that increases its assets by more than 10% and that foreign company then succumbs to poor conditions in its market, a collapse of that economy or sector of that economy. That would have a negative impact on a significant portion of a Canadian bank's holdings and our Canadian markets would be affected by extension. That is why we feel it is prudent to have these risky acquisitions reviewed before they go ahead, to ensure that they are in the public interest.

Julie Dickson, the Superintendent of Financial Institutions, had this to say about this decision:

It's now being moved back to the Minister of Finance, and we fully support that decision. It makes sense for the Minister of Finance to ultimately have the ability to approve. It's just going back to the way it used to be.

Alec Bruce, a noted *Times & Transcript* columnist, gave the following insight:

When our banks top up their foreign holdings in this environment they do, in fact, chance importing this contagion to these shores, and injecting it into the arteries of the country's economy....It's not too much to ask....

Let me reassure all members that this Conservative government has an ongoing commitment to ensure that consumers are protected in their dealings with our financial institutions. That is why our government has an entire agency working to protect and educate consumers of financial services. It is the Financial Consumer

Agency of Canada, FCAC. The agency does its part to help inform financial consumers in Canada by developing plain language educational material on a wide range of financial products and services. It has developed innovative approaches, such as a mortgage calculator that quickly determines mortgage payments and the potential savings resulting from pre-payments. It has also introduced online tools that help consumers shop for the most suitable credit card and banking package for their needs.

The agency has created two new tip sheets to help Canadian consumers looking for ways to save money. One is on choosing the right banking accounts and the other is on keeping service fees low. Recently the agency has been instrumental in lending its support to Financial Literacy Month, that being November, which featured 200 events and outreach initiatives across the country.

● (1650)

We have a steadfast commitment to improve the financial knowledge of Canadians and that commitment includes this bill. The proposed legislative package before us includes measures that would strengthen the consumer protection framework, including increasing the maximum fine the FCAC can levy for violations of a consumer provision from \$200,000 to \$500,000, and would guarantee that any Canadian has the right to cash government cheques up to \$1,500 free of charge at any bank in Canada.

Our Conservative government believes that Canadian consumers deserve accessible and effective financial services that meet the needs of consumers and that operate in the public interest. By enacting the financial services review act, we would further ensure that our financial system remains a competitive Canadian advantage and that consumers receive the highest possible standard of service. It is the level of service that Canadians deserve and have come to expect.

I ask all members of the House to support Bill S-5 to ensure that our financial sector remains strong, stable, secure and a model for other countries to follow.

● (1655)

Mr. Jamie Nicholls (Vaudreuil—Soulanges, NDP): Madam Speaker, I can understand that the Conservatives want to create legal loopholes for the wealthy through their legislation, but why are they protecting the tax evaders? In this bill they have only touched upon going after tax evaders who use places like the Cayman Islands or Switzerland to hide their money from the Canadian tax man.

My question to the member is this. Why have we not been given sufficient time to discuss this issue in the legislation and to go after tax evaders? Why are they protecting tax evaders and what penalties do they intend to use in their small makeshift measures against tax evasion? What penalties are they going to impose and how are they going to enforce them in places like Cayman Islands and Switzerland?

Mr. Devinder Shory: Madam Speaker, it is a good and fair question, but I want to remind my friend in the opposition that the process was started in September 2010, as far as the time is concerned.

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We are asking the opposition today to let this bill go to committee where all of these issues are raised and addressed. That is the place where individual issues should be raised. As my colleague mentioned before, all these issues were in our election platform and Canadians gave us a strong mandate to work for them and to be productive, not to halt any and all legislation.

Hon. Wayne Easter (Malpeque, Lib.): Madam Speaker, I am amazed at how that member and that party have tried to reinvent history. Yes, we have the soundest banking system in the world, but I can assure everyone it has nothing to do with the current Prime Minister. It goes back to 1995 when the finance minister of the day, Paul Martin, along with the then Prime Minister, was willing to allow mergers with the United States, but a committee of backbench Liberal MPs challenged its own government. I was one of them. We held hearings across this country and made a recommendation that the banks stay within Canada and not be allowed to merge. That is why we have the soundest banking system in the world, because MPs were willing to stand up against the government. It is too bad we do not see some standing up against the government by the backbench on the other side.

I do not really have a question but I am just asking the member to stop trying to reinvent history and to get the facts straight.

Mr. Devinder Shory: Madam Speaker, of course the member opposite is always amazed to see how hard working and productive this government is.

To respond to his comment, he has to admit one more thing, that it was under the leadership of this Prime Minister that Canada weathered the global economic crisis and emerged with the world's strongest banking sector, according to the World Economic Forum, and was given excellent ratings by the World Bank and IMF. It was our Conservative government that took a balanced approach between regulations and free markets that limited our need to intervene in the markets.

Mr. Brad Butt (Mississauga—Streetsville, CPC): Madam Speaker, I would like the member to reiterate quickly some of the aspects of the bill. This bill would in fact provide higher standards of accountability. I do not understand why the opposition party would be against a bill that requires greater accountability and more responsibility within the financial sector and in the area of consumer protection. Would the member not agree that is exactly what this bill would do?

Mr. Devinder Shory: Madam Speaker, I absolutely agree with my colleague that the key measures in this act are aimed at protecting consumers of financial services. Of course, this is mandatory legislation. The statutes for federally regulated financial institutions must be reviewed every five years. That is exactly what we are doing.

For a change, I would ask all opposition members to get on board at least once and move forward and provide Canadians with what they deserve and have asked for.

• (1700)

The Deputy Speaker: I would just like to advise all members that we have now reached the point where interventions can last no more than 10 minutes, followed by questions and comments of 5 minutes. The hon. member for York South—Weston.

Mr. Mike Sullivan (York South—Weston, NDP): Madam Speaker, I rise today to speak to Bill S-5, an act to amend the law governing financial institutions and to provide for related and consequential matters, and to express my disappointment about the inadequacies of this bill.

The member opposite suggested that somehow we were against this kind of thing. We are not against it: we are in fact disappointed that it does not go far enough. I think we have heard their mantra over and over again throughout this entire Parliament. We are disappointed that the government does not do enough, that it does not protect seniors and immigrants and does not protect the rights of ordinary Canadians.

Again we are faced with a bill that does not seem to go far enough. It is our hope that these inadequacies can be addressed at committee, as has been suggested. So far we have not had a good track record of changing bills at committee. Unfortunately the government does not like to listen to our advice, does not want to hear debate, and intends through the time allocation motion it introduced yesterday and passed today to have only one further day of debate before going to the standing committee, which will then have about five weeks to go through this very complicated bill.

I say “complicated” because the bill amends the Bank Act, the Cooperative Credit Associations Act, the Insurance Companies Act, the Trust and Loan Companies Act, the Bank of Canada Act, the Canada Deposit Insurance Corporation Act, the Canadian Payments Act, the Winding-up and Restructuring Act, the Office of the Superintendent of Financial Institutions Act, the Payment Clearing and Settlement Act, and the Financial Consumer Agency of Canada Act. Why are we rushing?

This is a pretty important thing. I do not think there is a person in Canada whose relationship with banks and financial institutions is not somehow touched by this bill. There are few in my riding who do not have bank accounts, I will admit, but as the member for Winnipeg Centre reminded us, they are being served by other institutions that are gouging them, the payday loan companies that have sprung up like mushrooms to replace the banks that have left.

It is very unfortunate that we are not going to get enough time to debate this bill, because it is going to deprive Canadians of a really comprehensive and transparent review of our financial system, unlike the cursory and rushed treatment this bill unfortunately received in that other house, the Senate. We are talking about regulating this country's financial service industry, which employs thousands of Canadians and handles trillions of dollars in assets, and the Senate review of this legislation took three weeks from start to finish. The bill was introduced in the Senate on November 23 of last year and adopted at final reading on December 16.

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Several questions arise from that. Why did it take so long to get here? We are in the middle of February and are now dealing with this in a rush because we have to meet a time allocation motion. It is almost three months since it was introduced and two months since it was passed in the Senate. Is the banking system therefore less important to Canadians than guns? Is the banking system less important than copyright legislation? Is the banking system less important than the Wheat Board? These are all things that went before it, and the banking system is thus apparently not seen as important, not as important to ordinary Canadians. We disagree.

Why the Senate? Is the government trying to make work over there in the other chamber? Is that really what is going on? To justify its position that the Senate is an effective place of sober second thought, does it have to find ways to introduce actual government bills in the Senate to give that chamber work to do?

If this is so urgent, why did the government wait so long even to introduce it in the Senate? The deadline has been known for years. The deadline was always going to be the middle of April of this year. Why has it taken so long? It baffles us.

We certainly have time to do this correctly, or we should have had the time to do this correctly. However, the government's mismanagement of this file, given that the five-year review was well known, has contributed to this rushed process whereby the government invokes closure for the umpteenth time and limits our job as parliamentarians to do a proper review of this important sector.

It is as if the government were governing on the back of a napkin. Every time we turn around, there is something that it has forgotten, something it has forgotten to do. This is another one. It forgot about this: "Oh, we better do it in a hurry. We have to get it through."

• (1705)

We owe it to Canadians to address some of the real problems with the financial institutions, such as by protecting consumers from excessive user fees, not only ATM fees but also remittance fees on transfers that many new Canadians in the diaspora send to families they are supporting back home. Those remittance fees are huge and they are charged by banks and other financial corporations alike, and sometimes they amount to as much as 30%, 40% and even 50% of the money they send overseas.

Why do they have to send money overseas? It is because their families cannot be reunified here in Canada. We now have wait times of as long as 106 months between the time an application is made and a parent or a grandparent is permitted to come back to Canada, and it is as long as 33 months for spouses and children. All the while, the people here who have recently immigrated to Canada and are trying to reunite with their families are trying to support their family overseas by working in Canada and sending what little money they can. When the banks, the financial institutions, the payday lenders, whomever, take 30%, 40% or 50% of that money, it is a crime, and it is not something that the government has addressed.

We need to review the treatment of financial derivatives. Nothing in the legislation talks about that. It was speculation, as we saw in the United States, in particular, that provoked the financial crisis from which we are still recovering. These practices do not contribute to the economy but to the financial volatility that threatens to

destabilize economies, and yet there is nothing in the bill to deal with that. The housing bubble in the U.S. created by those derivatives has caused ordinary citizens to lose billions of dollars in the value of their properties, in large measure as a result of banks and other institutions trading and speculating. Canadian banks were not immune from this: Canadian banks lost money on these derivatives.

We need to review mortgage lending practices, particularly in light of the comments made by Bank of Canada Governor Mark Carney, who said that record consumer debts are the greatest domestic threat to the country's financial institutions. Right now, consumer debt is 151% of disposable income, partly as a result of aggressive home equity loan marketing that has placed Canadians in vulnerable situations should interest rates rise. If interest rates rise, we are in for a huge collapse in our credit system in Canada. We do not want to see the disastrous practices witnessed in the United States' housing portfolio come here to Canada.

This is an inadequate measure, a missed opportunity to do better for Canadians. The consultation process has been pathetic, to say the least. Apparently, there were some consultations conducted by the government online. Some 30 people found out about it and submitted recommendations. The government cannot release the results of most of those to anyone because it forgot to get the required disclosures from those people for their information to be released. Therefore, we will never know what the feedback to the government was.

On our side, we will support the bill at second reading because we hope that the deficiencies in the bill can be corrected at committee. Some government members have actually said they want to listen and make amendments to the bill, where necessary, at committee. Thus far I cannot remember any bills coming to this House from committee with amendments. Maybe this will be the first. Who knows. I hope my colleagues on the government side will participate in the committee review of the bill in good faith to improve how our financial sector serves Canadians. This will be a challenge, given the time constraints imposed by the government today.

We owe Canadians this effort. I owe this to Canadians in my riding, as does every single member of Parliament here who represents all Canadians, all of whom will be touched by the measures that the government has put forward today in the bill.

• (1710)

[*Translation*]

Mr. Jamie Nicholls (Vaudreuil—Soulanges, NDP): Madam Speaker, earlier I mentioned tax evasion. The hon. member said that this bill is inadequate. The government prides itself on the fact that it is protecting Canadians from criminals, except when those criminals are diverting billions of dollars. I would like to read a quote from today's *Journal de Montréal*:

"Although securities offences may invoke serious harm for individuals, companies and society, the penalties will often be limited to administrative and regulatory sanctions such as fines," the report states.

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Does my colleague believe we will have time to explore the penalties imposed on people who are currently committing tax evasion?

[*English*]

Mr. Mike Sullivan: Madam Speaker, I suspect not. The bill is very weak in terms of dealing with banks that contribute to the harbouring of money overseas. There is a suggestion in the bill that the foreign subsidiaries of banks may now have to comply with Canadian regulations, but it is very sketchy. It is very difficult to read into the bill any kind of system like that being pursued very aggressively in the United States to chase the money and tax evaders. Even ordinary citizens in Canada are being chased by the U.S. government. None of that is happening here and one has to wonder why.

Mr. Brian Masse (Windsor West, NDP): Madam Speaker, I had asked the parliamentary secretary, who defended the inequity that I believe is taking place, about the bonuses of the banks' CEOs. I understand that compensation is important and will take place. However, in the financial sector, in 2009 the top five banks paid \$8.3 billion in bonuses.

I think Canadians want balance. I would ask my hon. friend whether he believes that is balanced. What should be done? Should there be more constraint, especially given the incredible amounts of user fees and costs that Canadians pay for these basic services?

Mr. Mike Sullivan: Madam Speaker, the Conservatives believe that the invisible hand of the marketplace will deal with things like the \$8.3 billion in bonuses to executives in the big banks of Canada. That is an obscene amount of money. Not only that, those banks made \$25.5 billion in profit, most of which has been squirrelled away for a rainy day.

I cannot remember the last time a bank opened a branch anywhere in Canada that would employ more people. Banks are not a part of the economic recovery, they are not part of the 600,000 supposed jobs that the Conservatives keep talking about. Those banks are making lots of profit. They are using it to pay their executives obscene bonuses and not to create jobs in Canada.

Mr. Dean Allison (Niagara West—Glanbrook, CPC): Madam Speaker, I would like to take this opportunity to speak in strong support of Bill S-5, the financial system review act.

In my time here today, I will focus on what our Conservative government has done to enhance protection for consumers of financial service products. This act builds on an already strong record of our government. From the outset, the government's approach to strengthening consumer protection has been straightforward. Canadians who use financial services are entitled to clear and simple information. They deserve to be treated in a fair and transparent manner.

Since forming government in 2006, our Conservative government has had a proven record of strengthening Canada's financial system. For instance, as part of Canada's economic action plan, we took action to better protect Canadians who use credit cards. We all agree that Canadians should not be forced to deal with hidden surprises on their credit card statements. That is why we took landmark action to force credit card providers to provide easily understandable information on credit card application forms and contracts and

timely advance notice of changes in rates and fees. We also limited credit business practices that do not benefit consumers.

Specifically, we required credit card issuers to provide consumers with a minimum 21 day interest-free grace period on all new purchases when consumers pay their balance in full by the due date. We also required a minimum 21 day grace period on all new purchases in a billing period, even if the consumer had an outstanding balance. We moved key information, such as interest rates, grace periods and fees, out of the fine print buried in credit applications and contracts and into a prominent summary box so that consumers signing applications know exactly what kind of financial arrangements they are agreeing to without needing a magnifying glass and a legal dictionary. These pro-consumer measures are ensuring that Canadians have a clear picture of what they are signing up for and fully understand their rights and responsibilities.

It is little wonder that our government's measures have been so warmly received by consumer and other public interest groups. For instance, Casey Cosgrove, director of the Social and Enterprise Development Innovations' Canadian Centre for Financial Literacy praised them saying:

Understanding interest rates, fees and increases to monthly payments are key challenges many Canadians face when managing their credit cards. The measures announced by the government today will contribute to financial literacy by bringing clearer and more transparent information to consumers.

Additionally, Bruce Cran, president of the Consumers' Association of Canada, applauded the measures and said that all of the things in there "are actually just what we asked for".

Laurie Campbell of Credit Canada also spoke highly of our actions. In particular, she highlighted the importance of the summary box I mentioned earlier. She stated:

The idea is that there will be a box somewhere on your statement, and it's going to show okay, this is how much you have outstanding, and this is your minimum payment on that amount outstanding... Any time we're trying to educate the public on how to manage their money better, on how to understand credit better, and how to minimize the amount of interest they're paying, it's a good thing. So this is a great step.

I am happy that our pro-consumer measures are in effect today. They provide Canadian consumers with precisely the kind of financial information that allows them to make the best choices to suit their needs. The reality is that there are more than 200 credit cards available on the market. While having so many choices ensures competition and varying interest rates, decisions about which card is best can be difficult without knowledge.

Government Orders

• (1715)

All consumers can only benefit by increasing their understanding of interest rates and the dangers of compound credit card interest. I am pleased to remind Canadians and members that important information on this very subject is available through the Financial Consumer Agency of Canada's website. The agency provides free comparison tables outlining the rates and features of numerous credit cards offered in Canada by a variety of issuers.

Our Conservative government has done more for small businesses and retailers who raised concerns about certain credit and debit card practices. Our Conservative government shared these concerns. One concern was the unpredictable costs associated with accepting credit and debit card payments, which prevented merchants from reasonably forecasting the monthly costs associated with accepting those payments.

That is why our Conservative government created the landmark code of conduct for the credit and debit card industry to better protect small businesses and retailers. Under the code, small businesses and retailers will be guaranteed clear information regarding fees and rates, as well as advance notice of any new fees and fee increases. They will be able to cancel contracts without penalty, should fees rise or new fees be introduced. There will be new tools to promote competition and the freedom to accept credit payments from a particular network without the obligation to accept debit payments and vice versa.

I am happy to report that small business has welcomed the measures laid out in the code of conduct.

Here is what the Canadian Federation of Independent Business had to say on the first anniversary of the code:

The Code's effectiveness has already been tested several times and CFIB is pleased to report that it has passed on every occasion. CFIB has used the Code to resolve issues on debit cards for e-commerce, disclosure of important merchant fee information, and exit penalties for fee changes in processing agreements. Merchants have new powers under the Code that have helped them achieve tangible results in their dealings with the industry. This simply wouldn't have happened without the Code.

Whether it is a question of saving for retirement, financing a new home or balancing the family cheque book, our government's commitment to improving the financial literacy of Canadians will do even more to ensure the integrity of our financial system. Canada has made the financial literacy of Canadians a priority. It has introduced legislation to create a financial literacy leader to improve financial literacy in Canada.

Bill S-5, the financial system review act, would build on the many pro-consumer measures we have introduced since 2006, including the three that I have already highlighted. The bill would more than double the maximum fine the Financial Consumer Agency of Canada could impose on financial institutions that violate a consumer provision, increasing it from \$200,000 to \$500,000. The bill would guarantee all Canadians, especially those who are most vulnerable, the right to cash any government cheque under \$1,500 free of charge at any bank in Canada.

Informed consumers are the very foundation of a solid financial system. Canada's economic success is ultimately the sum of the financial success of all Canadians. That is why I am proud to support

the financial system review act. It would further strengthen our Conservative government's commitment to this crucial objective.

• (1720)

Mr. Jamie Nicholls (Vaudreuil—Soulanges, NDP): Madam Speaker, if the bill is so important to the member's government, why was it tabled at the end of November and not in June when the Senate first sat?

As the hon. member for York South—Weston said, the government moved with quite alarming speed on other things, such as its crime bills and abolishing the gun registry bill, and yet the health of our financial sector and the health of our banks seemed to be on the back burner. It took the government until November. Why did it take until November for it to table this legislation in the Senate when it could have done it in June?

• (1725)

Mr. Dean Allison: Madam Speaker, the truth is that the government has had a lot of important legislation come before the House since we were elected. There are a number of priorities that we have been moving forward on.

We appreciate the fact that we have a very sound financial system here in Canada and Bill S-5 would continue to keep Canada's financial system strong and secure. We have a lot to be proud of as Canadians with a great banking system.

Mr. Mike Sullivan (York South—Weston, NDP): Madam Speaker, does the member opposite believe that this legislation goes far enough in preventing the possible calamities that went on in the more recent past with banks, including banks in Canada, investing in speculative and derivative ventures that lost an awful lot of money for Canadian banks? Does he believe it is necessary to include that in this legislation and, if not, why not?

Mr. Dean Allison: Madam Speaker, I think we all agree that Canada has probably one of the most stable financial systems in the world. The fact that we have a chance to review the financial system every five years is a good indication. If we look at what happened recently with the challenges around the world and their financial systems, how well Canada did is a testament to how strong Canada's financial system is as we continue to move forward.

Mr. Jamie Nicholls: Madam Speaker, a government report released under access to information and mentioned in the *Journal de Montréal* today says that our financial sector is vulnerable to organized crime. This is a government report. The journalist who got the report had to make an access to information claim.

Therefore, how would this bill answer the very serious questions of the involvement of organized crime in the financial sector? Are there any provisions in the bill for protecting ordinary Canadians from the activities of organized crime within the financial sector?

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Mr. Dean Allison: Madam Speaker, the financial system review act, or Bill S-5, would continue to ensure that our financial system continues to be secure for Canadians and is a fundamental strength for our economy. If we look at some of the things the bill includes, it includes measures to update financial institutions legislation, to promote financial stability and to ensure Canada's financial institutions continue to operate in a competitive, efficient and stable environment.

The bill would also fine-tune the consumer protection framework, including enhancing the supervisory powers of the Financial Consumer Agency of Canada. The bill would also include measures to improve efficiency by reducing the administrative burden on financial institutions and by adding regular flexibility. These are just some of the things that the bill includes.

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, it is good to have you here as we enthusiastically finish this part of the House of Commons day. This is an interesting debate that we have had with regard to the banks.

The first thing we want to note is that the bill is not thorough enough in its current form. We will support it to get it to committee but we will be looking for amendments. A lot of things are missing in this, such as an opportunity to address some of the unfairness that is happening in the Canadian financial institutions. I think that is important to recognize because it is actually affecting how we compete as a country. It is not just the individual elements related to user fees, ATM fees, credit rates and all those different things. It is also about how the use of capital is not being spread across this country, and where the priorities of the government are.

I would note that this industry getting this attention right now is rather interesting, coming late in the day, given the amount of profits and excess bonus fees that have gone to CEOs and the institutions, as well as the record tax cuts they have had. It is quite significant because it affects other parts of the Canadian economy. We lose money through our coffers.

This also gives an indication of where the priorities of the government are. It clearly has been to give the banks the upper hand, not only at the consumer level but also an economic advantage versus other industries that are suffering.

I would point out that we have not seen an action plan, for example, in the manufacturing sector. One of the things that is really critical to note is that in 2005, when the government came to power, we had a \$16 billion trade deficit when it came to exporting and importing manufactured goods. So, a \$16 billion deficit already behind, and now it has climbed to \$80 billion. It is because of a number of successive trade deals that have taken place that have cost Canadian manufacturing, and we have not addressed many of the significant issues.

It is unfortunate because, as we were seeing the record tax cuts happening, we were witnessing hundreds of thousands of Canadian jobs being lost across Ontario and Quebec, whether it be in the forestry sector, the auto industry or the textile industry. We saw those industries, which were not profitable because of the downturn that took place and the lack of government policies, actually subsidizing the profits in the corporate tax cuts going to banks and other institutions.

As the corporate tax cut rate was being lowered and lowered, if companies were not making a profit it did not matter. While they were witnessing their opportunities diminish, the banks were getting benefits.

It is interesting that the oil companies and the banks in particular would get corporate tax cut reductions. The way it works in the United States is that it taxes on worldwide corporate profits. Therefore, our tax dollars out of Ottawa that were going to these profitable institutions that were making record profits were actually being taxed in Washington. It was getting our money. We were basically sending cheques from Ottawa to Washington. That is a strange economic way to improve a country. It is a strange way to actually benefit, even when we had the challenge in the United States with buy America.

We need to wonder what the Americans think about us over here, as we are actually handing them cash and, in the meantime, they are telling us that we cannot be involved in the buy America plan despite signing the NAFTA.

I would remind members of something that is very important. In a previous debate in this House, a member actually thought that the auto pact was in existence right now and that it came about because of the NAFTA. No. After we signed the NAFTA, one of the repercussions was that Japan took us to the WTO and the WTO ruled against Canada. We lost the auto pact. We lost all those jobs. We went from number two in the world in automotive manufacturing to number eight now, which is unfortunate. Those are value-added jobs.

When we see what is happening here in this sector, we need to wonder why we did not get certain things into the actual study. Part of it is that there was very little consultation. We note that there were only 30 submissions and 27 respondents with regard to this issue because it was not really promoted. If it does not get out there, people do not notice it.

That was the same type of approach we saw when the government did the deal with regard to the Canada and U.S. enhancement of the border perimeter security stuff that was recently announced. It was thrown up on a web site but there was no dialogue with the people presenting evidence and no expanding of the discussion.

● (1730)

It is the same problem we have had from this initial response. Hopefully, we will see that at committee because that is very important. It all depends upon the committee as whether there will be fairness with regard to witnesses, whether they will be heard and whether it will be done out of camera.

For those who follow the things that are happening on Parliament Hill, again today many committees met in camera, which means in secrecy, in private. Only the members who were at that meeting or another subsequent member sworn in later can go back and listen to that testimony again and get that testimony. Everything that is discussed in camera, unfortunately, never becomes part of the public record. We hope there will not be people in camera as witnesses, which would be unfortunate. However, I do not think it will go that far. We would like to see enough witnesses to ensure we will have proper hearings and a proper analysis.

Government Orders

One of the things I want to touch on is a consumer aspect because I have done a lot of work in the past on consumer issues. It is a good example of what we have addressed with regard to the changing world and our banking industry and financial institutions and privacy. In the United States, the patriot act was enacted and it is structured in such a way that when it goes to a company and asks for information about a person who has done business with that company, the company must provide that information to the U.S. government services and law enforcement. That information is used for whatever purposes. People do not have any ability to know that is happening because it is against the law for that company to disclose it.

Why is that important here today? Many of our financial institutions have data assembled in the United States. Therefore, because they are assembled in the United States, like my CIBC Visa, my Visa is now vulnerable to the patriot act without my knowledge and CIBC does not even know. It is used for whatever purposes. That is a good example of why we need an international treaty on the use of information. I do not think it is fair for Canadians to have their documents spied upon by Americans without a warrant. The way the PIPEDA works in Canada is that a warrant is needed to get that information. There is a check and balance through our justice system here. They can go after the cases where they think there are significant issues to look at but at the same time there is e the balance in review so tat people are not just having fishing expeditions done on them.

Why is that important? We have seen cases in the past, such as the Maher Arar case. He was deported but we did not know what information was assembled about Maher Arar. Some of it could have been his financial records or information. However, we had a lead government agency in the United States and a lead government agency in Canada conspire against a Canadian citizen and send him to a known torture state. We do not know, because of the patriot act, how all that took place and what information, if there was, was actually used. I believe we need an international treaty with the United States on how to share and disclose information because it has never been addressed. That took place in 2004. Our Privacy Commissioner has raised it, as have a number of different other people. It is important to recognize that.

Another important issue is the credit card fees. With regard to the honorary system we have now, it is simply outlandish. We cannot have this proprietary notion and predatory rates on credit cards, especially some of those that are the third party lenders. It is very significant. Some of them are at 25% to 27% and that is just wrong and should not happen. Some of the user fees, whether it be ATM or credit cards, all those are affecting our economy because the banks have not been re-investing that capital back into Canada to the degree where that money, if we stretch somebody's budget, would pay the rent, buy some clothes or send our kids to school, and would expand our purchasing power. We could do so on a more even basis if we were to look at those things because there is an economic opportunity for all of us.

•(1735)

Mr. Mike Sullivan (York South—Weston, NDP): Mr. Speaker, this failure of the government to deal with credit cards and other bank fees touches more than just consumers. I would like my friend

to comment on how this would impact small businesses in this country as they deal with banks. I am aware of one small business owner in my riding who was just advised that the banking fees for a small business with a bank, because there is nowhere else to turn as they cannot just go someplace else to get this done, would go up by 68% in one day. How does that impact a small business' ability to stay healthy in this country?

Mr. Brian Masse: Mr. Speaker, we have seen this in my community, in particular, in the auto industry, where they were denying loans. A lot of these companies were paying such high interest rates that they were not profiting, costing good Canadian jobs that were competing.

I did not say it in my speech, but it is important to recognize the history. The Liberal government and John Manley attempted to Americanize our banks. The Liberals said that they had to come together to compete in the global atmosphere to ensure we could compete in America and move some of necessary services and lending systems. The NDP stopped that. A small group of us at that time pushed back and stopped that from happening.

Therefore, when the banks talk about how great they are and what a great system they have for Canada, it is absolutely wrong. It is not true. They were forced to do that. In addition, lending practices still have not been fixed for small businesses, at all.

•(1740)

Mr. Jamie Nicholls (Vaudreuil—Soulanges, NDP): Mr. Speaker, although the legislation touches upon measures to stop tax evasion, we have said that perhaps we do not have enough time to explore the idea that maybe penalties for tax evaders should be enforced in a greater way or in a more severe way to recoup the money that Canada's economy loses every year because of tax evasion.

Would my hon. colleague address the issue of tax evasion in the legislation?

Mr. Brian Masse: Mr. Speaker, tax evasion costs the Canadian economy. It costs us our ability to compete. It is simply nonsense.

We are moving toward more agreements that include tax evaders as part of our international treaties, for example, Panama. We are looking at doing free trade with Panama. Even President Sarkozy was very clear at slapping down Panama recently in terms of it being a tax haven.

Some new information is coming out about tax havens in a book entitled *Treasure Island*. It is unfortunate. What ends up happening is that if tax cheats are allowed, it costs ordinary citizens because we have to make up the difference.

Private Members' Business

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Mr. Speaker, I appreciate the comments offered by my colleague from Windsor West. He was not far off in regard to the merger being supported by some members of the government at the time. John Manley was a big advocate. However, to say the NDP stopped the merger, it is a little far off. The NDP had 19 members in the chamber at the time and the Liberals had 161.

Could the member reach back into the NDP playbook to find out what those 19 members did to stop the mergers and perhaps get some advice from them as to how we can stop the government proceeding with things like time allocation?

Mr. Brian Masse: Mr. Speaker, we all know that the NDP punches above its weight. It is as simple as that.

Mr. Brad Butt (Mississauga—Streetsville, CPC): Mr. Speaker, I want thank all the hon. members for the debate today. I think members have endeavoured to bring some ideas to the floor today. After the bill passes second reading, we will go to committee and we will continue to have more discussion about how we can continue to ensure Canada's sound financial system, which is a model for countries around the world. We are praised by countries around the world for our strong banking and economic and financial system. That needs to continue and get stronger. The financial system review act would ensure our financial system continues to be secure for Canadians and a fundamental strength for our economy.

Let us just quickly remind ourselves what is in the bill.

The bill includes measures to update financial institutions' legislation to promote financial stability and ensure Canada's financial institutions continue to operate in a competitive, efficient and stable environment. It proposes to fine-tune the consumer protection framework, including enhancing the supervisory powers of the Financial Consumer Agency of Canada, and improve efficiency by reducing the administrative burden on financial institutions and adding regulatory flexibility.

This is a good bill. It needs to go to committee and it needs to come back. We need to get on with the statutory review, as required under the law, and continue Canada's strong financial services sector.

• (1745)

The Acting Speaker (Mr. Bruce Stanton): It being 5:45 p.m., pursuant to an order made earlier today, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the second reading stage of the bill now before the House.

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

Some hon. members: Agreed.

The Acting Speaker (Mr. Bruce Stanton): Accordingly the bill stands referred to the Standing Committee on Finance.

(Motion agreed to, bill read the second time and referred to a committee)

The Acting Speaker (Mr. Bruce Stanton): The House will now proceed to the consideration of private members' business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

[English]

CANADIAN HUMAN RIGHTS ACT

The House resumed from November 22, 2011, consideration of the motion that Bill C-304, An Act to amend the Canadian Human Rights Act (protecting freedom), be read the second time and referred to a committee.

The Acting Speaker (Mr. Bruce Stanton): When the House last took up this question, there were five minutes remaining for the hon. member for Edmonton—St. Albert.

The hon. member for Edmonton—St. Albert.

Mr. Brent Rathgeber (Edmonton—St. Albert, CPC): Mr. Speaker, it is indeed an honour and a pleasure for me to continue my comments with respect to Bill C-304, an act to amend the section 13 of the Human Rights Code.

I will briefly sum up some of my observations. The last time I spoke, I commented on the importance of freedom of speech and how freedom of speech was one of the fundamental concepts that we enjoyed in western democracies such as Canada. However, some of the members opposite talked about the limits of freedom of speech, which I acknowledge they are there and they are important. The torts of slander and libel, criminal prosecution for perjury and the hate provisions of sections 318 to 320 of the Criminal Code I believe adequately form a check and balance on free speech that crosses the line, especially 318 and 320, which talk about hate speech.

What section 13 of the Human Rights Code purported to do was create a counterfeit right against hurt feelings. The sponsor of the bill has talked at some length about that not being a true right.

We need to be concerned as legislators of mechanisms that are designed to protect liberty which actually themselves become a threat to liberty. In my view, that is what we have with respect to section 13, which was intended to protect against hate speech on telephonic and electronically communicated messages. By that, we are really talking about the Internet in the modern age, which in and of itself has become a threat to free speech.

Ironically, there are media reports today of a situation in Saudi Arabia where a 23-year-old blogger has been sentenced to death for comments he blogged, partially on Twitter and in a blog, where he fancifully described an imaginary relationship that he had with the Mohammed. He described Mohammed more as a friend to him than as a deity. That offended the clerics in Saudi Arabia and this individual, for expressing those thoughts through his blog, has been sentenced to death.

Thankfully, the sanctions under section 13 of the Human Rights Code are much less tragic and severe than that which are imposed by the clerics in Saudi Arabia, but by analogy, members should be concerned that speech which some might find offensive is sanctionable. It is very much a difference of degree, not a difference of kind.

This place, Parliament, where we have unfettered free speech and cannot be subject to prosecution, has to deal with difficult issues from time to time. In fact, the last time the bill was before the House, almost at the exact same time there was a court case in British Columbia, where the Criminal Code sanctions against polygamy were under assault by an individual who had been charged with them.

The court in that case upheld the Criminal Code provisions banning polygamy in Canada, and in my view rightfully so, but it might have gone differently. The point is this chamber has to, from time to time, deal with contentious issues, issues that people believe strongly and they believe so because of their religion. Polygamy is an issue that some people subscribe to because of their faith.

If we are to have a fulsome debate on the definition of marriage, like this chamber had approximately eight years ago, it is impossible to do so without perhaps offending people and their religious values.

We have protection in this place, but what about the outside world? As we all know, the Internet and the social media have become the fluent marketplace of ideas, where people talk and comment and everyone who has a blog suddenly becomes an amateur journalist and an editorialist.

Almost all members of Parliament participate in these social media forms. I am on Twitter and Facebook, and I think most members are. These social media mechanisms have become important as we exchange ideas and engage public opinion to things that we are debating in the House.

It is hypocritical for members of the House not to support the bill. Section 13 prevents bloggers and people on the Internet from engaging in free speech as they could face prosecution simply because they offend somebody else's deeply held personal beliefs, such as freedom of religion.

● (1750)

I will close with a quote from one of my favourite prime ministers, the 13th prime minister of Canada, John Diefenbaker. When he introduced the Bill of Rights, he said:

I am a Canadian, free to speak without fear, free to worship in my own way, free to stand for what I think right, free to oppose what I believe wrong, or free to choose those who shall govern my country. This heritage of freedom I pledge to uphold to myself and all mankind.

A Canadian free to speak without fear; that freedom ought to be extended to people who communicate via the Internet.

I encourage all members to support Bill C-304 and repeal section 13 of the Canadian Human Rights Act.

Ms. Mylène Freeman (Argenteuil—Papineau—Mirabel, NDP): Mr. Speaker, the bill before us today unfortunately threatens the preservation of our flourishing pluralistic society. I say this because we can only truly have freedom when every individual of every community is able to participate in the public sphere without fear of confronting violence. This is the purpose of section 13 of the Canadian Human Rights Act. It does not impose unreasonable limits on the freedom of expression. Rather, it is a balance of each individual's freedom to live in society without fear.

Private Members' Business

Hate speech insidiously reinforces prejudices. It is a practice of inequality that is inconsistent with freedom. That is, it inhibits individuals from reaching their own full potential, and therefore, I argue, inhibits our society from reaching its potential.

Disseminating messages of hate via telecommunications technology is dehumanizing. It reinforces prejudice, encourages hate, and may even prompt or be perceived to justify physical violence. Not just that, but messages of hate are themselves a sort of violence, a communication of widespread violence that causes harm to us all by dividing us through the act of dehumanizing others.

This is why it is necessary that we maintain section 13 of the Canadian Human Rights Act. The commission deals with hatred, not with criminal acts of violence, and gives society's most vulnerable minority groups access to a mechanism of defending their rights as equal human beings.

Religious minorities, women, queer folk, visible minorities, persons with disabilities, recent immigrants, they are the ones who are most often targeted by the dissemination of hate, and are often the people who suffer from multiple forms of systemic inequality, including poverty and exclusion from the legal justice system. They may lack the financial and legal supports to persist in a legal case, and in the meantime, without section 13, their victimization would be allowed to continue unhindered.

This is why we have the Canadian Human Rights Act. It provides precipitous protection from dangerous violations of human rights abuses. It would not exist if those who needed protection were already being effectively protected.

Section 13 protects against images, words and opinions of hate, which is to say racism, targeted discrimination, homophobia, and grotesque and misleading imagery or information. This is a kind of violence and we need to be able to say as a society that we cannot accept this.

There needs to be a balance struck between the principles of free speech and protection from hate speech and propaganda. This is why we have a tribunal to inquire into reported incidents.

The law is specifically structured to account for the moral grey zone that can occur in cases of hate. When weighing the rights and freedoms of one person or group against another's, there must be room for variance and for each case to be adjudicated in its specificity. The Canadian Human Rights Act, including section 13, is a vehicle for exactly that process. If we allowed it to be disabled by Bill C-304, in cases where violence is being perpetrated victims would be unable to protect themselves using the Canadian Human Rights Tribunal.

Freedom of speech is not an unlimited freedom. The pursuit of liberty understood as self-realization requires the balancing and limiting of other freedoms, in this case, that of speech.

This debate is about the balance of freedoms and duties that we have as citizens. Section 13 of the Canadian Human Rights Act represents a duty that we have to other citizens to not limit their freedoms. That is, it allows for people to not be discriminated against and therefore to realize their own purposes.

Private Members' Business

This is a form of liberty, and it is precisely the act of balancing this liberty with the freedom of speech that gives us the opportunity to live as a truly free and pluralistic society.

Yes, the Constitution protects freedom of expression, but it also protects the safety and liberty for all. Hate groups terrorize, threaten, stifle public participation and target the most vulnerable members of society.

I urge members of the House to consider the needs and rights of their constituents who are targeted by hate crimes before voting in favour of this legislation.

• (1755)

Hon. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, I am pleased to speak to Bill C-304 and offer my thoughts on why I oppose the repeal of section 13 of the Canadian Human Rights Act, an opposition rooted in the collective responsibility of parliamentarians to eliminate hate speech in Canada. This responsibility does not begin and end with the prosecution of criminal cases of hate propaganda and incitement to genocide, as the member for Westlock—St. Paul and the Minister of Justice have suggested. The promotion of equality and minority rights obligates us to also ensure that an appropriate civil remedy exists for cases of hate speech that do not meet the criminal definition.

[*Translation*]

I am not suggesting that section 13 is perfect. Indeed, that section is problematic.

The main point I would like to make here today is that the principle behind maintaining section 13 deserves the support of all members. However, instead of repealing section 13, we should make the necessary changes to the Canadian Human Rights Commission, as that organization and the Canadian Bar Association have suggested.

We should be seriously asking ourselves why the Conservative government refuses to make the proposed changes and prefers instead to repeal section 13. I would also like to add that this debate is premature anyway, since the matter is still before the courts.

[*English*]

That is not to say that section 13 as currently written is without problems; it is not indeed. However, the central point I would like to make today is that the principle behind retaining section 13 is worthy of the support of members, and that rather than voting to repeal section 13, we should be making the necessary changes to the Canadian Human Rights Act, as suggested by various groups, including the Canadian Bar Association and the Canadian Human Rights Commission itself.

The summary of Bill C-304 explains:

This enactment amends the Canadian Human Rights Act by deleting sections 13 and 54 to ensure there is no infringement on freedom of expression guaranteed by the Canadian Charter of Rights and Freedoms.

I note there is nothing in the bill about the promotion of equality and minority rights.

In its written submission to the Standing Committee on Justice and Human Rights in January 2010, the Canadian Bar Association,

CBA, explained the vital role that human rights commissions play in eliminating discrimination based on race, religion, gender, disability, sexual orientation, and other groups, and in advancing equality. The brief remarked:

Leading media outlets in this country have advocated the abolition of section 13 with no acknowledgement of the value the provision brings to enhancing civic discourse in Canadian society.

Of greater concern to the CBA is the fact that the debate surrounding the expediency of section 13 has become the proxy for an open assault on the very existence of an administrative framework to protect human rights in the country. Critics have decried human rights proceedings as “kangaroo courts” which provide only “drive through justice” and advocated that human rights tribunals and commissions should no longer be permitted to operate. We reject attacks of this kind and reiterate forcefully our support for the continued importance of the work undertaken by these human rights bodies to foster human rights in Canada.

When the member for Westlock—St. Paul spoke to this bill on November 22, 2011, he argued:

Freedom of speech is the bedrock upon which all other freedoms are built and, therefore, is too precious to leave under the thumb of censorship imposed by this system. Without freedom of speech, what good are our other freedoms, we may ask.

This argument, however, ignores the fact that there is no hierarchy of rights, as Barbara Hall, the chief commissioner of the Ontario Human Rights Commission, has said.

For its part, the CBA has explained that freedom of expression in Canada is not an absolute value and that the CBA endorses the view that a properly drawn civil prohibition against the propagation of hate speech is also a reasonable limitation on freedom of expression.

Put another way by my colleague, the member for Mount Royal, all free and democratic societies, including the United States, have recognized certain limitations on freedom of expression in the interest of protecting certain fundamental human values.

As members consider Bill C-304, they should remember three points.

First, as I have established, freedom of expression exists within the context of limitations. The charter itself in section 1 allows for limits on rights.

Second, the Supreme Court of Canada has already ruled on the constitutionality of section 13 in its 1990 decision in the Taylor case, in which the court concluded:

[Section] 13(1) is a justifiable limit on freedom of expression within the meaning of s. 1 of the Charter. Hate propaganda undermines the dignity and self-worth of minority racial and religious groups and erodes the tolerance and open-mindedness which are essential in a multicultural society. The purpose of s. 13(1) is to promote equality and to prevent the harm which hate propaganda causes to targeted groups. This is a pressing and substantial concern. It is of heightened importance because it is supported by other sections of the Charter, namely ss. 15 and 27, and by international human rights instruments to which Canada is signatory.

Third, while the Minister of Justice has argued that section 13 is not an appropriate or effective means for combatting hate propaganda and that the Criminal Code is the best vehicle to prosecute these crimes, the Criminal Code sections on hate speech and section 13 are intended to be complementary and serve different purposes.

Here is how the CBA explains it:

The criminal prohibition in section 319 of the Criminal Code sets an extremely onerous standard. This is appropriate since a criminal conviction for hate speech, like any other criminal offence, carries with it social stigma and a criminal record. Section 13 is for a different purpose (providing remedies to target groups for harm, fostering greater respect for target groups, and changing behaviour), and also applies to conduct that falls short of criminal behaviour but nevertheless poses harm to vulnerable groups.

● (1800)

The CBA concludes:

Given the importance of freedom of expression, it is appropriate that there be a range of options for society to respond to expression that causes harm. Criminal sanctions should be reserved for the worst cases, rather than the only option.

For these three reasons, I believe that a civil remedy for hate speech must continue to exist within human rights legislation. However, as I mentioned at the outset of my remarks, there are indeed legitimate concerns about section 13 as currently written. While there is not sufficient time to explain each one, I feel it is important to list the various amendments to the Canadian Human Rights Act that have been suggested.

As my colleague from Mount Royal has suggested, the CHRA could be amended to include a built-in filtering mechanism through the requirement of the consent of the Attorney General of Canada for launching any prosecution, as currently exists in the Criminal Code, to ensure that only the most serious cases go forward.

As the CBA suggests, complaints should only be made in one jurisdiction at a time instead of the current practice of simultaneous federal and provincial complaints.

Moreover, as the CHRC has suggested to Parliament, we could add a statutory definition of hatred and contempt in accordance with the definitions offered by the Supreme Court in the Taylor case, as well as a provision to allow for the early dismissal of a section 13 complaint that does not meet this definition.

An additional amendment could also allow for the costs to be awarded in cases of abuse of process. The right to face one's accuser could also be added to act. Finally, the current provision that allows the Canadian Human Rights Tribunal to assess penalties should be removed in order to retain the remedial, and not punitive, nature of human rights law.

I urge the members to chose this path and ask the government to amend section 13 rather than repeal it.

Last month, an intern in my office from Toulouse, France, Olivia-Kelly Lonkeu, gave a presentation on Bill C-304. In her remarks, she said the freedom of speech did not give the right to vilify and had to be used wisely without undermining Canadian values of equality, tolerance and fairness. To be free meant to be respected as well as to respect others, and in that sense one's freedom should not harm the freedom of another citizen. Simply put, one's personal freedom ends where another's begins.

I could not agree more.

● (1805)

[Translation]

Hon. Maxime Bernier (Minister of State (Small Business and Tourism), CPC): Mr. Speaker, I am very pleased to rise here today to support Bill C-304, introduced by my hon. colleague from

Private Members' Business

Westlock—St. Paul. I would like to congratulate him on this bill. This member is standing up for our freedoms, particularly freedom of opinion and freedom of expression.

I can say that my political career has been somewhat tumultuous, but my goal has always been to defend individual freedom and responsibility. I am proud to be from Beauce, a region that promotes these values, which form the foundation of western society. Today we are speaking about individual freedom, and I am pleased to support this bill.

Freedom of expression is the essential foundation of a free and democratic society. We cannot reject this freedom of expression simply because we do not like what someone is saying about us or about society. We judge a society by its constitution and by its laws. I am proud to be Canadian. I am proud of the Canadian Constitution. In my political activities, I always try to act in a way that respects our Constitution.

We also have a charter, the Canadian Charter of Rights and Freedoms. Paragraph 2(b) of the Canadian Charter of Rights and Freedoms defends and promotes freedom of opinion and freedom of expression. We need to listen to Canadians. Canadians care about respecting freedom of opinion and freedom of expression. If someone stands up and says something that I do not agree with, the most important thing for me, as a politician, is to be able to have a critical, open and honest debate and to inform the public. In our society, some people engage in hate speech and say discriminatory things about certain groups. Section 319 of the Criminal Code prohibits hate propaganda. The Criminal Code is the best tool for this. Section 13 of the Canadian Human Rights Act will not achieve this.

I just heard the opposition member say that the Supreme Court, the highest court in the land, had declared that section unconstitutional and had said that it would like to see changes to section 13. We would like to repeal it, because we know that the Criminal Code contains a provision, section 319, that will reassure Canadians when it comes to hate propaganda against particular groups.

Section 13 is too subjective. It does not give Canadians a general or a specific idea of what they should or should not say. The civil and criminal courts should determine that.

We have a provision that assures Canadians that hate propaganda will always be dealt with as it should be, under the Criminal Code.

Why repeal section 13? It is not a matter of criminal law. In the case of hate speech, you must prove that there was the intent to harm a group, the intent to incite violence, the intent to disturb the peace, and the intent to incite commission of a crime. Inciting violence against a group is a crime. Under section 13, the intent of the individual engaging in hate speech is not considered. For that reason, as a free and democratic society, we must repeal this section, which has been challenged in the courts on a number of occasions. Several cases have been cited in these debates. It is time to abolish this section, and it is our role, as legislators, to introduce legislation that promotes freedom of expression and to ensure that the courts have the tools to fight groups or individuals that communicate hate towards other groups.

Private Members' Business

●(1810)

Under the Criminal Code, it is an offence to incite hatred by communicating statements in any public place against an identifiable group where such incitement is likely to lead to a breach of the peace. It is also an offence to wilfully promote hatred against any identifiable group, other than in private conversation. That is why I feel very comfortable supporting my colleague's bill to repeal section 13 and to depend solely on the Criminal Code.

This is an important day for freedom of expression, and I hope that many of our colleagues opposite will share this point of view. We must promote freedom of expression, and it is possible to do so by repealing section 13. I am convinced that perpetrators of hate crime in Canada will be brought to justice under the Criminal Code.

A number of complaints have been filed under section 13 in an attempt to restrict freedom of expression. With the passage of this bill, we will be able to reassure Quebeckers and Canadians that their freedom of expression will remain protected. No one will be able to use section 13 to restrict their freedom of expression.

We must also reassure Canadians that hate speech against other groups will still be dealt with under the Criminal Code.

It is important to promote freedom of expression. That is an important part of the Canadian Charter of Rights and Freedoms. I have a very hard time understanding why some of the opposition members do not support this bill. This bill is critical to a democratic society, and our society depends on freedom of expression. We have to express ourselves here every day. We can express different points of view in the House. The opposition certainly shares different points of view on its vision for this country. We have useful debates, debates that Canadians need to be able to have in public without a sword of Damocles hanging over their heads. They should not fear being the subject of a commission inquiry because they have said things that some consider hateful but that are not hateful under the Criminal Code.

Today and in the days to come, by voting in favour of this bill, we will show Canadians that freedom of expression is important to us and that we will continue to protect it. As a politician who believes in individual freedom and responsibility, I certainly support my colleague's work and congratulate him on it. He is standing up for his constituents and defending values and principles underlying Canadian society. I am very proud to support his bill, as are the other members of my party. Today is a great day, and I hope that this bill will come into force as quickly as possible.

●(1815)

[English]

Mr. Joe Comartin (Windsor—Tecumseh, NDP): Mr. Speaker, I look forward to speaking on Bill C-304. I have a great deal of experience with this in a number of ways, both here as a parliamentarian and at one period of time in my professional career as a lawyer.

In its simplicity, although Bill C-304 has other sections in it, it is really about the repeal of section 13 of the Canadian Human Rights Act. Members have heard this from a number of speeches so far. Clearly on the part of the mover, and I would say generally by the Conservative Party, it is an attempt to appease some of their right-

wing ideologues, in the media in particular. It is also in keeping with their right-wing ideology of a society that has no government intervention.

For those of us who support section 13 of the Canadian Human Rights Act, it is about recognizing the nature of what Canada is, what it always has been. At its best, section 13 is what Canada is really about.

We hear demeaning comments from the right wing in this debate that it is really about minor sensitivities that are being offended. However, that is not what section 13 is about. It is about giving the Canadian Human Rights Commission the right to regulate and impose sanctions against people who are prepared to make statements in public, and the big debate more recently has been around telecommunications, statements that are on, and I quote from section 13(1):

...any matter that is likely to expose a person or persons to hatred or contempt by reason of the fact that that person or those persons are identifiable on the basis of a prohibited ground of discrimination.

It is talking about statements in writing, over the Internet and electronically communicated that will identify groups and draw hatred and contempt to those groups. That is what section 13 is about. It is about prohibiting that type of behaviour.

We hear from the Conservative side that we can deal with this by the hate propaganda sections of the Criminal Code, specifically section 318. I know that section very well. To my knowledge, there has only been six cases that were ever prosecuted under that section. I successfully defended one of the charges.

I have to say that it is relatively easy to use section 318 in defence of all sorts of heinous types of conduct. However, depending on that section to protect vulnerable groups who are the subject of contempt and hatred is like using the mace to tap in a small nail. It is a gross overreach.

Section 318 came into effect sometime in the late 1960s or early 1970s. It has been in existence for over 40 years now, but has only been used six times, and the penalties are quite severe. It requires that every case be approved by the attorney general of the province to allow it to be used.

In defence of section 13, it is a mechanism to help protect vulnerable groups in our society. I think of members of the Jewish community who have historically been a target for anti-Semitic attacks. More recently, members of the Islamic community has been subject to attacks because of their faith. I think of members of Afro-Canadian communities who have a lengthy history of being attacked because of the colour of their skin or continent that they come from. We can go down the list.

●(1820)

There are problems with the Canadian Human Rights Act, but they can be fixed. Amendments could be brought forward that would reform it. We need to develop the jurisprudence around this section. We have not done that very well up to this point, I will admit, but that can be remedied.

Private Members' Business

We need two levels. We need the Criminal Code for the more severe types of hate propaganda and so section 318 should remain. It is working for the purpose for which it was designed. However, it is not designed to deal with this type of hatred or contempt brought against identifiable groups. Section 13 of the Canadian Human Rights Act is to be used for that purpose. We should be supporting it, maybe with some reform.

We need two tiers in order to have a free society for individuals who are regularly targeted by anti-Semitic or anti-Islamic people. We can include homophobia as well. There are a number of areas where the language used draws hatred and contempt to an identifiable group. Canadians as a society are saying no, that it not the kind of society we want. We want an organization or tribunal to be able to express our contempt for those who are prepared to do that, put a stop to the use of that kind of material and impose some type of penalty to express the revulsion that society feels for people who are prepared to use discriminatory, hateful language against other identifiable groups in our society. We need both tiers.

I am sorry, Mr. Speaker, I am finding it very distracting.

The Acting Speaker (Mr. Bruce Stanton): I agree with the hon. member. There are many conversations going on. I am sure there are a number of members who would like to hear what the hon. member for Windsor—Tecumseh is saying. I would ask for indulgence. If members wish to have conversations, they could perhaps use the exterior lobbies.

The hon. member for Windsor—Tecumseh.

Mr. Joe Comartin: Mr. Speaker, we need these two tiers. I am absolutely convinced of that. The Criminal Code, our criminal justice system, is, like the mace, too harsh a tool to be used in the vast majority of cases.

I want to address some of the problems with section 13. This section has been in the act since 1977. It is not a new section. It has been amended on a couple of occasions. It really became a problem with the advent of the Internet, the amount of hate literature that was on the Internet and the attempt by the Canadian Human Rights Commission to intervene and try to shut some of that down, if not all of it. Society, as a whole, needs to tell the bigots and hate-mongers they cannot do it and we have a mechanism we are going to use to shut them down. This is not about a debate over free speech. This type of speech, like slander, defamation and libel, we have recognized historically people cannot do.

I want to make one other argument in terms of addressing what we are hearing from the government side. Conservatives say this is a major interference with freedom of speech. That was the same type of argument that I heard repeatedly throughout the 1960s and 1970s as society moved to prevent discrimination in hiring and residences. I could go down the list. We heard usually from right-wing people that they had a right to discriminate, that they did not want someone whose skin was a different colour living next door to them. We heard that they had a right to do that, that they did not have to employ people because of the colour of their skin. We have said that is not acceptable in our society. Now, if we keep section 13, we are saying the same thing about that kind of language being used against those identifiable groups.

● (1825)

Mr. Rick Dykstra (Parliamentary Secretary to the Minister of Citizenship and Immigration, CPC): Mr. Speaker, I have waited all day for the opportunity to speak to this bill. I am certainly honoured to speak to Bill C-304, put forward by the member for Westlock—St. Paul. I recall, as will the member for Windsor—Tecumseh, back in the 39th Parliament, when he and I both served on the justice committee, I had moved a motion to have the committee do a complete and fulsome review of section 13 of the Canadian Human Rights Act for the very reason we are speaking about today, to repeal that portion of the act.

When I was appointed as parliamentary secretary, I was no longer able to sit on the justice committee. Obviously, as the Parliamentary Secretary to the Minister of Citizenship and Immigration, I had new responsibilities.

I certainly want to congratulate the member for Westlock—St. Paul. Upon being named to the justice committee in the 40th Parliament, he immediately picked up the issue, pursued it and moved forward with it. After three years of doing a lot of work on the issue he has introduced his private member's bill. I commend him for his efforts in pushing forward on this very important legislation as a private member. We all know how few private members' bills actually move forward and receive royal assent and are enacted. It is a special opportunity that he has. He has done a tremendous job to get his bill this far.

I also want to speak to the point the member for Windsor—Tecumseh made. He spoke about having two tiers when it came to freedom of speech, that there somehow needs to be two tiers in terms of deciding what is or is not hate speech. I find that phrase to be extremely ironic when it is the belief of both the member and his party that there should not be a two-tier health care system, that there only needs to be one tier, that being the health care system we now have in this country which all of us believe in. However, when it comes to freedom of speech, two tiers is not only something he spoke about but something he thinks needs to exist. I think it is a dichotomy. I would hope the member for Windsor—Tecumseh would think a bit about the statement he made this afternoon in terms of, in one case two tiers not being okay yet being acceptable in another case. Either it is or it is not. He cannot have it both ways.

The Canadian Human Rights Act is intended to prevent and resolve cases of discrimination. It is not criminal law. Yet section 13 has subjected many Canadians to a quasi-judicial process for making statements that are not hate speech. Section 13 is simply not an appropriate or effective means for combatting hate propaganda. The Criminal Code is the best vehicle to do so. Intentional wrongdoing is within the scope of criminal law and there are already hate propaganda offences within our Criminal Code. It is an offence to incite hatred by communicating statements in any public place against any identifiable group where such incitement is likely to lead to a breach of the peace.

Private Members' Business

It is also an offence to wilfully promote hatred by communicating statements, other than in private conversation, against any identifiable group. These are criminal offences. They are committed only if the speaker acts with criminal intent. Because they are criminal offences, they carry the full procedural protections of the criminal law, the due process that section 13 simply lacks.

• (1830)

Under similar provincial legislation, John Fulton, a business owner in my riding of St. Catharines, was accused of discrimination. The charges were eventually dropped against him but John was left with legal bills of roughly \$150,000 and he did not have the chance to defend himself. He was never given that opportunity. In fact, the Ontario Human Rights Tribunal then said that he had no right to compensation for legal expenses, even though the charges and allegations were completely and utterly dismissed.

Section 13 puts too much onus on defendants. Defendants are not always permitted to face their accusers. Normal standards for the validity of evidence do not apply. The government funds the plaintiff but the defendant is left to himself or herself. Most disturbingly, the absolute truth is not an acceptable defence. With all of these advantages, people have been able to plainly and simply take advantage of this part of the act. Who and what is censored by section 13 depends on who has the time and resources needed to pursue a section 13 complaint.

If the point of a section 13 complaint is only to pursue the speaker, then this should be done in a more formal system with better procedural safeguards. I am standing in this House to ensure that the people of St. Catharines, people like John Fulton, do not have their life and reputation damaged by this well-intentioned but seriously flawed legislation.

We all recognize that a law against hate propaganda is necessary to prevent the evils of discrimination. That exists within the Criminal Code. Section 319 of the Criminal Code contains two hate propaganda offences. These offences do not cover as many groups as section 13. For example, hate speech based on national origin, age, sex and mental or physical disability is not covered. It is for this reason that our government introduced an amendment to fill this gap. We are amending section 319 of the Criminal Code to add national origin, age, sex and mental or physical disability to the definition of identifiable groups.

I had an opportunity to speak to section 319 of the Criminal Code very recently. This means that it would now be a criminal offence to publicly incite and wilfully promote hatred based on these grounds. This means that our government is protecting the rights of minorities while preserving the right of free speech.

Dean Steacy, the lead investigator at the Human Rights Commission, once testified that freedom of speech was not given any value. That is unacceptable. The best way to fight bigotry is to ensure that we protect and enhance our fundamental freedoms. We must especially protect freedom of speech, which is the very bedrock of our parliamentary democracy and the democracy of this country.

In practice, section 13 is conflicted with section 2(b) of the Charter of Rights which guarantees that everyone has freedom of thought, belief, opinion and expression. While charter rights are

subject to reasonable limits prescribed by law, section 13 does not clearly describe these limits and this has led to highly subjective interpretations of freedom of expression.

The wording in the Human Rights Act leaves it so unclear as to what constitutes an act of hatred or contempt that former Liberal member of Parliament, Keith Martin, rightly described it as “a hole you could drive a Mack truck through”. This is why section 13's overly broad hate speech provision was ruled to be unconstitutional in 2009.

We need the Canadian Human Rights Act to preserve our rights, not to take them away. We cannot allow one badly written section to undermine a defendant's right to due process and the free speech of every Canadian.

On behalf of people, like John Fulton, who have had their rights challenged by the Human Rights Commission, I ask all members of this House, regardless of party and partisanship, because it speaks to the freedom, the very bedrock of our democracy, to support Bill C-304. We will create a system where charter rights like freedom of expression and due process are valued and minorities are protected by our Criminal Code.

• (1835)

The Acting Speaker (Mr. Bruce Stanton): I will now invite the hon. member for Westlock—St. Paul for his right of reply. The hon. member will have five minutes.

Mr. Brian Storseth (Westlock—St. Paul, CPC): Mr. Speaker, I will begin by acknowledging all my colleagues who have stuck around and participated in the debate. As it is Valentine's Day, I thank them and their spouses for allowing them to be here to participate in it. I also thank my lovely spouse who is here supporting me tonight, giving up part of our Valentine's Day.

The purpose of the bill is to protect our fundamental freedoms. The core freedom, the pillar of our democratic society, is the freedom of expression. It has been argued on the other side that all freedoms are about equal. However, without the freedom of expression, the freedom of religion and the freedom of assembly have less value if we do not have freedom of expression to go with them. This is the tool that all truly free and democratic societies use to push the societal norms.

Open debates in our society are not just necessary, they are imperative to having a healthy and free western democratic society. Open debates are what this place was built on. It is what our society was built on.

• (1840)

Hon. Wayne Easter: It's not happening lately.

Mr. Brian Storseth: Mr. Speaker, I know the member for Malpeque does not like open and free debates. That is why he tried to hold western Canadian farmers away from freedom for so many years.

I will now take the time to address some of the concerns of opposition members.

Members of the Liberal Party have come forward today and said that section 13 is very important and that protecting against hate speeches is critically important, but that it is not so important that we should actually have any penalties for those who break it. That is actually what the Liberals came forward today and said.

Every member of the NDP caucus who has stood has used the excuse that the burden of proof under the Criminal Code of Canada is too great and that it is too complex. They propose that we have two tiers of hate speech. I, for one, do not necessarily understand that. I do not understand how we can have one tier of hate speech that is worse than another tier of hate speech.

When we talk about the burden of proof and trying to make it easier, what we are giving up as Canadians are some of our natural rights as Canadians. What they are asking Canadians to give up is the right to an attorney, the right to a speedy and fair trial, and the right to face our accuser. Heck, they are even saying that we should not have the right to defend ourselves with the truth, that the truth should not be a defence in this country.

When my constituents hear about this and they hear about these quasi-judicial courts, they are absolutely appalled. That is why I believe it is important that we, as Canadians, stand up and defend our civil liberties and say that it is time to repeal section 13 of the Canadian Human Rights Act and ensure that these types of trials happen in an open, fair and transparent system called the Criminal Code of Canada where there are checks and balances that Canadians have already approved.

The core message of Bill C-304 is protecting freedom.

The last thing I will address is the hesitancy on the opposition benches. I know there are a lot of new members of Parliament in this place but when I look at the weak arguments of burden of proof I see people who have already been told by their whip how they will vote so they need to formulate a reason for voting against it.

What I would ask members on the other side to do is to please throw off the shackles of their whip. This is a private member's bill. I would ask them to please stand and vote the conscience of their constituents. I have consulted my constituents on this bill. I hope all members will consult their constituents before they take the time to vote on this because protecting our freedom of speech is one of the greatest things we can do in this country.

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Bruce Stanton): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Bruce Stanton): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Bruce Stanton): In my opinion the yeas have it.

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And five or more members having risen:

The Acting Speaker (Mr. Bruce Stanton): Pursuant to Standing Order 93 the division stands deferred until Wednesday, February 15, immediately before the time provided for private member's business.

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[*Translation*]

SCIENCE AND TECHNOLOGY

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Mr. Speaker, on Friday I asked the Minister of Industry a question on Statistics Canada. Since 2006, Statistics Canada has done away with about 40 publications regarding important analyses. This decision was imposed through measures adopted by the then president of the Treasury Board, Stockwell Day. Some of the studies that have been dropped since then are extremely important. They include studies on the number of pregnancies and abortions, the number of marriages and divorces, public transit, movements by individuals, culture, exports by country, broadcasting and telecommunications, and industrial chemicals.

Statistics Canada no longer deals with these issues, precisely because of the Treasury Board decision with which Statistics Canada had to comply. One particularly interesting and useful study is also going to be dropped. I am talking about the national longitudinal survey of children and youth, which has been following the same cohort since 1994. This survey helps us understand social habits and behaviours, which is essential to conducting a good social analysis.

The Minister of Industry's answer to the question I asked on Friday is extremely disappointing. He said it was a question of efficiency and that most of these surveys were redundant. That is false. These are unique surveys, and dropping them will deprive the government and researchers of data that are useful in understanding the world in which we live. They are solid pillars on which governments base their decisions.

This situation has been decried by a number of organizations, including the Association francophone pour le savoir, ACFAS. Pierre Noreau, president of ACFAS, talked about the government's wilful blindness in making this decision and its inability to make decisions based on hard facts. We have seen it so many times: this government does not take the data into account when it comes to a number of important issues, including the elimination of the long gun registry and a number of other issues we have been addressing.

Mr. Noreau spoke about the government's inability to make decisions based on hard facts and its tendency to give free rein to its ideological leanings. This is really important. The Conservative government is entitled to its opinions—it has expressed many opinions since coming to power—but if there is one thing that it is not entitled to, it is its own version of the facts. Organizations that produce statistical data, such as Statistics Canada, are recognized around the world for the quality of their data and the information they are able to compile and make available to researchers or the government.

Adjournment Proceedings

The government seems to have an aversion to data collected by Statistics Canada. I gave the example of the long gun registry, but there is also the long form census, which enabled us to gain a better understanding of Canadians and Quebecers in various regards. We will no longer have access to those data in the future. Most researchers have decried the fact that these surveys will become less and less effective and useful in the future. Mr. Noreau spoke out against the decision, as did Céline Le Bourdais, Canada Research Chair in Social Statistics and Family Change.

I would like to take this time to give the government the opportunity to retract the response of the minister, who said that these surveys were redundant, and to set the record straight on this decision, which will deprive researchers and the government of useful data.

• (1845)

[English]

Mr. Mike Lake (Parliamentary Secretary to the Minister of Industry, CPC): Mr. Speaker, it is a pleasure to serve with the member on industry committee, as I have since he was elected.

Our government has shown a strong and longstanding commitment to science and technology since the release of our science and technology strategy in 2007. The strategy recognizes the important link between knowledge and the capacity to innovate in the global economy. What is more important than having a strategy is that we have been implementing it.

Years one and two of Canada's economic action plan provided \$6.3 billion in science and technology investment, and budget 2011 provided an additional \$700 million. Every federal budget of this government has increased S and T investments. At a time when other countries are struggling to maintain the stability of their funding for research, science and innovation, Canada is moving forward.

Our country now attracts the best and brightest minds in many scientific fields. Over the summer, the Prime Minister announced the 2011 Vanier scholarships. These are valued at \$50,000 per year for up to three years. We also announced the first recipients of the Banting fellowships, which provide \$70,000 each year for two years to top-tier post-doctoral talent. In June, as part of budget 2011, we announced the creation of 10 new Canada excellence research chairs, a program that offers \$10 million over seven years to internationally recognized researchers and their teams to conduct their work at Canadian institutions.

Through these programs and many others, our government is supporting academic research at the highest level. Measured as a percentage of GDP, Canada's higher education expenditures on R and D are the highest in the G7.

We have more work to do. We recognize that despite high levels of federal support for research and development, Canada continues to lag in business R and D spending, commercialization of new products and services, and thus in productivity growth. That is why we asked an independent panel of experts to review federal investments in business R and D and to provide advice on optimizing this support.

In October, the expert panel led by Mr. Tom Jenkins provided recommendations on maximizing the effect of federal programs

promoting business innovation. We are carefully considering the panel's recommendations.

Our government has a plan that we set out in 2007. The real test is not putting out plans but implementing them. We have demonstrated that we are on the right track and we will stay the course in science, technology and innovation.

[Translation]

Mr. Guy Caron: Mr. Speaker, I thank my colleague. I enjoy working alongside him on the Standing Committee on Industry, Science and Technology.

His answer was somewhat disappointing because I am talking about Statistics Canada and he is talking about science and technology. Statistics Canada conducts studies that are important for science and technology, but the issue I raised in question period on Friday had to do specifically with Statistics Canada and the moratorium on studies and analyses that are not merely useful, but actually crucial to understanding the world in which we live. Government decisions should be informed by these studies. By shutting down crucial studies, the government is foregoing extremely useful data.

Since I have a minute left, I would like to conclude with a quote from the ACFAS president, Mr. Noreau, whom I mentioned in my remarks. He had this to say about the cuts:

There may indeed be financial reasons, but there is also an ideology in play dictating that the cuts be made here and not elsewhere. The government regularly airs its general skepticism about the usefulness and relevance of this data. We are dealing with political thinking that is based on an ideological view of the world rather than a scientific one. This government is more interested in where we are going than in where we are.

• (1850)

[English]

Mr. Mike Lake: Mr. Speaker, the original question by the member did touch on science and technology and the government's approach to science and my answer therefore reflected that. We do not know ahead of time what line of questioning the opposition might take when it goes into these late show debates, but I did try to address the issue he brought up in his original question.

In his intervention the member also brought up the census. He is right, the government has changed the long form census. It is no longer mandatory. We now have a national household survey because we do not believe that Canadians should be threatened with fines and jail time because they do not want to tell the government what their religion is or how much housework they do or how many bedrooms they have in their house. That is something this government will not do.

Adjournment Proceedings

We changed the guidelines and changed what was a mandatory long form census to the national household survey.

We will continue to respect the privacy of Canadians.

[*Translation*]

PENSION PLANS

Ms. Rosane Doré Lefebvre (Alfred-Pellan, NDP): Mr. Speaker, earlier I asked the government a question about pension plans and expressed my concern about the fact that this government is leaving seniors to their own devices. I would like to thank you for the opportunity to discuss this matter further.

One thing is clear: the Conservative government is playing Russian roulette with Canadians' pensions. It is relying solely on the performance of the stock market. My hon. colleagues opposite must realize that the dignity and well-being of our seniors should not be played with and that it is time to introduce honourable and secure pension plans.

The people who live in the riding of Alfred-Pellan are worried. Men and women who have worked hard all their lives are no longer able to pay their bills and live comfortably. Statistics indicate that 11 million Canadians do not have access to an employer-sponsored pension plan. Six in ten people live paycheque to paycheque and cannot save for the future. In 2012, a person 65 years of age or older who retires receives a maximum of \$986.67 per month to cover their expenses.

How could anyone really think that someone could survive on \$986.67, when that amount has to pay for all expenses, including rent, groceries, bills and sometimes even medication, which can be extremely expensive?

Is this really how the government wants to thank our seniors and pensioners who worked hard their entire lives? The answer should be no, but unfortunately, this government is not offering any solutions to families that must go into debt to pay their bills.

This is a crisis and the government's plan to fix this crisis is to ask families to invest more in private pension funds, which have already proven themselves to be ineffective for many people. People come to see me, write to me and call to tell me how worried they are about this. They ask me how they are going to be able to retire in dignity and in good living conditions.

I think the solution is clear: we need to work with the provinces to increase public pension benefits across Canada, including Quebec, so that everyone can enjoy a secure retirement.

There are even reports proving that the government can improve the pension system. The Parliamentary Budget Officer, Kevin Page, issued a report on February 8 that analyzes the long-term costs of seniors' benefits.

We can see that his findings contradict the government's claims. He said that the government could maintain this program and improve it even more: "The federal government could reduce revenue, increase program spending or some combination of both... while maintaining fiscal sustainability".

My NDP colleagues and I have a plan: to increase the benefits of the guaranteed pension plans in Canada and Quebec by gradually doubling them.

We would like to double the CPP and QPP benefits up to a maximum of \$1,920 a month. Some 45 years ago, we helped create the Canada pension plan, and its equivalent, the Quebec pension plan. The CPP and the QPP are low-cost, inflation-proof plans.

When is this government going to take expert advice into consideration and listen to the needs of Canadians and Quebecers, in order to protect their savings and allow them to retire with dignity?

• (1855)

Mrs. Shelly Glover (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, I would like to thank the hon. member for her excellent question.

[*English*]

I want her to know that our government understands the importance of a secure and dignified retirement for people who have spent their entire lives building a better and more prosperous Canada for us all. That is why I am proud of this government's record toward ensuring the financial well-being of Canada's seniors.

By introducing the pooled registered pension plan, or PRPP, our government is taking the next steps forward in helping Canadians save for their retirement so they can achieve their retirement goals. Incredibly, just over 60% of Canadians do not have access to a workplace pension plan, many of whom work for small- and medium-size businesses or are self-employed. PRPPs are an innovative, broad-based, privately administered low-cost pension option that will play a critical role in allowing millions of Canadians to access a low-cost workplace pension plan for the first time ever.

By pooling pension savings, PRPPs will give Canadians greater purchasing power. Essentially, Canadians will be doing what we call bulk buying. This means that more money will be left in their pockets when they retire. If the NDP had its way, it would actually abandon the PRPP framework altogether. Rather than provide Canadians with a broad-based, low-cost pension option, New Democrats would actually jeopardize Canada's economic recovery by trying to expand the CPP and QPP. However, in order to expand CPP and QPP, contribution rates would have to be increased and that would mean higher payroll costs for small- and medium-size businesses and higher premiums for workers and the self-employed.

Our government's top priority remains the economy and that means focusing on job creation and economic growth. That is why our government does not believe that now is the time to impose a job-killing tax on job creators. The provinces agree with us.

Adjournment Proceedings

In December 2010, the provinces unanimously agreed to pursue the development of the PRPP framework. There was not a consensus on expanding CPP and QPP. Not only is this the economically prudent decision but is also the decision that Canada's finance ministers believe will be an effective way to help modest and middle-income individuals save for their retirement.

PRPPs will help these individuals in a variety of ways. They will be able to save by providing a new, accessible, straightforward and administratively low-cost retirement option for employers to offer their employees; by 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 by enabling more people to benefit from the lower investment management costs resulting from membership in a large pooled pension plan; by allowing for the portability of benefits that will facilitate an easy transfer between plans; and by ensuring that funds are invested in the best interests of plan members.

By adding PRPPs to Canada's retirement system, we will be making a system that is already strong much stronger. Why does the NDP not support a framework that will help millions of Canadians save for their retirement?

[*Translation*]

Why does the hon. member not encourage the Province of Quebec in its efforts to support this plan. I encourage the hon. member and her party to support us. All the other provinces are on the verge of lending us their support in this regard, and I am asking the hon. member to reconsider her position.

Ms. Rosane Doré Lefebvre: Mr. Speaker, I would like to thank the hon. member opposite. When I ask my constituents what priorities they want me to stand up for in the House of Commons, most of them say retirement pensions. They are worried that their savings will go up in smoke because of this government's lack of judgment, because it thinks only of filling the pockets of large corporations and too often forgets about Canadian families.

My constituents are wondering why they cannot afford to pay their bills and their rent, and why they cannot afford to pay for their prescriptions and other everyday essentials. As the stock markets fall, they are wondering how they will be able to manage their income and access their well-deserved retirement pensions. When will this government finally show some respect for workers who have laboured their whole lives to save for retirement?

[*English*]

Mrs. Shelly Glover: Mr. Speaker, my colleague mentioned seniors and pensioners. When it comes to caring about seniors, we back that commitment by leaving them with more of their hard-earned money. All told, we have 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 tax credit.

We also introduced the tax-free savings account. This is a flexible, registered general purpose savings vehicle that allows Canadians to earn tax-free investment income to more easily meet their lifetime savings needs, including retirement savings.

Once again, I implore the member across the way to please take these points under consideration and help us to support the provinces in this endeavour.

• (1900)

GOVERNMENT LOANS

Mr. Scott Andrews (Avalon, Lib.): Mr. Speaker, it is a pleasure to be in the House this evening to ask a few questions regarding the Muskrat Falls project in Newfoundland and Labrador. The timing of this question is quite interesting because today the public utility board in Newfoundland started some public hearings into the Muskrat Falls deal.

There are many people back home asking questions about this deal, such as what the true value of it is and if it will benefit Newfoundland and Labrador. Many people are skeptical of the deal. Today in the public utilities board meeting there were a lot of comments around the financing of the deal, whether it would go over budget and by how much or whether it would go under budget.

A lot of this surrounds the question I asked in the House regarding the loan guarantee from the federal government. We need to look at the timeline. The loan guarantee was promised prior to the election. The memorandum of understanding was signed in the summer. Some deadlines were put in place. August 31 was one deadline and another was November 30. All these seem to have come and gone and we have received no clarity.

I want to quote from the memorandum of agreement that was signed between the province and the federal government. It states:

The Parties agree that time shall be of the essence in this agreement and will be bound by this agreement including the following timelines, unless otherwise extended by mutual agreement: on or before August 31, 2011 — announcement of the terms of this agreement; on or before November 30, 2011 or 8 weeks following access by the Government of Canada to the projects' data room...

I will get back to that in a second, because that is where my question is going to be. It continues

—and detailed analyses and representations by credit rating agencies—agreement on term sheet for engagement with capital markets; and on or before financial close—completion of formal agreements for provision of the loan guarantee.

My first question for the parliamentary secretary is on this eight weeks following access to the Government of Canada's projects' data room. Has the Government of Canada had access to the projects' data room? If so, when? One of the things in the agreement states that it needs to be reported back eight weeks after that has happened.

As well, who is the financial adviser on this file? Again, the memorandum of agreement states:

—the federal government is retaining financial advisors to complete due diligence analysis. The purpose of due diligence is to assist the Government of Canada in the implementation of the Memorandum of Agreement. The Request for Proposal for financial advisors is posted on the Government Electronic Tendering Service (MERX) and will close on September 6, 2011.

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The government has tendered for financial analysts. The Minister of Natural Resources has confirmed that a financial adviser is in place, but has not stated when these details would be finalized.

Therefore, my other question to the parliamentary secretary is this. Who is the financial adviser on this file and what is the timeline when he or she will come back and report to the federal government on the particular outlines of this agreement?

These are a couple of specific questions regarding Muskrat Falls that people are wondering, and the timing of the question this evening is very prudent.

Mrs. Shelly Glover (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, I thank my hon. colleague for speaking about this very important project. Some of the questions the member has asked will have to be referred back to the minister for an answer.

I will answer the specific question he asked with regard to tonight's late show because that is in fact what the late show is for. Having said that, I will proceed to provide him with some clarity on the issue of the memorandum of agreement.

In August our government signed a memorandum of agreement to provide or purchase a loan guarantee for the Lower Churchill clean energy projects. This agreement is an important step, one step, to realizing the full potential of one of North America's most ambitious energy projects. It demonstrates our government's strong commitment to work in partnership with the provinces and territories to develop Canada's renewable energy resources.

These are enormously important projects for Newfoundland and Labrador. The numbers tell the story. It is estimated that these projects will generate total employment of 18,400 person-years in Newfoundland and Labrador and 47,800 person-years across all of Canada. They will provide \$3.5 billion in benefits to local businesses in Newfoundland and Labrador and over \$750 million in taxes to federal and provincial coffers. In addition, the projects will help toward displacing oil and coal-fired generation in the region, reducing carbon dioxide emissions by up to 4.5 megatonnes.

In short, these projects will bring clean energy and create jobs and growth for the entire Atlantic region.

The Lower Churchill projects provide an opportunity for Newfoundland and Labrador to meet their energy needs in an environmentally sustainable way. Once completed, Newfoundland and Labrador will obtain up to 98% of its electricity from non-greenhouse gas emitting sources.

Our government has hired a financial advisory firm, as was stated. This firm is going to assist in the implementation of the memorandum of agreement and to ensure that the support it provides to Lower Churchill River projects is fiscally responsible.

The financial advisory firm is currently conducting due diligence analysis on the projects and will assist in the development of terms and conditions for the loan guarantee.

I can assure the hon. members that the work is in fact in progress. We continue to work on a guarantee that will be provided in a timely manner, while ensuring that all due diligence is performed.

Our government is very proud of the commitment we made to Lower Churchill. It is a very important economic development project for the people of Newfoundland and Labrador and in fact for all of Canada.

As I said before, our support for Lower Churchill will boost clean energy projection, grow our economy and strengthen our status as a global energy superpower. That is the bottom line.

With regard to any additional questions that were not put before us earlier this evening, I will endeavour to ask those questions for the member and I am happy to get back to him in a timely fashion.

● (1905)

Mr. Scott Andrews: Mr. Speaker, obviously a firm has been engaged, but the parliamentary secretary cannot tell us the name of the firm. She has great talking points there, but we are a little light on details.

I will quote the premier of Newfoundland who said, on January 31:

The Government of Canada has also reviewed the Muskrat Falls project and has concluded the proposal is in the national interest, worthy of warranting national support...

Therefore, we are not sure if it is a loan guarantee or equivalent financial support. She went on to say:

—in effect making a project that was already deemed cost-effective even more so. Work is progressing well in finalizing the guarantee.

However, we do not seem to have any details on where the guarantee is or at what stage it is. I asked a question about the eight weeks and the parliamentary secretary could not answer that.

I have another question. Have the capital markets been engaged as per the terms of the agreement, yes or no?

Mrs. Shelly Glover: Mr. Speaker, I thank my colleague across the way for his diligence. As I said before, it is important that these questions be put to the minister for answer. In fact, the type of behaviour that the member across the way is demonstrating is in fact why he is sitting in that corner.

Late shows are meant for a purpose, and that is to provide answers to specific questions that are given. Yes, there is some latitude to asking additional questions, but the disrespect that is shown to members by that member across the way this evening is absolutely reprehensible.

I have committed to find some answers for him, but I must remind him, and I am doing that through you, Mr. Speaker, that the questions put to me have been answered this evening. I will continue to answer the questions put before me, but any disrespectful behaviour will not be tolerated by me and should not be tolerated by the Chair either.

[*Translation*]

The Acting Speaker (Mr. Bruce Stanton): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 7:10 p.m.)

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