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Mr. James Rajotte

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• (1545)

[English]

The Chair (Mr. James Rajotte (Edmonton—Leduc, CPC)): I call this meeting to order.

I know some members are still making their way from the House, as we did have two votes right after question period, but we should get started. We have only two hours today. We have until 5:30.

This is the 38th meeting of the Standing Committee on Industry, Science and Technology. We are being televised today. It is pursuant to the order of reference of Monday, November 6, 2006. We are studying Bill C-26, An Act to amend the Criminal Code (criminal interest rate).

We have with us today witnesses from the Department of Industry and the Department of Justice. The entire committee would like to welcome, first of all, from the Department of Industry, Mr. Michael Jenkin. Mr. Jenkin is director general of the office of consumer affairs and co-chair of the federal, provincial, and territorial consumer measures committee. Welcome, Mr. Jenkin.

We also welcome Mr. David Clarke, senior analyst in consumer policy in the office of consumer affairs.

From the Department of Justice we have with us Mr. Matthew Taylor, counsel, criminal law policy section. Welcome. We also have Mr. William C. Bartlett, senior counsel, criminal law policy section. Welcome, gentlemen, to the committee.

The committee allows for 10-minute opening statements. Mr. Jenkin, we'll let you start off any time.

Mr. Michael Jenkin (Director General, Office of Consumer Affairs and Co-chair, Federal, Provincial and Territorial Consumer Measures Committee, Department of Industry): Thank you, Mr. Chair.

I want to thank the committee for allowing me to speak today on this very important consumer issue of payday lending. I'd like to introduce my colleague David Clarke, who has been the senior policy officer on this issue for the past number of years. He is an active member of the federal, provincial, and territorial working group of committees that continues to study the payday lending issue.

I'll be pleased to answer questions you may have today concerning the background to this file, particularly on any federal, provincial, or territorial dimensions or consumer protection issues.

I have a few words, just for a moment, on payday lending. It's a form of short-term lending through which the consumer typically borrows several hundred dollars for 10 days to two weeks. The borrowing costs are very high, as you probably know. They are usually in the range of, for example, \$40 to \$75 for a \$300 loan for two weeks or less.

The concerns expressed about this type of borrowing in the general community have included its very high costs, obviously; the lending practices associated with it, such as inadequate disclosure of costs and terms; and rolling over of loans—that is, the sequential structuring of loans one after the other, and the accumulation of interest and principal costs therein. You very quickly spiral your costs.

The industry, which originated in the United States some time ago, is a relatively recent phenomenon in Canada. It emerged in western Canada in the mid-1990s and rapidly spread eastward over a very few years. It is now a major presence in many urban areas in the country. There are approximately 1,300 retail outlets, and the number is growing. Estimates place annual lending at \$1.3 billion or more per year.

Payday lending and other fringe financial services are known collectively as the alternative consumer credit market by the consumer measures committee. They were first identified as a federal-provincial-territorial issue by British Columbia in the late 1990s. In 1998, at the request of some western provinces, the federal-provincial-territorial committee of justice ministers considered the alternative consumer credit market, which by the way includes cheque cashing, chattel mortgages, and pawnbroking. The justice ministers referred the issue to federal, provincial, and territorial consumer ministers, who in turn asked the consumer measures committee of officials to look into the matter on their behalf.

[Translation]

Since the year 2000, CMC officials have been pursuing a detailed program of work, most of which can be found on the CMC website: www.cmcweb.ca. The work has included research by officials and others, for instance Professor Iain Ramsay of Osgoode Hall Law School; a survey of practices employed within the industry; and a roundtable meeting early on in Victoria, with governments, industry, consumer and academic representatives.

[English]

In 2001, federal and provincial consumer ministers used that work as the basis for their decision to direct officials to develop options for future action in such areas as best practice guidelines for the industry, consumer education and awareness, and regulatory mechanisms.

In 2003, a national public consultation was held on the legal framework and consumer protection issues for the alternative consumer credit market.

[Translation]

In 2004, FPT Consumer Ministers expressed their concern about the abusive practices and excessive costs encountered by consumers in the alternative market, for example payday loans, cheque cashing, rent-to-own. With an emphasis on payday loans, they asked officials to undertake work related to a consumer protection framework, including measures to address the issue of rollovers of loans, concurrent loans from multiple lenders and the habitual use of payday loans, industry best practices, and consumer education on the true cost of these loans.

• (1550)

[English]

In 2004 and 2005, a second national public consultation was held specifically on regulating payday lenders. Subsequently, provincial and territorial senior officials and several ministers formally sought federal legislative action to facilitate regulation of this sector. As you know, in the fall of this year Bill C-26 was introduced in Parliament.

To date, Mr. Chairman, two provinces, Manitoba and Nova Scotia, have passed legislation in anticipation of the possible passage of Bill C-26. There are numerous indications in the media that several other jurisdictions intend to proceed with some form of regulation as well.

A considerable amount of work over a long period of time has brought the federal-provincial discussions on payday lending to this point. I would be pleased to answer any questions you may have in that regard.

Thank you, Mr. Chair.

The Chair: Thank you very much, Mr. Jenkin, for that concise statement.

We will now move to Mr. Bartlett, who will be presenting on behalf of the Department of Justice.

Mr. William Bartlett (Senior Counsel, Criminal Law Policy Section, Department of Justice): Thank you, Mr. Chairman and members of the committee, for the opportunity to appear before you to speak on C-26, An Act to amend the Criminal Code (criminal interest rate). We refer to it as the payday lending bill. That's what it deals with.

My apologies to the committee; I will be making my remarks in English.

As my colleague from Department of Industry has provided an overview of the payday lending industry and the policy discussions that inform the development of the bill, I will simply make some

remarks about the structure of the bill itself and some of the legal framework into which it fits.

The amendments in the bill are really quite straightforward. They simply create an exemption scheme from the applicability of section 347 of the Criminal Code, which otherwise imposes a maximum interest rate on any kind of loan arrangement anywhere in Canada. It's called the criminal interest rate provision. It will allow this exemption to apply in those provinces and territories that choose to regulate the payday lending industry and seek a designation from the federal government in order to do so.

The bill amends the Criminal Code by defining payday loans for the purposes of the exemption schemes. I'll read the definition. It's not a simple definition, because it's not that simple and straightforward to simply say what a payday loan is, although generally we know it when we see it. It reads as follows:

“payday loan” means an advancement of money in exchange for a post-dated cheque, a pre-authorized debit or a future payment of a similar nature but not for any guarantee, suretyship, overdraft protection or security on property and not through a margin loan, pawnbroking, a line of credit or a credit card.

We define it primarily by a couple of simple indicia—a post-dated cheque or a similar payment—and then by what it's not. The rest of the definition is contained in another section in which we prescribe the limits on the kinds of loans that can be subject to the exemption.

The definition ensures that only this very narrowly defined class of lending arrangements known as payday lending will qualify and therefore be eligible. For example, lending arrangements by way of credit cards or lines of credit would not be included in the definition of payday loans.

The heart of the proposed amendments is in subsections 347.1(2) to 347.1(4), which set out the exemption scheme. These provisions specify which payday loan agreements are eligible to be exempt from the application of section 347.

Subsection 347.1(2) specifies the conditions that must be in place for such an exemption to apply. First we defined the payday loan, and this is really the rest of the definition of a payday loan for the purposes of this exemption provision: “the amount of money advanced under the agreement is \$1,500 or less and the term of the agreement is 62 days or less”.

This, of course, is the typical payday loan scenario described by my colleague from the Department of Industry—that is, a short-term loan for a small amount. Indeed, these are really the top-end figures, if you will, and the average amount, as I understand it, is closer to, say, \$300 for 10 days. They are quite small amounts for relatively short periods of time, so \$1,500 for 62 days would really specify top-end limits to a payday loan that could be subject to an exemption.

Second, the payday lender “is licensed or otherwise specifically authorized under the laws of a province to enter into the agreement”. It’s the province that will do the regulating from top to bottom of the payday lenders who will be subject to the exemption. This necessarily implies that the province has in place consumer protection measures that govern payday loans. The nature of such measures, however, is generally left to the province to determine. There are only a very few requirements for there to be legislation in place, and a requirement for a specification of an upper limit for the cost of borrowing, which can actually be charged.

The third requirement for the exemption to apply is that the province must be designated by the Governor in Council. This is simply a process to ensure that the province that has enacted the legislation, or already had legislation in place, if that is the case, has advised the Governor in Council that the legislation is there and that they wish to have their province be availed of that exemption. Then the exemption is put in place.

● (1555)

The obtaining of the designation is fairly straightforward. It is set out in subsection 347.1(3). A designation will be provided once a provincial Lieutenant Governor in Council—the provincial cabinet—requests it and in so doing indicates that the province has consumer protection measures in place to protect recipients of payday loans.

That is simply a general description of the fact that in the province there must be consumer protection measures in place that apply to these payday loans.

The only particular requirement is that the measures must include a limit on the total cost of borrowing for a payday loan. This will then replace the 60% limit that’s otherwise specified under section 347. This guarantees a cap on the total cost of borrowing and provides the provinces and territories some flexibility to assess what the cap should be.

The designation process would amount to the province writing to the federal Minister of Justice to indicate that it has the legislation measures and is seeking the designation. If, on the recommendation of the federal Minister of Industry, the Minister of Justice is satisfied the province meets the requirements, the recommendation would be made to the Governor in Council. It should be a fairly simple process.

In addition, in subsection 347.1(4) there is a process for revoking it. I don’t really anticipate that this is going to be necessary for provinces once they decide they’re going to be in the business of regulating payday loans and probably aren’t going to get out, but in case they did, it could be in two instances: either the province simply requests it, or the consumer protection measure is no longer in place—the legislation has been repealed.

As you are aware, the Constitution of Canada provides the provinces and territories with competence over consumer protection through their authority over property and civil rights. They are the level of government with the appropriate mechanisms in place to provide consumer protection of this kind; in fact, consumer protection measures do already exist across the country, and in some cases there are some measures that do apply to some of the

elements of payday lending—although not in the comprehensive way that my colleague has spoken of—that have now been enacted in at least two provinces.

Bill C-26 won’t either dictate to or fetter the province’s ability to enact appropriate consumer protection measures. It deals simply with the applicability of section 347 to these specified payday loan agreements and provides an exemption that otherwise is prohibited by section 347. This is pursuant to the federal government’s constitutional competence over criminal law.

That’s the basis upon which section 347 was enacted. Should a province or territory wish to exempt their loans, they need only have the legislation in place and seek an exemption in order to do so.

Mr. Chairman, the bill is necessary to provide the flexibility to the provinces to regulate payday loans. Otherwise, section 347 puts in place a prohibition against their operating at anything over 60%, as my colleague has described. It’s in the nature of these short-term, small-amount loans. The definition of interest under section 347 is very broad and covers all of the interest and associated charges involved—not just the interest, but all of the associated charges—and specifies it on an effective annual rate of interest, which is a compound rate of interest. None of the payday lending operations can operate or do operate within that 60% limit.

This is simply opening the door to the provinces to be able to regulate them, allow them to exist, and provide appropriate limits on the cost of borrowing, and also to put in place other regulatory rules to ensure that the consumers of these loans are adequately protected.

Thank you, Mr. Chairman.

● (1600)

The Chair: Thank you very much, Mr. Bartlett. That was very helpful.

We go now to questions from members. We start with Mr. Bagnell.

Hon. Larry Bagnell (Yukon, Lib.): The figure was 60% annually with all the things put in. Does that only apply to payday loans, or does that apply to anything Canadians do?

Mr. William Bartlett: It applies to any lending transaction in Canada.

Hon. Larry Bagnell: Does that include pawnbrokers?

Mr. William Bartlett: Yes.

Hon. Larry Bagnell: Is there any evidence or concern, as in prohibition, that organized crime might fill in the vacancy we create?

● (1605)

Mr. William Bartlett: Indeed, Mr. Bagnell, the purpose of proposed section 347 is to provide a mechanism to deal with what we all understand to be loansharking, with its attendant violence, threats of violence, coercion, and those kinds of well-known criminal aspects. It was never really intended to be a consumer protection measure simply regulating business transactions. It has acquired a certain consumer protection role.

The purpose of providing an exemption here is to allow provinces to regulate, in a lawful environment, the payday lending industry. Nothing is going to be opened up for criminal operators. In fact, I suppose the concern might well be on the other side. If there is a market for this kind of loan and no lawfully regulated environment in which it can operate, you might get more loansharking that would develop in violation of proposed section 347 and not in the open, transparent way that payday lenders operate. If anything, the regulation of the industry by the provinces should contribute to making it less likely that there will be that kind of criminal loansharking that section 347 was originally intended to deal with.

Hon. Larry Bagnell: It is true that there is legal usury going on because that limit is not there now.

Mr. William Bartlett: The limit is 60%. Given the circumstance in which the payday lenders operate, the limit simply doesn't seem to be a realistic one for them to operate under.

Hon. Larry Bagnell: What are the comparable rules, percentage-wise, in other countries such as the United States and Great Britain?

Mr. William Bartlett: Perhaps my colleague from the Department of Industry might be able to comment on what goes on in the United States. Certainly they have similar kinds of regulatory frameworks in many states.

Mr. David Clarke (Senior Analyst, Consumer Policy, Office of Consumer Affairs, Department of Industry): These are set at the state level in the United States, and it can vary widely. A lot of the states will have upper limits for different kinds of lenders. For payday lenders, they may set it at 300%, 500%, 600%, or maybe even higher than that. For other kinds of lenders, they'll set it for a lower amount. In the United States it varies very widely.

Great Britain doesn't have an upper lending rate, or any kind of lending rate, as far as I understand.

Those are the ones we looked at.

Hon. Larry Bagnell: You say that in the United States some of them are 300% or 500%.

Mr. David Clarke: Oh yes. That's by their own definitions. I mean, their definition of interest could vary too. They could have a definition of interest that might include fees or it might not.

Hon. Larry Bagnell: Are there any as low as the one we hopefully are going to pass today?

Mr. David Clarke: This bill does not actually set a maximum rate for payday lenders. That would leave it to the provinces to make that determination about what the maximum rate would be for payday lenders.

Hon. Larry Bagnell: But that's what the 60% was.

Mr. David Clarke: The 60% is the current rate. The concept behind the bill is to establish an exemption specifically for payday lenders, specifically in a jurisdiction that has a law that will protect borrowers and that sets its own maximum rate that will be different from the 60%.

Mr. William Bartlett: Perhaps I can comment, Mr. Bagnell.

Certainly we're talking about provinces regulating these payday lenders and allowing them to charge more than 60%. If they were charging less than 60%, there would be no need for the exemption.

The exemption is necessary so that they can allow them to charge more than 60%. Given the very short-term and small-amount nature of the loan, at a 60% effective annual rate of interest, the fee on a \$300 loan for ten days would be a few bucks.

The commission that the consumer measures committee gave this alternative consumer credit market working group was to look at what would be a viable rate to allow the industry to operate. That's to provide for a viable industry but no more. These are the sorts of rates they're looking for here. But 60% is the limit. The exemption is to allow the provinces to set higher rates, and they will set them under the circumstances of their province.

The Chair: Thank you, Mr. Bagnell.

We'll go to Mr. Crête now.

[Translation]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Thank you, Mr. Chairman.

At the moment, can provinces set an interest rate below 60%?

[English]

Mr. William Bartlett: Yes, and Quebec does indeed effectively limit interest to about 35%, I believe, through what I believe is an unconscionable transactions act. That effectively means payday lenders can't and don't operate in Quebec. Any other province could choose to do that.

[Translation]

Mr. Paul Crête: In that case, how can you justify this bill? From what I understand, it simply allows industry to charge higher interest rates.

[English]

Mr. William Bartlett: The majority of the other provinces do wish to allow the payday lending industry—we have any number of them in Ottawa operating in storefront operations—to operate in a lawful, regulated environment. The consumer affairs ministries of those provinces have accepted that there is a demand for those kinds of loans and those kinds of circumstances, but that the lenders cannot operate viably in the circumstances in which they do with an effective annual rate of interest at 60%. That is a compound rate of interest covering all fees and charges, including the application fee and everything else. The provinces wish to be able to regulate them and set a total cost of borrowing that will be higher than 60%, which will allow for a viable industry but not provide for excessive fees and charges. The provinces have been asking the federal government for the ability to regulate their business practices, for us to provide and exemption from section 347 so that they can do it.

• (1610)

[Translation]

Mr. Paul Crête: Has Quebec expressed a written or verbal opinion on this bill? Are you familiar with Quebec's position on this matter?

[English]

Mr. William Bartlett: I haven't seen a written opinion and I haven't actually heard an oral opinion from the Government of Quebec. Quebec did participate in the alternative consumer credit market working group. In fact, the Quebec representative on that group was very active and very helpful in the group's deliberations. As I recall, he indicated that Quebec wasn't looking to change its policy and allow payday lenders to operate in Quebec, but he understood and appreciated that the other provinces did wish to allow them and he was very helpful and instrumental in their work.

[Translation]

Mr. Paul Crête: The office of the Quebec minister has informed me that he saw a problem with respect to a procedure whereby a province would be designated by the federal government. Could you please explain to me why we need the federal government's blessing for legislation that has been in place in Quebec for 20 or 25 years and which provides for a maximum interest rate of 35%?

What legal justification does the federal government have to require not only that Quebec inform it if it has legislation of this type, but also to ask it to provide confirmation that the legislation is in keeping with the federal government's expectations?

[English]

Mr. William Bartlett: Neither Quebec nor any other province requires any permission of any sort from the federal government to regulate any lending industry in its province within the 60% limit set by the Criminal Code. The Criminal Code otherwise applies to all lending transactions in Canada, so if a province wishes to allow lending transactions in excess of 60%—and that's what we're talking about with payday lending—then the Criminal Code otherwise simply prohibits that and makes it a criminal offence.

Unless there's an exemption in place, the provinces simply are not in a position to do that.

[Translation]

Mr. Paul Crête: There is a contradiction between what you said and the information in the information book that we received on the bill. I will read to you what it says about clause 2, subsection 347.1 (3) at tab 4 of the English version, page 2:

This amendment sets out the procedure by which a province obtains a designation from the federal government.

The designation shall be issued, upon request by a province, if the province demonstrates that it has legislative measures in place that protect recipients of payday loans and which include a limit on the total cost of borrowing.

The federal designation of a province is necessary to enable the exemption of authorized payday lenders from section 347 of the Criminal Code.

The requirement to demonstrate the existence of applicable consumer protection legislation, including a limit on the total cost of borrowing, insures that provincial consumer protection measures are in place prior to enabling the exemption from section 347.

So there is a designation by the federal government, and it will come with certain conditions. This amounts to a type of mandatory blessing or trusteeship. There seems to be a contradiction between what you told me and what I just read from our information booklet.

• (1615)

[English]

Mr. William Bartlett: No. With respect, if Quebec, as I say, or any other province is going to regulate at or below 60%, then section 347 can simply apply as well, and there's simply no conflict and no need for an exemption. If there's going to be an exemption from section 347, there are simply two requirements: that there be a consumer protection regime that applies to these payday loans, and that it include alternative limits on the costs of borrowing.

Section 347 sets a limit on the total cost of borrowing. The legislation would simply provide that if a province is going to operate an alternative regime, there has to be another limit on the cost of borrowing that replaces the limit under section 347. That's all it requires—and that there be consumer protection measures that apply to these arrangements. That's all.

[Translation]

Mr. Paul Crête: So why not simply have stated that if a province informs the federal government that it has legislation of this type, this would be enough? Would it be acceptable if the bill stated this instead?

[English]

Mr. William Bartlett: Quite frankly, that's more or less the way it's going to operate. The province is going to inform the federal government that it has legislative measures that protect recipients of payday loans and that provide for limits on the total cost of borrowing under the agreements. Once they have advised them that they have those measures, the designation will flow from that.

There's really no intent here for the federal government to pass on the adequacy of the provincial legislation. That will be for the province to decide. It simply has to have certain very basic characteristics. One is that it be legislation that protects recipients—I don't think that's going to be a problem in any province that seeks this exemption—and that they have some other limit on the cost of borrowing other than the 60% limit prescribed by section 347. Since section 347 is going to be displaced by this exemption, the federal Parliament would be saying, here's the requirement for having the limit that section 347 otherwise imposes lifted: that there be consumer protection and that they have another limit on it. That's all.

The Chair: Thank you, Monsieur Crête.

We'll go to Mr. Carrie now, for six minutes.

Mr. Colin Carrie (Oshawa, CPC): Thank you very much, Mr. Chair.

I'd like to thank the officials for coming today. I don't want to take up a lot of your time, but I want to clarify, maybe with industry officials, how the consultations were done with the provinces. If I got you right, none of the provinces were against this. Is that true, specifically for Quebec? They didn't raise any concerns about it?

Mr. Michael Jenkin: The discussions took place over a very long period of time, about five years, and part of this reflected, I think, to some extent, the very changing character of the industry. These discussions took place as the industry is rapidly changing across the country. To be frank, some jurisdictions were very much more concerned about this problem than others, because they had a much larger problem, particularly in western Canada where the industry started out. They were the main interlocutors on this issue and the ones who were very keen on moving quickly on it.

Other provinces who had less experience of the phenomenon—particularly, say, in the eastern part of the country—were not so concerned about it. So it took a while for jurisdictions to come to a view about what would be the most appropriate set of protections to put in place, which we did over a series of studies, a number of studies that were carried out. As I mentioned in my remarks, we also did consultations with stakeholder groups, consumer protection experts, and the industry that's involved in payday lending, as well as credit counselling organizations, and others. The idea behind this was to get as broad an understanding both of the phenomenon as it was emerging and what the most appropriate and effective mechanisms would be for consumer protection.

What we ended up with in the end was, I think, a fairly good consensus across the country about what should be in a package of protection measures. I think the real question was the sense of urgency and how quickly the various jurisdictions wanted to move on the issue. So the structure of this proposal is designed in such a way that, for those provinces who do not feel that it's necessary to take action at this time, they can live with the Criminal Code provision if they wish. For those who feel that the problem has become a significant one in their jurisdictions, and as I said, there are many provinces in that situation now, there's a good opportunity for them to proceed with a regulatory structure both controlling rates and controlling—and I think this is equally important, to be frank—the business practices that are associated with this kind of lending.

• (1620)

Mr. Colin Carrie: Thank you very much.

The Chair: Thank you.

Mr. Masse.

Mr. Brian Masse (Windsor West, NDP): Thank you, Mr. Chair, and thank you to the witnesses here this afternoon.

I have just one question, but I want to get on the record that I do support the passage of this bill, and as quickly as possible. It's hard to imagine that we have \$1 billion in business here and 1,300 different institutions that affect the wealth of many different individuals, and there's no set of rules in place right now. I think it's important to point out that this is enabling legislation for licensing and regulation that is vacant right now, and I know it's not just Manitoba that has been leading the charge on this. There are other governments—Alberta, Saskatchewan, Nova Scotia, and New Brunswick—that have also indicated sincere preparatory work to move on this.

What I would like to focus on is that there was some attempt at one point to have a universal approach to this across the board for Canada. That didn't quite come into place, and maybe we can shed a little light on that, because I think it might ease some of the concerns.

Once again, this is going to facilitate those who want to go forward to this type of regulatory regime, but at the same time, it doesn't force anyone to do anything, and that's important. If it's not passed, my understanding is that the governments that do want to move on this in their own provincial rights will then be stymied and will not be able to proceed in any effective way to protect Canadian consumers.

Mr. Michael Jenkin: That is very much the case. A number of jurisdictions are very keen to proceed. They recognize this as a big problem. There has been—and I would emphasize this again—five years of discussion among governments about the appropriate way to proceed. There's a lot of common understanding today about both the nature of the problem and what needs to be done among jurisdictions. So this is not happening in an environment where we're simply opening it up to the provinces to do what they wish. A lot of discussion and thought has gone into this among the jurisdictions themselves and a good consensus on what appropriate measures are and how to proceed with them.

We are in a very mature stage in the development of this issue. As I mentioned, a number of the governments have passed legislation, not only in Manitoba but in Nova Scotia. At least three other governments have made statements in the press that they intend to proceed and they're anxious to proceed now, because, as you say, they feel right now this is an area that is currently unregulated and is an issue of major concern in their jurisdictions.

Mr. Brian Masse: It's important to note the significant transition with borrowing practices in this country. My constituency has been faced with a series of bank closures, giving people limited options. And to imagine another Christmas going by where there is no regulation that affects individuals who will lose out in predatory practices.... Not all are like that. That's why the industry has come forth, as well, as part of this solution.

Mr. Chair, I certainly would support passage of this bill, and I want to thank the delegates here today.

• (1625)

The Chair: Thank you, Mr. Masse.

We will go to Mr. McTeague.

Hon. Dan McTeague (Pickering—Scarborough East, Lib.): Mr. Chair, very briefly, I'm pleased to see this bill is here today and I recognize, along with my party, the importance of protecting consumers, the fact that many of them may be subjected to outlandish fees that may amount in some circumstances up to 2,600% per year in interest rates or additional charges.

I believe this is an honourable thing to do, and our party believes this is an honourable thing to do, to protect Canadian consumers from sea to sea to sea. As a result of the comments made by Mr. Bartlett, I believe there is more than just insufficient protection and flexibility to give the provinces the operational room to work with. I've heard from too many provinces, too many consumer groups, and I believe we should get on with this as quickly as possible.

I have no further questions, Mr. Chair, but I want to make sure that the Liberal Party's position on advancing this good piece of legislation is clear and without equivocation.

The Chair: Thank you very much.

We'll go now to Mr. Carrie.

Mr. Colin Carrie: Thank you very much, Mr. Chair.

I have no further questions for the officials, but I do want to concur with the honourable members Mr. McTeague and Mr. Masse about the importance of this legislation.

I'd like to move a motion, Mr. Chair, and I'll have the clerk pass that out to everybody in both official languages, if that's possible.

The Chair: On a point of order, Mr. Crête.

[Translation]

Mr. Paul Crête: Before going to a motion, I think it is important that we hear from members who have not been able to speak on this and would like to do so. We have not finished the round. This is the first time we have discussed this bill. We have not given serious consideration to the question I raised. We had other questions to ask, and we were waiting for the second round to get that information. I think that at the very least, we should hear all the answers to members' questions.

[English]

The Chair: Mr. Crête, I'm advised by the clerk that this motion is technically in order because it is on the subject matter we are discussing and it is in both official languages, so Mr. Carrie does have the right to move this motion.

Is this on the same point of order?

[Translation]

Mr. Paul Crête: No. He has the right to move the motion, and I have the right to speak on this matter.

[English]

The Chair: Mr. Carrie, do you want to speak to your motion?

Mr. Colin Carrie: I think the motion speaks for itself. It's quite clear.

The Chair: Mr. Crête, you can speak to the motion.

•(1630)

[Translation]

Mr. Paul Crête: Thank you.

I will read the motion, since that has not yet been done.

Department officials from Justice and Industry have fully explained the rationale for Bill C-26, an Act to amend the Criminal Code (criminal interest rates), and its benefit for the protection of Canadian consumers. This bill is supported by the payday lending industry as it gives legal certainty to the industry. Bill C-26 is generally supported by the provinces because it allows them the option to regulate payday lenders through an exemption from section 347 of the Criminal Code to those that have measures in place to protect borrowers. I move that the committee is ready to continue through the clause-by-clause review of Bill C-26, with the objective of completing our review, and sending the bill back to the House of Commons today.

Although the motion reads "I move", I am not really the person moving this. However, I will be moving the following amendments to the motion. I would like to add the words "with the exception of Quebec" after the words "is generally supported by the provinces"; replace the phrase "is ready" with the phrase "is not ready" with respect to the clause-by-clause review; and replace the word "today" with the words "at a future sitting".

I would like to know whether my amendment is in order.

[English]

The Chair: Can you read the amendments?

[Translation]

Mr. Paul Crête: Yes. On line 5, after the word "provinces", we would add the words "with the exception of Quebec". Rather than use the word "today", I would say "at a future sitting".

[English]

The Chair: Both amendments are in order, so we will then discuss—

[Translation]

Mr. Paul Crête: I will explain my first amendment, and then my second amendment.

[English]

The Chair: You can move only one amendment at a time, so we will take the issue, with the exception of Quebec—the first amendment.

[Translation]

Mr. Paul Crête: The objective of the bill we have before us may ultimately be desirable. However, the fact is that Quebec has long had legislation on loans and it provides for a maximum interest rate of 35%. That is something I can state now.

Earlier, I referred to tab 4, but we find the same thing at tab 5 of this document. I will start by reading what it says at tab 4 regarding clause 2, subsection 347.1(3):

This amendment sets out the procedure by which a province obtains a designation from the federal government.

The designation shall be issued, upon request by a province, if the province demonstrated that it has legislative measures in place that protect recipients of payday loans and which include a limit on the total cost of borrowing.

And then we have the reasons for the change:

The federal designation of a province is necessary to enable the exemption of authorized payday lenders from section 347 of the Criminal Code.

The requirements to demonstrate the existence of applicable consumer protection legislation, including a limit on the total cost of borrowing, ensures the provincial consumer protection measures are in place prior to enabling the exemption from section 347.

At tab 5, the following comments are made regarding clause 2, subsection 347.1(4):

This amendment enables the ratification of a provincial designation, for the purposes of this section, in two situations: (1) upon request by the province where the designation exists; or (2) when the pre-conditions that form the basis for the designation are no longer in force.

This ensures that section 347 of the Criminal Code will resume application to payday loan agreements that previously could have been exempt because the provincial designation is a pre-condition for an exemption from section 347 of the Criminal Code.

I was trying to show that in the case of Quebec—and this is why I put forward the amendment—we would like to have the bill amended to ensure that in no way must the provincial legislation be required to obtain the federal government's blessing.

We agree that the government should inform the province that it has passed legislation of this type, but we do not think the province must ask for the federal government's blessing. The current wording of the bill presents a problem in this regard.

I have been in touch with people in the Office of the Quebec minister to find out what his position is, and I was given a verbal reply. I hope to get it in writing in the very near future. I also hope that the Quebec minister will contact the Canadian Minister of Industry so that we can get some assurance that the federal government will not pass legislation in an area that has come under Quebec jurisdiction for a very long time—namely consumer protection.

In light of the foregoing arguments, I think it is important that the committee accept the amendment.

In his presentation, Mr. Jenkin spoke about a council on which the provinces and the federal government are represented that has been studying this issue for a number of years. He also spoke about provinces that would like to see legislation of this type as quickly as possible. However, nowhere does it state that the Quebec government agrees with this legislation. I think it would be inappropriate to pass this bill without the agreement of the Quebec government.

This bill would mean that a province that had legislated a maximum interest rate of 35% would have to get the federal government's blessing. I agree with Mr. Bartlett that that is not the intention of the bill. However, my experience as a parliamentarian has taught me that the intention of the bill is one thing and its interpretation by the courts is quite another. Judges do not interpret interpretations: they interpret the written text. According to the text and the information provided to us by the department, an evaluation will have to be carried out before a province is designated.

• (1635)

When I read this, I wonder whether it will not ultimately be the Prime Minister who will make this decision. The bill does state that it will be the governor in council, so to some extent that will be done by cabinet.

[English]

The Chair: Mr. Crête, we have a point of order.

Mr. Colin Carrie: Thank you very much, Mr. Chair.

I think Mr. Crête brought up the point. He said the designation must be given by the federal government. I think the witnesses have answered that, and only one government can give the exemption to section 347, and it is the federal government. The officials have said that Quebec is neither for nor against this. They didn't raise any concerns that were against this bill when you did your consultations.

So we could go on debating this all night, Mr. Crête. The officials are here, and I think they've answered that.

[Translation]

Mr. Paul Crête: On a point of order, Mr. Chairman.

[English]

The Chair: *Un moment.*

Mr. Carrie, I'm advised that's just a matter for debate. It's not a point of order, so I'm not ruling that point of order out of order.

Monsieur Crête, did you have another point of order?

[Translation]

Mr. Paul Crête: I'm using a point of order to say that our comments are relevant in the context of the debate because we are interpreting what the witnesses said. I am prepared to start over and to discuss the amendment itself, in the hope that I can convince you of its relevance and fairness as I see it.

I think it is quite astounding that in the same session we voted in favour of the motion stating that Quebec is a nation recognized by the federal Parliament within a united Canada, as the resolution states, and that here we have a bill, part of which runs counter to the Quebec government's position. I am prepared to listen, but I think the motion we have before us would cause us to rush unduly. That is why I put forward my amendment.

We have not heard from any witnesses on this matter. I would like to hear from the representatives of the Office de la protection du consommateur du Québec, for example, which is the organization in charge of this issue in Quebec. They could come and tell us about the unique situation in Quebec. We could perhaps even have a written opinion from the Quebec government on its views of this issue. I am also prepared to hear from people who defend the opposite position, those who would have different views on the matter.

[English]

The Chair: Mr. Crête, there's another point of order. Mr. Carrie has another point of order.

Mr. Colin Carrie: Mr. Chair, I would like to speak to the motion. Now we have had officials here, and they have given—

[Translation]

Mr. Paul Crête: I have a point of order, Mr. Chairman.

[English]

The Chair: Wait.

Mr. Carrie, you introduced the motion, and then Mr. Crête introduced the amendment, and he's speaking to his amendment, so technically he's allowed to speak to his amendment before you speak to the main motion. Procedurally, that's the way it works. We're debating the amendment now, not the main motion. Mr. Crête is talking to his amendment.

[Translation]

Mr. Paul Crête: That is the case. Would Mr. McTeague like to make a comment?

Hon. Dan McTeague: No, I'm waiting for my pillow, my sheets or the other things I will be needing this evening.

Mr. Chairman, if Mr. Crête wants to ask me a question, I am quite prepared to answer any question he would care to ask, but I am ready to vote on his amendment.

• (1640)

Mr. Paul Crête: Fine. I do hope to take the time to convince you, Mr. McTeague, that my point of view is relevant. In the past, you have often been open to Quebec's position, to its view of things. Thus, it would be important that we be able to—

Hon. Dan McTeague: I have a point of order, Mr. Chairman, if I have Mr. Crête's agreement.

That is quite possible, and I accept Mr. Crête's comments. He is quite right. Would he at least agree to let the witnesses go, or does he want them to stay here? I do not think this question is addressed to them, and I do not think the current circumstances are such that all the witnesses need stay here for a number of hours.

I will leave that up to you, Mr. Chairman.

Mr. Paul Crête: I was speaking on my amendment. I can continue with my remarks, and I will respond while I'm making my comments.

[English]

The Chair: Monsieur Crête, you've been asked if you will allow the witnesses to leave.

[Translation]

Mr. Paul Crête: I think we might need the witnesses because we are studying two amendments to a motion. Later on, we will see what happens with the motion. I cannot assume that I am going to win or lose the vote, but if I should lose the vote on the motion, I have four amendments to put forward to the bill. When we are studying amendments, clearly we need to have expert witnesses here so that I can rely on their expertise regarding the interpretation of my amendment if I should require it. Personally, I think their presence here is essential. Since they have been here, we have found out that Quebec did not grant its approval, that the situation was very different in the various provinces and that Quebec has a maximum interest rate of 35%. Our witnesses provided us with all this information. They even told us about the situation in the U.S., and it would be a good idea for us to examine this matter in depth.

Mr. Clarke told us that in the United States this is a matter that comes under state jurisdiction, just as consumer protection comes under provincial jurisdiction in Canada. Mr. Clarke did not tell us whether American states have to get the federal government's blessing on this—perhaps we can find out from him during the debate—or whether they can simply forward the information to the federal government. Information about how the American system works might be helpful in what we are doing here, even though we do not intend to copy it in all its details. I think it is important to have witnesses here.

In the amendment, I left in the words “generally supported by the provinces” and I added “with the exception of Quebec”, because I had the clear impression that—

[English]

The Chair: Mr. Crête, Mr. Carrie has a point of order.

Mr. Colin Carrie: Thank you very much, Mr. Chair.

I'd like to ask the honourable member—he does have an amendment, and I'm willing to vote on it. I think everybody would like to vote on it.

It's clear that the witnesses are here right now, and if you have some questions for the witnesses, it would be reasonable to ask them. This is being very unreasonable to these witnesses, who have come forward to give us the information as well as they can. If you do have some questions for the witnesses, I'd say to be reasonable, ask your

questions of the witnesses so we can get the information we need, and we can move forward by voting on your amendment.

The Chair: Mr. Crête, are you speaking on this point of order?

[Translation]

Mr. Paul Crête: Yes. I did not move a motion, it was the member in question who did so. All I did was move an amendment to his motion. We are debating the amendment, but ultimately, we will be debating his motion. I did not stop to allow committee members to ask our witnesses questions, he is the one who interrupted our questioning. Once we have finished debating the motion, we will see what happens. During that time, I cannot run the risk of sending the witnesses away, in case I win the debate and get a majority to vote in favour of the amendment I have put forward or for any other motion that might be acceptable. We should not be wasting our time and we should be able to ask the witnesses questions. I repeat that I do not necessarily have any questions to ask them about the motion, but I will have questions for them later on, once we begin studying possible amendments to the bill. There are four amendments which I submitted to the committee some time ago. I would like to continue the debate and defend my position on this matter.

• (1645)

[English]

The Chair: Mr. Crête, I just want to point out to committee members something about points of order.

A point of order is to point out a deviation from the rules or practices; what we've been having is matters of debate. That's what points of order are, technically. Also, you cannot move a motion on a point of order. That's just a clarification for the sake of the rules and for members' edification.

We return now to Mr. Crête and to debating his amendment on the motion.

[Translation]

Mr. Paul Crête: Thank you, Mr. Chairman. I will explain my amendment again and provide a context.

At line 5 in Mr. Carrie's motion, it says:

Bill C-26 is generally supported by the provinces because it allows them the option to regulate payday lenders through an exemption from section 347 of the Criminal Code to those who have measures in place to protect borrowers.

This bill should not apply to Quebec, because the option offered does not respect Quebec's right to look after its own consumers' rights. It imposes conditions which create a framework and an evaluation by the federal government in an area where this has not always been and still is not necessary. It would be different if the bill were written in such a way that Quebec could simply inform the federal government that it had its own legislation, and this is something which any other province could do as well. If the other provinces truly prefer to send all of their bills to the federal government to ask whether they are in accordance with section 347, I would be willing to accept this type of asymmetric federalism. I do not object to the provinces needing some kind of authorization from the federal government, but I do not want Quebec to have to play along.

I am trying to remember when the Office de la protection du consommateur was created. I remember back when Ms. Payette prohibited advertising aimed at children. The Office de la protection du consommateur was probably created by a Liberal government in Quebec, either that of Jean Lesage or Robert Bourassa. I apologize for not knowing my history well enough to pinpoint the exact date. But, in any case, these were very dynamic and progressive measures, as were the ones taken to create day care services, which were much more progressive than anything else available in the rest of the country.

I think that someone—Mr. Bartlett or Ms. Jenkin—said that this practice was developed in the United States in the 1990s. But in Quebec, we had measures in place well before then, which points to the difference between the two approaches.

This bill is trying to make legal something which is already happening because several provinces have realized that it was going too far and some of the things that were happening were illegal and spinning out of control. In Quebec, the problem was tackled and the situation was regulated. Our maximum rate is 35%. Today, we are being told that we need authorization from the federal government to do this. That's why I have a huge problem supporting the motion as it stands, and all the more so because the motion implies that we are ready to put it to a vote. However, we have not heard from a single province or any other witness, apart from officials, and we have not even heard the witnesses answer members' questions.

If we allow Mr. Vincent to ask questions of the witnesses, we might take a break from debating the motion, as I am sure that there will be additional questions.

It is very important to respect provincial jurisdictions. I read the letter from the Consumers Council of Canada. They don't share my point of view, but ask why it is so important to adopt this amendment to the Criminal Code as quickly as is happening right now. The council says that it would result in each province having its own system. I have nothing against each province having its own system, but I think we need to take much more time before adopting this bill. I don't think it is necessary to settle the matter before Christmas or New Year's. We really need to have a more in-depth debate.

I would really like the committee to ask the Government of Quebec for its official position on this matter. If the committee agreed to write to the person responsible within the Government of Quebec or to the intergovernmental affairs minister to find out what the position of Quebec is, and if ultimately the Government of Quebec said that it did not object to the bill and that it could live with it, then we would see what our position is. I think that would be more reasonable than bulldozing the bill through.

You know, there are differences between bills. When you debate a matter for 14, 25, 38 or 75 hours, when 250 amendments have been presented and they have all been debated, it is possible that people are only talking to kill time.

•(1650)

Personally, this is the first time I debate this bill. This is just the first hour of debate in committee. And if memory serves me well, this bill was sent to the committee by the House of Commons to be studied, so that we could look at the issue in depth.

Therefore, we must deal with two issues. First, the respect of provincial jurisdictions, which, ultimately, is important; but it is just the framework. Second, will this framework work well?

Imagine the following situation: after a bill becomes law, a citizen or group of companies in Quebec writes to Prime Minister Harper to ask him to amend existing legislation in Quebec because this group has not managed to convince the government of Quebec to change it. In other words, these people would turn to the federal Prime Minister to revoke the designation contained in the document. Just imagine the can of worms if we so much as open the door to that possibility! In my opinion, this would not be satisfactory.

However, if the bill included wording indicating that the existing legislation in Quebec would simply be tabled, that Quebec already has legislation to that effect, we will not be opening a can of worms. When Mr. Harper receives the letter from Quebec, he would say that the matter does not fall under federal jurisdiction, that he realizes that Quebec already has legislation, and that Quebec should settle the matter itself. In my opinion, this would respect the true spirit of federalism as far as this issue is concerned.

But as it is worded, we would potentially be opening the door to federal members of Parliament being pressured to get Quebec to change its legislation. I think this is rather unhealthy in view of what is already happening in this sector. So my amendment would be made to that sentence.

The next sentence reads:

I move that the committee is ready to continue through the clause-by-clause review of Bill C-26, with the objective of completing our review, and sending the bill back to the House of Commons today.

It appears that my first amendment—except for Quebec—makes the second sentence redundant. Indeed, how can the committee decide today that it has already settled the matter, when in fact we have not even analyzed it? I have not heard the opinion of a single member present here about this issue, nor whether any member thinks it makes any sense or whether the government of Quebec is sufficiently protected in this area.

Mr. McTeague seems to want to give his opinion by saying he is ready to vote, but that is not how I feel.

Hon. Dan McTeague: It's to protect consumers, Mr. Crête.

Mr. Paul Crête: Yes, I agree with you on that point. Indeed, as far as protecting consumers is concerned... Let's talk about consumer protection. For about 40 years now, Quebec has had a consumer protection act. The legislation has passed the test of several different generations and has ignited a great deal of social debate. In that regard, we find we have enough maturity to decide how to tackle the issue.

Cultural practices can vary from one province to the next. For example, I'm thinking of a province which was initially founded by people from certain communities, and for whom money and credit were very important things: Nova Scotia. In fact, the Scots were largely responsible for creating the Canadian banking system. So Nova Scotia might have an approach which is different from that of British Columbia. It depends on the people who settled each of these territories.

Different types of influences took hold in different places. For example, the Mouvement Desjardins—the Desjardins credit unions—is currently working on a microcredit project somewhere in Africa; this project was promoted by a man from Bangladesh who has just won the Nobel Peace Prize. The rate of 35% which was established in Quebec was greatly inspired by the Mouvement Desjardins, which initially was created to get rid of loan sharking. When Mr. Desjardins created the Mouvement Desjardins, he wanted to put the village loan shark out of business. He wanted to find another way to fill the void. So he created the Mouvement Desjardins, which gave people the opportunity to put their money in the bank, to earn a bit of interest and to have access to a regular account.

• (1655)

Following this movement, the Quebec government decided to create a law based on existing legislation and determined that for this kind of transaction, the maximum rate was 35%.

This law existed even before the new trend spread across North America and before this bill proposed such a practice. As opposed to the Quebec legislation, the lenders are more interested in this bill than the borrowers are. In Quebec, the people at the grassroots wanted to have a standard practice like the one developed by the Desjardins Group, to ensure that no one got caught in an unlivable situation because of these things. This is how the Consumer Protection Act was created.

As I understand it, the federal government is proposing a bill that is mainly supported by companies that provide loans of this kind, because they want to have a legal framework for their operations. They have every right to want it. They could also want a standard framework for the entire country, as they could want this framework to develop differently in each province. That is the situation.

I think that this is what really justifies the amendment. It would be improper to adopt this kind of legislation if it obliged Quebec to ask for the federal government's authorization.

Let me tell you in detail what I would propose if the amendments were adopted. After studying this bill, we put forward four amendments. The first intends to clarify the definition of payday lending and does not necessarily raise the jurisdictional issue, although it would create different systems based on the size of the loans, and this would have quite a negative impact. The other three amendments all have the same objective, which is to get rid of the veto rights that the federal government is claiming for itself in a field that is not under its jurisdiction, namely, consumer protection.

In the current draft legislation, not only does the federal government oblige the province that wants to legislate payday lending to implement a licence system, but it also allows Ottawa to impose its own view regarding consumer protection legislation. This is a roundabout way of doing something that cannot be done directly. They want to extend their influence...

Earlier, I gave the example of someone from Quebec who could ask the federal Prime Minister to change the Quebec legislation. In addition, there could be people in other provinces of Canada who have developed their industry and who could write to the Prime Minister of Canada to say that they want to enter the Quebec market,

but that in order to allow them to do so, the legislation in Quebec would have to be the same as in the rest of Canada.

In this sense, they would be putting pressure on an authority that should not be put under such pressure. These people have the right to want to influence Quebec legislators so that they amend the Consumer Protection Act, but as a legislator in the federal government, I do not want to allow this kind of pressure to be put on the federal government rather than on the Quebec government.

One of our amendments, number 2524665, specifically deals with the licence issue and is more flexible because it allows each province to choose its standards for approving payday lending businesses. Thus, rather than impose a licensing system, our version allows each province to approve payday lending businesses in the way that works best for it.

Another amendment, number 2524712, seeks to repeal a condition belatedly imposed by the federal government. On the one hand, the federal government has no jurisdiction over consumer protection and it has no right to impose its will through reviewing the legislation of Quebec and other provinces.

Another amendment, number 2524742, has a similar objective. It seeks to prevent the federal government from exercising a veto right over the legislation of Quebec and of the provinces, and from arbitrarily taking away their power to legislate the payday lending industry. The Quebec government takes its responsibilities seriously. It was elected by the people, it has a mandate from the people, it is serious about protecting its citizens and it has every right to take every measure it deems necessary to regulate the industry.

• (1700)

The last part of subsection 4 deals with a veto right over the legality of protection measures taken by Quebec and by the provinces.

As far as we are concerned, the federal government has neither the expertise nor the jurisdiction to decide whether consumers are adequately protected by consumer protection laws. It is up to Quebec and the provinces to choose their consumer protection methods.

For all these reasons, I think that I have put forward a useful amendment that should be adopted by this committee. If other members want to intervene regarding this issue, they can do so right now.

[English]

The Chair: Mr. Crête, do you see a time when you will finish discussion of your amendment?

[Translation]

Mr. Paul Crête: I can surely cover the arguments proposed around this table and finish my presentation on this amendment within 15 minutes.

[English]

The Chair: Mr. Carrie, do you have a point of order?

Mr. Colin Carrie: Yes. When the honourable member started, he said he wanted to point out the merits of his amendment. I think he has done a good job of explaining it to the three parties here, and we understand the merits.

Mr. Chair, I know I'm putting you in a difficult situation, but if you'd like some guidance from the other members, I think the majority of the members understand the merits of his amendment and where he's coming from. He's being very repetitive, and we could put the question to a vote.

The Chair: Mr. Crête, on the same point of order.

[*Translation*]

Mr. Paul Crête: I would like to understand how this is a point of order. He asked the chair if it is possible to end this debate. He also asked me whether I have finished presenting my amendment. This does not seem to be a point of order as such. Nevertheless, I can tell him that once he has finished with his arguments, I could perhaps conclude my presentation about this amendment within a few minutes. However, if other members want to speak out, it is obviously not up to me to decide who has the floor: it is up to the chair. I am ready to continue the presentation of my arguments regarding the amendment, if we are through with the point of order.

[*English*]

The Chair: I think what Mr. Carrier was raising in his point of order, Mr. Crête, is that you were being repetitive and that some of your comments were not relevant to the amendment you are putting forward.

An hon. member: [*Inaudible—Editor*]

The Chair: One person at a time. When I recognize someone, that is when they may speak. We should keep some order.

With respect to relevance and repetition, I'm advised that as chair I'm supposed to allow the broadest range. I think you've stated your point very well, Mr. Crête, so I encourage you to wrap up your argument. If we can move to the question on the first amendment, I would certainly appreciate that.

[*Translation*]

Mr. Paul Crête: All right. Let me conclude by simply saying that within the general framework of this proposal, I think that it would be appropriate to state very clearly that Quebec does not support this draft legislation. This is the point I wanted to make during my allotted time, that I am using to put forward my arguments on this file and convince my colleagues. In that sense, I am ready to let other concerned members speak out about this issue, if they wish to do so.

• (1705)

[*English*]

The Chair: Thank you, Mr. Crête.

Do we have any others who want to speak to that?

Monsieur Vincent, you have the floor on the amendment, with the exception of Quebec.

Hon. Dan McTeague: Mr. Chair, excuse me, I think the rules will demonstrate—

The Chair: Is this is a point of order, Mr. McTeague?

Hon. Dan McTeague: Yes. I have two points. I think the right is given to any other party to speak before another member of the same party.

I'm wondering if you would receive the advice that the motion before you presented by Mr. Carrie is indeed out of order. The motion itself is argumentative. It's a substantive motion that deals with argument and therefore is not receivable. Further to that ruling, I propose that we move immediately to clause-by-clause of the bill. That is my counter-proposal, if you deem that this is ruled as argumentative.

If you seek it, you will probably determine that the substance of what is put forward by Mr. Carrie's motion is indeed argumentative, and the simple motion is to proceed to clause-by-clause.

The Chair: Thank you.

On the same point of order, Monsieur Crête.

[*Translation*]

Mr. Paul Crête: I am trying to unravel all that.

The Conservative member tabled a motion, and I amended it. The motion and the amendment were both deemed in order. Now, Mr. McTeague is saying that the motion is not in order.

I would like the clerk or the chairman to tell me how they can determine whether the motion is in order. It was deemed in order, and so it remains. We cannot all of a sudden decide that a motion is no longer in order. I must confess, despite my experience as a parliamentarian, that I do not know of any way of annulling a motion's receivability. I have never seen anything like it.

Could you share your expertise or the clerk's expertise with us regarding this issue?

[*English*]

The Chair: Thank you, Monsieur Crête.

I'm quickly becoming a procedural expert here.

It's correct. I did rule on the motion, and I ruled the amendment in order. I'm advised that it is in order, unless a member of this committee challenges the ruling of the chair. Mr. McTeague can, if he chooses, challenge my ruling that both the motion and the amendment are in order.

Hon. Dan McTeague: Mr. Chair, with great regret, I would challenge the chair on this. If you look at the substance of what has been put forward, this is not a normal motion. This is in fact an argument. It's an argument that gives rise to a debate and that has had the consequences of one particular member in effect filibustering.

My concern, substantively, is that I think in the ruling you gave— if you look at your initial comments—as to whether you could receive it as a motion within the context—

An hon. member: [*Inaudible—Editor*]

Hon. Dan McTeague: Excuse me. Allow me to finish my point.

Within the context of being able to receive it, Mr. Crête felt that he probably couldn't receive it. You did not rule on the question of substantiality but on the question of argument.

I therefore believe the challenge is placed before you, Mr. Chair.

The Chair: On a question of privilege, Monsieur Crête.

[Translation]

Mr. Paul Crête: Mr. McTeague said that I was filibustering. In fact, I explained for the first time an amendment to a motion that had not yet been debated and I set out my position.

I've just received a note that is personally addressed to me, that comes from the minister's office in Quebec. They fully support my position. As I have it here, I could share it with you, but I do not want to get into that.

With regard to privilege, I have not tried to filibuster in any way. This is not the third day, but it is the first half hour of a debate on a bill that will change the way things currently work all over Canada and Quebec. In that sense, I do not think that I am filibustering.

Mr. McTeague, you do not know what a real filibuster is.

[English]

The Chair: Monsieur Crête, I'm advised that it is not in fact a question of privilege. We have a challenge of the ruling.

[Translation]

Mr. Paul Crête: What is this about?

Are we entitled to debate the protest?

[English]

The Chair: Mr. McTeague has challenged the chair's ruling with respect to the admissibility of the motion and therefore the admissibility of the amendment.

• (1710)

[Translation]

Mr. Paul Crête: On a point of order.

[English]

The Chair: Point of order.

[Translation]

Mr. Paul Crête: We have been debating this motion for three quarters of an hour to an hour. We cannot contest an opinion after such a long time. We would need the committee's unanimous consent, but as far as I am concerned, I will not give my consent.

Mr. Chairman, please check with the clerk.

[English]

The Chair: Mr. Crête, the clerk is free to add, but the advice he gave me is that I ruled the motion and the amendment in order. The only way it would not be in order is if the ruling of the chair was challenged. Mr. McTeague has subsequently challenged the ruling of the chair.

Do you wish to add to that?

Hon. Dan McTeague: On a point of order, Mr. Chair, I also added that a motion be put forward that we immediately go to a vote on clause-by-clause, without amendment.

The Chair: Let me deal with one member and one motion.

We have to deal with the challenge to the chair first. We will deal with the motion Mr. McTeague is making after the challenge to the chair, depending on the outcome of that vote.

We're moving to the vote on the challenge of the chair.

[Translation]

Mr. Paul Crête: The point of order is about an objection. A debate was raised about this motion that had been deemed in order. We've been debating it for three quarters of an hour now. How can we judge whether it is in order when the debate has already gone on for three quarters of an hour?

Personally, I will feel deeply frustrated.

[English]

The Chair: Mr. Crête, with due respect, a point of order was raised by Mr. McTeague, that the motion was out of order. I responded by saying that I ruled the motion in order and I ruled the amendment in order. The only way for that ruling to be changed was for the chair to be challenged. Mr. McTeague subsequently challenged the ruling of the chair. He has done so according to, procedurally, every correct means. He has the authority to challenge the ruling of the chair and he has done so, so we're moving to a vote on that. We are proceeding in a manner that is procedurally correct, according to the best advice that I'm given. We're moving to the challenge of the ruling of the chair.

[Translation]

Mr. Paul Crête: If we create such a precedent today, we could dredge up resolutions that are two or three months or even a year old to contest them. The same rules apply here. They are pretending that they can challenge a decision that was already adopted. I hardly find this acceptable. I can hardly see how this could be justified.

[English]

The Chair: Mr. Crête, I'm relying on the advice of a clerk with an awful lot of procedural experience in the Parliament of Canada. I have full confidence in his advice on this matter, so I'm going to the question.

Shall the chair's ruling that the motion is in order be sustained?

(Ruling negated: nays 8; yeas 2)

The Chair: I've been challenged and I've been overruled.

Hon. Dan McTeague: I therefore move that this committee move to clause-by-clause consideration of Bill C-26 as amended.

The Chair: Mr. Carrie.

Mr. Colin Carrie: On the word "immediate", I would like to agree with that, as an amendment.

Hon. Dan McTeague: As an amendment.

The Chair: The motion is that we move to clause-by-clause consideration of Bill C-26, and the amendment by Mr. Carrie is that we move immediately.

• (1715)

[Translation]

Mr. Paul Crête: With a subamendment by Paul Crête. In the subamendment, we add the words: "after we have heard all the witnesses proposed by the members".

[English]

The Chair: I'm advised that you can't move an amendment to an amendment, but you can move a subamendment. Mr. Crête has moved a subamendment.

[Translation]

Mr. Paul Crête: I want to speak about the subamendment. I certainly have the right to do so.

[English]

The Chair: Do you want to speak your subamendment?

[Translation]

Mr. Paul Crête: Yes.

[English]

The Chair: Debate.

[Translation]

Mr. Paul Crête: In my opinion, if my subamendment were adopted, we could then receive all the relevant witnesses. Afterward, we could proceed with the question. Let me read out for you the letter from the Consumers Council of Canada. Please excuse my English.

[English]

It is dated Monday, December 11, 2006, regarding BillC-26, An Act to amend the Criminal Code (criminal interest rate), and is addressed to the chair and members of the Standing Committee on Industry, Science and Technology. It says:

The Consumers Council of Canada wishes to make known to the Committee that it has serious concerns with the proposed amendment to the Criminal Code.

The Consumers Council of Canada believes that it is in the best interests of Canadian consumers to have the federal government establish the rates of interest charged on convenience loans, commonly referred to as payday loans.

Should the proposed amendment be passed, provinces will establish different levels of charges permitted for such convenience loans. Indeed, some provinces will not seek federal permission to establish rates and therefore continue the practice of permitting criminal rates of interest being charged. This would not be in the best interests of consumers and is contrary to all the harmonization reports currently underway.

The Consumers Council of Canada also believes that it would be in the best interest of consumers to have banks and credit unions develop convenience loan products.

We urge you to consider the best interests of consumers in amending the Criminal Code.

[Translation]

I wanted to state that the Consumers Council of Canada could be invited as a witness. We could also invite banks, credit unions, and savings and credit cooperatives. After all, they are relevant stakeholders in the banking business. As regards the letter from the Quebec government, it is not an official opinion and I cannot share it with you word for word. However, I am convinced that the Quebec government minister will be in touch with the Minister of Industry Canada or the Minister of Justice, to make his opinion heard.

I will not read the entire opinion, but I can assure you that it exists. You will have to trust me on this point. Broadly speaking, they say that they have no reservations about the substance of this issue, but they do want to ensure that Quebec's prerogatives and legislation are respected. I think that the administrative designation procedure should be withdrawn, which would ensure that Quebec's jurisdiction over consumer protection is respected. To me, this letter confirms how important it would be to invite these people as witnesses.

This is why my subamendment mentions the possibility of inviting all relevant witnesses. There are others. I mentioned the Consumers Council of Canada, but we could also have the Union des consommateurs. It could be useful to hear the opinions of those who proposed this system, those who met us and who insisted that legislation be adopted regarding these things. Perhaps we could also invite citizens who are grappling with this situation and see whether some of them want to tell us how they are coping with it and how they feel about the possibility that the maximum rate could be 35% in Quebec and some other rate somewhere else.

To me, the essential part is that we have before us a bill that deserves to be passed. I hope it will be passed as soon as possible, if it respects Quebec jurisdiction. Up to now, from what I have heard, that does not seem to be the case. This is why I would like to invite witnesses. We could also invite neutral experts on the Constitution and a legal expert to find out whether the proposed amendments deserve consideration.

I think that we have what we need to perform a good study of the entire bill. My subamendment seeks to enhance the motion. It says that we should vote as soon as possible once we have all the needed information. Well, as far as I am concerned, we do not have the required information at this time. This is why I hope to propose this subamendment. I do not know whether Mr. McTeague will contest the validity of his own motion. He might well decide that it goes against the Standing Orders and want to put a different one forward.

• (1720)

Besides all the parliamentary procedure issues, it would be important for the members of this committee to understand that the Quebec government has a responsibility with regard to this issue that it has jurisdiction over this issue and that the Quebec government is not satisfied with the way the bill is drafted.

I am not dissatisfied with this just because I am a separatist; not only are Quebec federalists dissatisfied as well, but so is the Quebec government, the government that the people of Quebec elected. Now the Quebec government is saying, through its Department of Justice, that it is opposed to adopting this bill as it is currently drafted.

A voice: There is a list.

Mr. Paul Crête: Excuse-me, but I was interrupted by some noise.

A voice: He said that he wanted the list. I agree with that.

Mr. Paul Crête: Personally, I have no problem with that. I am ready to invite the Quebec justice minister. Besides, let us send him an invitation, and he will tell us whether he's ready to appear or not. He could appear before us or he could write us a letter stating in a more official way what I have in this text. He can also get in touch with the federal Minister of Industry, and after discussion, the government could amend this bill. Thus we could finally adopt this bill so that in the rest of Canada, a payday lending industry can develop in a way that is well managed, well adapted to the situation in each province, but that, at the same time, respects Quebec's jurisdiction.

This is what I had in mind when I put forward my subamendment. To be fully explicit, I say “after having heard all the witnesses proposed by the members”. Of course, if other members want to propose witnesses, I am not the only one competent to do so. If Mr. Vincent or any other committee member has a list of witnesses, it would be important to proceed and gather all the needed information to adopt a bill that does what it is supposed to do.

This is more or less what I have to say about my subamendment as I drafted it. When the time comes for the question, I want us to read again the basic motion, the amendments and the subamendment so that committee members can have a proper view of the whole picture, with all the nuances that are in the subamendment, the amendments and the main motion when it is amended.

This is what I had to say about this subamendment. Further on, I will be pleased to speak about the amendment put forward I think by Mr. Colin Carrie. Depending on how things go—

• (1725)

[*English*]

The Chair: We're only speaking to your subamendment here.

[*Translation*]

Mr. Paul Crête: As a matter of fact, I am only speaking about the subamendment.

If the subamendment is adopted it will be easy to vote in favour of the amendment. On the other hand, if the subamendment is not adopted, it will change everything. I am putting this forward to show you the relation between it and the entire proposition we have before us, and this could be constructive if we respect the things that must be respected.

I said: “witnesses proposed by the members”, without specifying whether I meant MPs who are members of the committee or MPs of the House of Commons in general, but this is something that we can decide in this committee. In fact, members who are not here could wish to propose witnesses. The text is not specific on this point and I am sorry about that. If the subamendment is adopted with the words “by the members”, the committee will decide how to manage it.

If we say “witnesses proposed by the members”, it means that we will have to leave some time for those suggestions to be made. We would need between 12 and 24 extra hours to send out the formal list of the people whom we would like to hear and to send out written notices. This will avoid discussions, arguments, or misinterpretations regarding the relevance of the witnesses we choose for studying this bill, following the testimony of department officials we have already heard. Hearing these witnesses would help us to weigh the pros and cons and to make better decisions about these issues.

We heard the testimony of officials who have responsibilities towards the federal state and who are very committed to their task. I understand very well the point of view that they expressed. However, as an elected member, my responsibility is to go beyond what the experts say and to hear the opinions of other people, especially regarding the respect of Quebec's jurisdiction.

Besides, it would be important to hear witnesses regarding a certain amendment. Our first amendment clarifies the definition of payday loans. In the current draft, it seems that payday loans have no

ceiling. Provinces could legislate only with regard to loans under \$1,500. This would create different systems according to the amount of the loan, which will have a negative impact. It is better to include the ceiling in the definition of payday lending.

It would be important to hear witnesses, even if only on this amendment. I may not be alone in wanting to put forward amendments to the bill. Perhaps Mr. Vincent or other members would also bring some forward after hearing the witnesses. Then we could add them to the list to get a better view of the situation.

I've studied many bills in Parliament. I do not claim to know it all. Remember Bill C-55 on bankruptcy rights that we rammed through last year. All of the political parties supported it. We did the whole thing in one day and then we realized that the act could not be enforced because of some serious problems. I think that the same thing is happening today.

[*English*]

The Chair: Mr. Carrie has a point of order.

Mr. Colin Carrie: Mr. Chair, he's talking about another bill, Bill C-55. It's irrelevant to what we're talking about here.

The Chair: On the same point of order, Monsieur Crête.

[*Translation*]

Mr. Paul Crête: I gave the example of Bill C-55 that was rammed through, too quickly and with good intentions. A year later, it is still not being enforced because there is no way of enforcing it. Therefore, we must discuss this bill because the same thing could happen again. It would be most unfortunate, and we would not be serving our population.

Imagine if we adopted this bill and then realized that it could not be enforced because we were too hasty. In three months, this could raise a paralyzing constitutional debate. Imagine what would happen if the Quebec government asked the Supreme Court whether this is constitutional. I do not think that that would help one bit. We have the responsibility, as legislators, to ensure that our legislation respects the Constitution.

That is what I wanted to say regarding the point of order raised by my friend Mr. Colin Carrie.

• (1730)

[*English*]

The Chair: Mr. Crête, you did ask that the motion be read, and the amendment and subamendment. Could I please have the clerk read that?

Mr. James Latimer (Procedural Clerk): Mr. McTeague moved —

[*Translation*]

Mr. Paul Crête: I think that we had expected to finish at 5:30 p.m. It is past 5:30 p.m. The vote will have to be held at a subsequent meeting.

[*English*]

The Chair: No. It's my understanding, and perhaps the clerk can clarify the rule, that the committee is not actually adjourned until there is a motion to adjourn, because we're on the subject of Bill C-26.

[Translation]

Mr. Paul Crête: Do the Standing Orders not say that the hearing is to be adjourned at 5:30 p.m. and that if it is to be extended, a motion has to be adopted?

[English]

The Clerk: Mr. Chair, this is not like in the House, where there are many written rules and provisions about when the House shall adjourn at a certain time. As you well know, a committee chair technically cannot adjourn on his own,

[Translation]

on his own.

[English]

It takes the agreement of the committee to adjourn.

[Translation]

Mr. Paul Crête: Mr. Chairman, I move that we adjourn the meeting. Is this a debatable motion?

[English]

Hon. Dan McTeague: On a point of order, there is a motion on the floor, Mr. Chair. There is a time-honoured practice with the committee. I had indicated earlier to Mr. Crête that he'd best bring his pillows, pyjamas, and other things. We may very well need them. But more importantly, if he has finished his debate, we should proceed to the question.

I call the question.

The Chair: I'm advised that a motion to adjourn supercedes all other motions, and therefore you must move to a motion to adjourn a meeting.

Mr. Crête has made a motion to adjourn.

(Motion negatived)

The Chair: On a point of order, Mr. McTeague.

Hon. Dan McTeague: I raise a point of order that the question now be put to Mr. Crête's subamendment.

The Chair: I am also advised by the clerk that motions to put the question cannot actually be moved in committee.

Mr. Crête concluded his statement, and I was just asking the clerk to read.... My understanding was that Mr. Crête had concluded his—

[Translation]

Mr. Paul Crête: I had not finished. I spoke about the issue of adjournment, because I thought that my presentation would end. We could come back to this again at another meeting. We debated a motion to adjourn. We must continue the debate, and if we continue, I am ready to debate my amendment.

Mr. Robert Vincent (Shefford, BQ): I have a point of order, Mr. Chairman.

[English]

Mr. Massimo Pacetti (Saint-Léonard—Saint-Michel, Lib.): Mr. Chairman, you were asking the question when—

The Chair: Please, wait. Mr. Vincent had a point of order.

[Translation]

Mr. Robert Vincent: Thank you. I raised my hand several times to ask for the floor. A little earlier, I was interrupted by Mr. McTeague. You allowed him to speak because he said that the floor should be given alternately to members of the different parties and that two representatives of a same party could not intervene in a row. He took the floor; I did not object. He put forward a motion, we voted, and I lost my right to speak. This time I will not lose it. I want to be a part of this debate. Let's be clear: no one else will table a motion before I have exercised my right to speak. That is not going to happen. I will not accept this. I asked you for the floor; you told me that you had not given me the floor, but you gave it to someone else and then you did not come back to me. This needs to be set right.

[English]

The Chair: Mr. Vincent, I still have you. You requested to speak, but we have not actually gotten to the second person speaking to the subamendment, because your colleague Mr. Crête was the first person, and he just concluded speaking as of now. Then a point of order was raised.

In fact, you are still on the speaking list, and you will be called upon, if there is no other member of any other party who wants to speak to the subamendment. I will go to you to speak to the subamendment.

But I have a point of order from Mr. Pacetti.

● (1735)

[Translation]

Mr. Robert Vincent: Let me answer that, Mr. Chairman. I will not allow you to say that without answering you. As I already said, Mr. McTeague asked for the floor and got it because he said that two members of the same party cannot have the floor in a row and that the floor should be given to the other parties. When he finished, you did not give the floor back to me, although you had told me to wait. Do not try to tell me that we will have to wait because Mr. Crête has finished and that someone else is next. I have a right to speak and I want to keep that right. I want to have the right to speak about this amendment.

[English]

The Chair: Mr. Vincent, you are on the list as the next person to speak to the subamendment proposed by Mr. Crête, but there was a point of order raised, which supercedes debate. Then you raised your point of order, which supercedes debate, and now we have a point of order from Mr. Pacetti.

We'll hear the point of order from Mr. Pacetti, and then we will move, if there are no other points of order, to your debate on the subamendment.

Mr. Pacetti, we'll hear your point of order.

Mr. Massimo Pacetti: Mr. Chairman, I just felt that we were already voting on a question. Normally in committee, or in the House, when we vote on the question, there is no interruption and we vote on the question. You'll allow Mr. Vincent to speak, that's fine. But I felt that we were in the middle of a vote on the subamendment.

The Chair: No, I was simply reading it because Mr. Crête had asked that the motion, the amendment, and the subamendment be read. That's what I was doing. But in fact Mr. Vincent had indicated that he wanted to speak prior to my saying that.

On a point of order, Mr. Van Kesteren.

Mr. Dave Van Kesteren (Chatham-Kent—Essex, CPC): I don't know if I'm going to be ruled against on this, but out of the goodness of their hearts, can we ask the Bloc, maybe, if the witnesses could be dismissed. It's in a Christmas spirit.

The Chair: I will then ask if the witnesses can be dismissed. Do I have the consent of the committee to do that?

[Translation]

Mr. Paul Crête: No. Pursuant to the motion we just adopted, there is no adjournment. Therefore, I cannot tell them to leave. We might well be here until 6 o'clock tomorrow morning before we need to consult them. You never know.

[English]

The Chair: Okay, Mr. Crête has denied consent for that, so the witnesses will, unfortunately, have to stay.

Hon. Dan McTeague: Mr. Chair, perhaps I could seek the advice of the clerk on this, on the same point of order. I'm wondering whether it might be possible, by straight vote, to allow the witnesses to leave. It's clear that this is filibustering, and whether it's legitimate or not, I don't question that, I just want to make sure that....

There's been no question asked of these witnesses for the better part of an hour, and I think it's clear, in the spirit that Mr. Van Kesteren put forward, that we should consider putting that one, as well, to a vote if it's receivable.

Mr. James Latimer: Mr. Chair, the committee had previously agreed that the witnesses be invited to appear from 3:30 to 5:30. Now, once again, it does not preclude the committee from deciding to keep them longer.

So is there agreement that the witnesses be dismissed?

The Chair: But if we've asked them to appear until 5:30 and it's not 5:30, that would indicate that they should be allowed to leave.

Mr. James Latimer: The committee had ordered that they be invited to appear between 3:30 and 5:30 in the motion they agreed to, so my advice would be that the witnesses could be dismissed.

The Chair: On a point of order, Mr. Vincent.

[Translation]

Mr. Robert Vincent: Mr. Chairman, I have a point of order.

I believe that Mr. Carrie presented a motion a little earlier. Not every member has yet had the opportunity to ask a question. So this is the problem: if he wanted the witnesses to leave, he simply had to wait for the end of questions. He did not do so and presented his motion. Therefore, he should assume the consequences!

Speaking for myself, I did not get to ask my questions and I want to, that is certain. I do not want the witnesses to leave before I ask them my questions. However, we became sidetracked with a different subject. Let's just finish the business at hand, and then, when it is my turn to speak, when we come back to the committee, I will ask my questions.

[English]

The Chair: Well, the advice I'm given, procedurally, is that they were invited from 3:30 to 5:30. This does not deal with the adjournment of the committee, so I am, as the chair, allowing the witnesses to leave. I want to thank them for their time.

I'm obviously sorry about parliamentary procedure getting in the way, but I appreciate your time here. You can stay if you want to. I assume you won't. Thank you.

Now we're resuming debate on the subamendment. Go ahead, Mr. Vincent.

● (1740)

[Translation]

Mr. Robert Vincent: I will take a few moments to make a 60-second digression.

I simply want to point out that the party I represent, the Bloc Québécois, is here to uphold democracy. Today, democracy was dealt a blow because on a committee each member has the right to receive the witnesses he or she wants to hear from.

As well, how is it possible to adopt a bill after such a quick study, without calling any witnesses to explain their point of view?

In any case, it was already clear from the start that Quebec does not agree with the process outlined in Bill C-26. However, you want engage us in this debate only to tell us that, although we have been democratically elected, democracy ends when the chair says so. I don't agree with that.

That's all I wanted to say.

[English]

The Chair: Okay. *Merci, Monsieur Vincent.*

I just want to clarify. The bill was referred to us on November 6, 2006, and the clerk can correct me on this. I guess this will be debate from the chair on the subamendment. I have not received—I don't know whether the clerk has received—one witness recommended by any member of this committee since November 6.

Clerk, have you received any witnesses suggested by—

Mr. James Latimer: No members have submitted any names of witnesses.

[Translation]

Mr. Paul Crête: I have a point of order.

[English]

The Chair: I'm just clarifying that for the committee, that not one witness—

[Translation]

Mr. Paul Crête: I, too, Mr. Chairman, wish to clarify something.

[English]

The Chair: Monsieur Crête, on a point of order.

[*Translation*]

Mr. Paul Crête: Yes. I simply want to provide a clarification. I already presented possible amendments to this bill, and I did this 10 or 12 days ago. I did so in good faith by asking the government and other parties to tell me what they thought. But then I had to ask for their response four days later, when I learned that the issue would not be reopened. There were no other counter-proposals, and at that point, there was no question of adopting the bill quickly; no one had even mentioned that possibility.

This is some additional information I wanted to give you.

[*English*]

The Chair: Thank you.

We'll move to a recorded vote on the subamendment. I think everybody knows what it is.

Mr. Pacetti.

Mr. Massimo Pacetti: Can you clarify what we're voting for?

The Chair: The subamendment.

(Subamendment negatived: nays 8; yeas 2)

The Chair: The subamendment is defeated.

We'll now move to Mr. Carrie's amendment. Recorded.

(Amendment agreed to: yeas 8; nays 2)

The Chair: Let's read the motion as amended.

Mr. James Latimer: The motion as amended is: "That the committee move to clause-by-clause on Bill C-26 immediately."

The Chair: Recorded vote.

(Motion as amended agreed to: yeas 8; nays 2)

• (1745)

The Chair: We will move immediately to clause-by-clause of Bill C-26. We will just wait for a legislative clerk to come forward.

(On clause 1)

The Chair: We will start debate on clause 1 of the bill. No debate?

[*Translation*]

Mr. Paul Crête: I have a question.

I would like the experts to explain section 1 to us.

[*English*]

The Chair: We have no experts here, other than the members sitting around the table.

[*Translation*]

Mr. Paul Crête: We did have experts here, people who were called in to do precisely that, but we sent them away. So since there is no one left to enlighten us, we cannot vote.

[*English*]

Hon. Larry Bagnell: You wasted their time.

The Chair: We did have experts here, Monsieur Crête; you are correct. We invited them to be here from 3:30 until 5:30. At 5:30,

based on procedural advice, the chair allowed them to leave, so we do not have experts here.

(Clause 1 agreed to on division)

(On clause 2)

The Chair: We have four amendments introduced by Monsieur Crête.

[*Translation*]

Mr. Paul Crête: No, there are no amendments. They were sent out, but I am withdrawing them. This masquerade has gone on long enough.

Mr. Robert Vincent: I think you have thumbed your noses at us and at Quebec long enough, so—

[*English*]

The Chair: Just let me clarify, Monsieur Crête. Do you withdraw all four of your amendments?

[*Translation*]

Mr. Paul Crête: Yes.

[*English*]

The Chair: Okay. He's withdrawing all four of his amendments.

(Clause 2 agreed to on division)

The Chair: Shall the title carry?

Some hon. members: Agreed.

Some hon. members: On division.

The Chair: Shall the bill carry as amended?

Some hon. members: Agreed.

Some hon. members: On division.

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

Some hon. members: Agreed.

Some hon. members: On division.

[*Translation*]

Mr. Paul Crête: May I raise a point of order at this time?

[*English*]

The Chair: Okay. We're finished with Bill C-26.

Do you have a point of order, Monsieur Crête?

[*Translation*]

Mr. Paul Crête: I just want to say that this is not the way to build a country.

[*English*]

Hon. Dan McTeague: Mr. Chair, I have point of order.

Some hon. members: No.

The Chair: Order.

Mr. McTeague has a point of order.

Some hon. members: [*Inaudible—Editor*]

The Chair: Order, please.

Thank you, Mr. Chair.

Mr. McTeague.

Hon. Dan McTeague: I accept the concerns that have been raised. I also believe that this committee had the highest priority and the highest intentions of ensuring that consumers are protected, regardless of where they live in this great country.

The Chair: Thank you.

On that note, we will adjourn the meeting.

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